

The Value Buyers and Sellers place on Supply Chain Relationships: A Relationship Value Continuum

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Abstract

In a competitive market, a firm's ability to compete is strongly linked to its business-to-business relationships and their resourcefulness in creating sustainable competitive advantage. Stable buyer/seller cooperative relationships are therefore an essential tool for firms to enhance their organisational performance in the marketplace. To develop and maintain the levels of relationships, participating firms need to recognise the value created by their relationships. Whilst both academics and practitioners tentatively agree on the broad understanding of the term 'value', few studies have identified value from an organisational perspective in the relationship context, other than the single constant of relationship value itself.

This research reviews value from both the customer and organisational perspective and proposes a typology of relationship values. This article provides a relationship value continuum identifying four types of relationship value constructs. This continuum contributes to understanding the worth of the buyer / seller relationships.

Introduction

The term 'value', as referred to in the buyer-seller literature, is as central to the relationship as the transaction itself. Both academics and practitioners appear to agree on the broad interpretative appeal of the word value. Value has been defined as the trade-off between the "...price given and components received.... and is at the core of buyer-seller exchange" (Zeithaml, 1988, p 14).

Consumer research on the concept of value has included three main interpretations of the term value: consumer consumption value, perceived value, and customer value, which is sometimes referred to as relative value. These three forms of value refer to what customers want and believe they will receive from buying and consuming the seller's product (Woodruff, 1997). In contrast, for an organization, value is derived from a transaction, created through the relationship rather than the product or service exchanged (Gronroos, 1997; Woodruff, 1997; Wilson and Jantrania, 1994).

The organization can create 'value' for itself and its customers by participating in value chain activities (Porter, 1985). Better market positioning enhances organizational value, which provides competitive advantage over rivals (Porter, 1985). To ensure that 'value' is generated and received by both the buyer and the seller, relationships in the channel must be cooperative and reliable. Various authors emphasise good inter-firm relationships (Sako, 1992), noting a variety of benefits from these win-win situations.

Disciplinary Perspectives of Value

In order to develop a broad-based working definition of value for the Buyer/Seller relationship, this project examined the use of the construct in a number of business disciplines. These included economics, management, logistics, and marketing. The resulting typology consists of four value sets which focus on reduction of trading costs, reduction of uncertainties, trust and commitment, and mutual development. Each is further operationalised into specific examples of value types used in current research and is further divided into values for buyers and sellers.

Economics Perspective

Economic principles require that the value equation include the resources employed in the transaction, versus the resulting benefits received from the transaction (Werani, 2001), termed “utility”. Utility is considered to be satisfaction derived from consumption (Douglas and Callan, 1995). The value of this benefit is measured by how much a customer is willing to pay for a product, and the sacrifice they make to obtain it. Thus, for economists, price is the dominant measure of value. Other measures, such as attitudes and familiarity, are not addressed or represented in the price, and is a limitation of economic measures of value.

Management Perspective

For management, value results from exchange over time, and includes both shareholder and stakeholder value. Value is thus the desired outcome of a firm utilizing its “...ability to perform better than the competition using human, organizational, and physical resources over time”. (Hillman and Keim, 2001, p 127). The resource-based view (Barney, 1991; Hogan, 1998) emphasises intangible, hard-to-replicate resources that create value for shareholders (Barney, 1991), a result of competitive relationships and alliances (Das, Sen and Sengupta, 2003). Value-based planning provides a means for the firm to choose between strategic alternatives (Varaiya, Kerin, and Weeks, 1987), in terms of the expected impact on firm profitability and growth.

The management discipline focuses on value to the firm and shareholder by maximizing competitive position in the marketplace. Value-creating activity centers around the operations and manufacturing activities of a firm. It is at this level that the value of the product is established, creating activities that transform raw products into higher value items. With the assistance of a more valuable product base, the firm can enhance its value-adding activities to include maximizing its competitive position. This is achieved by obtaining the maximum return on its resources as a result of operating with other firms, in cooperative relationships. While this perspective doesn't provide an understanding of specific transaction characteristics, it justifies the evolution of these transactions into relationships that ultimately benefit the shareholders in the long term.

Logistics Perspective

Logistics creates value in three ways: via time and place utility and by value added. The two methods, time utility and place utility, suggest that a portion of the value of a product relates to the logistics provider ensuring that the customer can obtain the product at the right place and at the right time (Coyle, Bardi and Langley Jr, 2003). The value-added concept reflects the logistics provider's attitude towards enhancing and customizing their product and service base for a customer.

This form of value adds to the customer's existing trading environment in the form of increasing efficiency and eliminating unnecessary costs, also increasing returns to the suppliers. The logistics and supply chain management discipline acknowledges that 'value' is an outcome of providers streamlining their processes and offering different and more comprehensive packages of service to their clients. Within logistics, there are three categories of mechanisms that can be used to create the value outcome: efficiency, differentiation and effectiveness (Novack, Langley and Rinehart, 1995).

Efficiency creates value by reducing duplicated service processes and by cooperatively utilizing the services of other channel members in a coordinated team approach. Differentiation adds value for the client by customizing a unique package of services, enabling the client to be more competitive in their market. Effectiveness value is derived for the receiver when the provider's performance exceeds the customer's expectations. These value drivers aim to reduce costs within the transaction to both the customer and the logistics provider, and to motivate the provider through customers' repurchase behaviour. Therefore, logistics management looks at how this creates value by focusing on inter-firm relationships. The key driver of value for the logistics manager is efficiency, but at the operational level and in the medium-term time horizon.

Marketing Perspective

The value proposition, from a marketing perspective, is customer focused. This customer value perspective emphasizes the importance of the customer's perception of value for a product and related services (Bowersox, Closs and Stank, 2000). Value assessment from a customer's viewpoint created the emergence of the 'buyers' view of value.

Since the perception of value is directly linked to the organization's ability to satisfy the customer, business-to-business (B2B) customers derive value from the transaction itself and from the outcome of the business relationship. This value outcome, which is beyond transaction value, is referred to as relationship value.

Transaction Value

In participating in the transaction or exchange, the buyer benefits from direct outcomes of value, such as low price products, good quality products, and efficiencies that result from the transaction (Hogan, 2001). This type of B2B value is also defined as "...the worth in monetary terms of the economic, technical, service and social benefits a customer firm receives in exchange for the price it pays for a product offering" (Anderson and Narus, 1999, p 5).

Relationship Value

As B2B relationships develop into cooperative relationships, value from participating in the relationship increases (Wilson, 1995; Webster, 1992; Dwyer et al., 1987). The value derived from the relationship evolves into a key resource (Barney, 1991; Hunt and Morgan, 1995), and value is therefore amassed as the cumulative worth of all the exchanges that occur between the participating firms (Hogan, 2001).

The value proposition to the industrial buyer involves both value from the transaction and value from the relationship. Value from the transaction is a direct outcome of an initial exchange. Thus, for value to be continually derived by the buyer, the level of relational exchange needs to continue. Marketing uses the customer's perspective to

define the value of the exchange that separates the value of the ongoing relationship from the transaction and introduces the intangible aspects of customer value.

Academic disciplines differ in how they define the term "value". However, there is frequently overlap between them with regard to the values that are indicative of different forms of exchange relationships. From a strictly economic viewpoint, value might best be measured in cost-benefit terms. While this measure can contribute to the logistics, marketing, and business management perspectives on value, relationships are also defined by the reciprocal and interpersonal nature of the contact. The transition of value from transaction-based to relationship-based is incorporated in the relationship continuum proposed in this project. From least to most, each step on the continuum includes a greater number of relational attributes.

Buyer and Seller Perspectives of Value

In the previous section, value was explored from a multidisciplinary buyer and seller perspective. It was established that the perception of value depends upon the participant's role in the transaction. This section identifies, extrapolates, and clusters indicators of value from existing literature into value types. The result is a typology of value, grounded in the literature and applied to both buyers and sellers. The resultant typology consists of four value types: reduction in transaction costs, reduction in levels of uncertainty, trust and commitment, and mutual development. Each value type is defined, discussed and operationalised first for the buyer, then for the seller.

Reduction in Transaction Costs (RTC)

This value type represents efficiency-driven exchange outcomes. Efficiency is acknowledged as a result of reducing costs or increasing throughput whilst maintaining cost. These values are reflected in logistics management literature as efficiencies that result from effective transactions and as transaction value aspects of marketing. Table 1 lists values from the buyers' perspective that derive from reduction in transaction costs.

Table 1 Value to the Buyer in the Reduction of Transaction Costs

Value to the Buyer	Author
Efficiency/Effectiveness	Bryne and Markham, 1991; Novack et al., 1995; Langley and Holcomb, 1992
Reduced costs (logistics, transactions, total)	Byrne and Markham, 1991; Scholten, 2000; Cooper et. al., 1990; Bowersox, Closs and Stank, 2000; Mahadevan, 2000; Lambert and Burduroglu, 2000; Laseter 1998; Lewis, 1995; Hartley, 2000
Streamline operations	Fites, 1996; Scholten, 2000
Secure periodic continuous delivery	Bitner 1995; Berry, 1995
System responsiveness (delivery, lead time, logistics)	Rutner and Langley, 2000; Laseter, 1998; Lewis, 1995; Hartley, 2000 Novack et al., 1995; Scholten, 2000
Transfer financial risk	Cooper, Ellram, Gardner and Hanks, 1990
Economic value	Bowersox, Closs and Stank, 2000
Reduce inventory levels	Rutner and Langley, 2000

The value to the buyer can involve the lowest landed cost for a product, and involves lowering the costs associated with distribution, also called logistics costs (Lambert and Baradrough, 2000; Bryne and Markham, 1991). Logistics cost reductions can also be achieved through efficiency and effectiveness in the transaction (Novack et al., 1995) or by shortening lead times (Laseter 1998; Lewis 1995; Hartley, 2000) which reduces cycle times (Rutner and Langley, 2000). This increases the likelihood of more on-time

deliveries (Rutner and Langley, 2000) which can provide the buyer with confidence that they can meet their ongoing customer demands. The net effect of these is an increase in the economic value of their relationship (Bowersox, Closs and Stank, 2000).

For the seller, the RTC value attributes are similar. The seller's focus is also on the efficiency of the transaction, either from an increase in volume and opportunity, or by direct reduction in transaction costs. Table 2 identifies the values derived from reducing in transaction costs, from the seller's perspective.

Table 2 Value to the Seller in the Reduction of Transaction Costs

Value to the Seller	Author
Economies of scale, manage relationships, concentrate on core business	Ellram and Cooper, 1990
Lower marketing costs	Berry, 1995; Reichheld and Sasser, 1990
Economies of scale, scope	Bowersox, Closs and Stank, 2000
Increase efficiency by lowering total costs	Cannon, and Perreault Jnr, 1999
Reduced promotion, transaction costs	Mahadevan, 2000
Lower-cost product designs	Dobler and Burt, 1996
Achieve higher sales	Kalwani; and Narayandas, 1995
High repeat sales	Walter, Mueller, Helfert and Wilson, 2002
Increase order forecast for business transactions	Mahadevan, 2000
Reduce waste	Hartley, 2000
Customer relationship value	Lusch and Vargo, 1998

RTC is a traditional goal of the logistics and distribution sector. While other functions often perceive logistics as an added cost of the sales function, it is a necessity, and therefore performance indicators assess the reduction of costs. RTC seeks to reduce the physical costs in the movement of products from manufacturer to customer, and it tries to reduce duplication of processes and inventory, which is greatly improved with electronic monitoring and information sharing. This can be of value from a seller's perspective and is represented by indicators such as economies of scale (Cooper, and Ellram, 1990; Bowersox, Closs and Stank, 2000; Mahadevan, 2000) and lowering total costs by increasing efficiency (Cannon and Perreault, Jr, 1999; Hartley, 2000; Mahadevan, 2000). From a marketing perspective, reduction of transaction costs to sellers focuses on increasing the opportunity for the seller to supply more of a product into an existing market without having to increase the organisation's marketing costs (Berry, 1995; Reichheld and Sasser, 1990; Mahadevan, 2000). This is also achieved by increasing the seller's product exposure through economies of scope and positioning in the marketplace (Bowersox, Closs and Stank, 2000). A reduction in transaction costs provides the seller security to invest in the market.

Reduction in Level of Uncertainty (RUN)

Uncertainty in both supply and demand contributes to an unstable trading environment. Firms seek to reduce uncertainty to ensure continuity of supply (buyer) and continuity of demand (seller). Trading stability provides firms a platform from which to be more competitive. This value type draws support from the logistics literature, which emphasizes regularity of exchange, whilst remaining efficiency focused. The marketing literature also highlights benefits from being in a regular relationship.

For the buyer, RUN presents indicators that reduce the buyer's risk of uncertain supply (Cannon and Perrault, Jr, 1999), both from environmental and market driven forces (McGuffog and Wadsley, 1999; Flint and Mentzer, 2000; Lusch and Vargo, 1998).

These indicators of value are important for several reasons. It is important for the buyer to be able to rely on continuity of supply, and thus be able to minimize downturn and stockouts (Scholten, 2000). By being able to rely on continuity of supply, buyers gain the ability to manage uncertainty and dependence (Cannon and Perreault, Jr, 1999). This contributes to the control of stockouts (Rutner and Langley, 2000) and irregular supply of product that, in turn, impacts customer satisfaction. This is critical, as a buyer representing a manufacturing facility needs to provide regular reliable supply of components for the manufacturing process. The need to reduce uncertainty in supply encourages buyers to develop regular interaction with key suppliers who can provide continuity. Table 3 lists indicators of this value type, from the buyer's perspective.

Table 3 Value to the Buyer in Reducing the Level of Uncertainty

Value to the Buyer	Author
Minimizes downturn	Scholten, 2000
Reduce risk of uncertainty	Sheth and Parvatiyer, 1995; Bauer, 1960; Taylor, 1974
Manage uncertainty, dependence, risk	Cannon and Perreault Jnr, 1999
Stock-outs reduced	Rutner and Langley, 2000
Reduce environmental uncertainty	Flint and Mentzer, 2000
Sharing technology	Simpson, Siquaw, and White, 2002
Risk reductions	Lusch and Vargo, 1998
Reduction of uncertainty	McGuffog and Wadsley, 1999; Presutti, 1992

The ability to forecast sales, via stabilized supply, is one example of RUN. Another is represented as reduced capacity utilization risk (Ellram and Cooper, 1990; McGuffog and Wadsley, 1999). This is of most value to the seller, however, as it provides information to use for planning, and therefore to minimize uncertainty risks. Table 4 lists indicators of reduction of uncertainty, from a seller's perspective.

Table 4 Value to the Seller in Reducing the Level of Uncertainty

Value to the Seller	Author
Reduce capacity utilization risk, longer planning, long term investment	Ellram and Cooper, 1990
Manage uncertainty and dependence, enhance product development	Cannon and Perreault Jnr, 1999
Reduction of uncertainty	McGuffog and Wadsley, 1999
Reduce environmental uncertainty	Flint and Mentzer, 2000

Trust and Commitment (T&C)

The trust and commitment (T&C) results from previous successful exchanges. Drawn from research in the marketing and business management disciplines, T&C provides short term and increasing long term benefits to both participants, as an outcome of being in the relationship.

Value attributes for the buyer reflect the level of competence (Doney and Cannon, 1997; Achrol, 1997) and credibility that the buyer expects of the seller (Gummesson, 1994). These values represent attributes such as expectation (Fukuyama, 1995), goodwill (Gulati, 1995; Krammer, Brewer and Hanna, 1996), and reputation (Doney and Cannon, 1997). The value indicators that make up the T&C type are important to the buyer, as they provide stability and opportunity. Thus, the buyer is able to utilize and plan for future interaction with suppliers who contribute to the realization of mutual goals. Listed below as Table 5 are the value indicators that represent the 'trust and commitment' value type, to the buyer.

Table 5 Value to the Buyer in Trust and Commitment

Value to the Buyer	Author
Credibility	Ganesan, 1994
Competence, faith, reputation	Doney and Cannon, 1997; Achrol, 1997
Expectation	Fukayama, 1995
Goodwill	Gulati 1995; Krammer, Brewer and Hanna, 1996; Sako, 1992
Reliability to fulfill obligation	Schurr and Ozanne, 1985

Similarly T&C reassures the seller of the buyer's intention to focus on mutually rewarding longer-term relationships. The value attribute of trust is identified as an important prerequisite to alleviate risk and increase mutual cooperation in a relationship (Schurr and Ozanne, 1985, Smith and Barclay, 1997). This attribute and others (listed in Table 6 below) is representative of the value outcomes expected from a seller that could be used to assess the suitability of a buyer for future relationships.

The values listed in Table 6 are characteristic outcomes of successful transactions, to the seller. The trust and commitment value category represents a high level of relational exchange competency and commitment between the buyer and the seller. As with the buyer, the seller utilizes this value category as an indicator of future relationship intentions.

Table 6 Value to the Seller in Trust and Commitment

Value to the Seller	Author
Reliability	Schurr and Ozanne, 1985; Moorman, et. al., 1993
Promise of reliability	Rotter, 1967
Maintain a relationship	Dwyer, et. al., 1987; Schurr and Ozanne, 1985; Morgan and Hunt, 1994.
Credible commitment	Williamson, 1979
Reciprocal acts	Whipple et al., 1999
Goodwill	Gulati, 1995; Krammer, Brewer and Hanna, 1996; Sako, 1992

Mutual Development (MD)

MD signifies value outcomes that benefit both relationship partners. Many projects are only successful if channel partners work together to introduce a new product or enter a new market. Value indicators of MD for buyers are listed in Table 7, and for sellers in Table 8.

Table 7 Value to the Buyer in Mutual Development

Value to the Buyer	Author
Sharing technology	Simpson, Siquaw and White, 2002
New product introductions	Scholten, 2000; Fites, 1996
Relevancy value—custom products	Bowersox, Closs, and Stank, 2000
Inc. service or product quality	Lambert and Burduroglu, 2000; Scholten, 2000
Gaining and sustaining competitive advantage	Simpson, Siquaw and White, 2002, Porter, 1985; Bharadwaj, Varadarajan and Fahy, 1993
Improve quality products	Lambert and Burduroglu, 2000; Cooper, Ellram, Gardner and Hanks, 1997; Laseter, 1998; Lewis, 1995; Hartley, 2000; Fites, 1996
Brand value, image corporate identity	Rutner and Langley, 2000; Scholten, 2000; Fites, 1996; Zeithaml, 1988
Differentiation	Bryne and Markham, 1991; Langley and Holcomb, 1992; Novack et al., 1995
Flexibility	Treleven and Schweikhart, 1988; Ricks, 1993
Competitive advantage through timeliness and flexibility	Rutner and Langley, 2000

Critical to the seller is the opportunity to increase sales from continued exchange by supplying fewer customers than in discrete and repeated selling arrangements (Kalawani and Narayandas, 1995), such as cross-selling opportunities (Walter, Mueller, Helfert and Wilson, 2002).

Table 8 Value to the Seller in Mutual Development

Value to the Seller	Author
Enhance product development	Cannon and Perreault Jnr, 1999
New product ideas, strategic info.	Walter, Mueller, Helfert and Wilson, 2002
Sharing technology, joint development of ideas	Simpson, Siquaw and White, 2002
Brand value	Rutner and Langley, 2000; Scholten, 2000
Creating and sustaining competitive advantage	Rutner and Langley, 2000; Bowersox et al., 2000; Porter, 1985; Simpson, Siquaw and White, 2002

The indicators of value in this type support the intention of both parties to share technology (Simpson, Siquaw and White, 2002) and information (Walter, Mueller, Helfer and Wilson, 2002), in order to achieve performance outcomes such as competitive advantage (Simpson et al., 2002; Porter, 1985), flexibility (Trelevan and Schweikhart, 1998), and increased brand value (Rutner and Langley, 2000; Schoulten, 2000; Zeithaml, 1988). This value type of mutual development provides value to both the buyer and seller by creating further opportunity for them to invest in a mutual activity and share the costs and benefits derived from it. These value attributes represent to both the buyer and seller the willingness and commitment of each other to openly share information and technology in the joint pursuit of mutual benefits.

Relationship Value for Buyers and Sellers

This section examines the concept known as relationship value, and identifies the elements of this type of value for both the buyer and the seller. The value of a relationship is often examined from only one perspective. For example, Anderson and Narus (1991) note that "...value in business markets is the worth in monetary terms of the technical, economic, service and social benefits a customer company receives in exchange for the price it pays for a market offering"(p 98). This view narrowly emphasizes only value received by the customer. A relationship, however, has value implications for both buyers and sellers.

The buyer and seller together create the second type of value, relationship value, by working closely with the seller in a longer-term relationship for the purpose of identifying specific opportunities to mutually reduce costs, improve quality and create value (Hogan, 1998). Wilson (1995) supports this by suggesting that "...value is created in the process by which competitive abilities are developed as a result of being in the relationship" (p 336). This quote emphasizes the strength of two parties working together, and suggests that participants increase value by reducing non-value-adding activities. This reduces costs and improves their competitive position (Dixon and Porter, 1994).

Whilst various authors agree with the basic concept of relationship value (Mandjak and Durrieu, 2000; Hogan, 1998, 2001; Flint, Woodruff and Gardial, 1997; Wilson, 1995; Wilson and Jantrania, 1994; Ravald and Gronroos, 1996; Werani, 2001; Gassenhiemer, Housten and Davis, 1998), few agree on relationship value composition and assessment.

Flint et al., (1997) suggest that values are initially beliefs that guide behaviour, which they call perceived values. From the customer's perspective, perceived value is the consequence of comparing expectation to outcomes. Gassenheimer, Houston and Davis (1998) regard relationship value as comprising of a combination of economic and social values that, when applied by both firms, create value outcomes.

Wilson(1995) suggests that relationship value contributes to relationship attributes such as mutual goals, non-retrievable investment, structural bonds, cooperation, and commitment. Characteristics of relationship value are listed in Table 9.

Table 9 Characteristics of Relationship Value

Characteristics of Relationship Value as:	Author
Desired, perceived and judgment aspect	Flint, Woodruff, and Gardial, 1997
Non-retrievable investments to increase value creation	Wilson,1995
Economic, strategic and behavioral dimensions	Wilson and Jantrania, 1994
Safety, credibility, security, mutually profitable relationships	Ravald and Gronroos, 1996
Stages of relationship development	Wilson, 1995
Direct (tangible) and indirect (intangible) functions	Hogan, 2001; Baxter and Matear, 2004
Mutual economic and social values	Gassenheimer, Houston and Davis, 1998
Difference between benefits/sacrifice	Werani, 2001
Maintaining relationship of intangibility and inimitability	Morgan and Hunt, 1999
Perceived net worth of the tangible benefits obtained over the life of the relationship	Hogan,1998
Provision of future economic benefits	Jackson, 1985
Result of focal relationship and on connected relationships	Mandjak and Durrieu, 2000

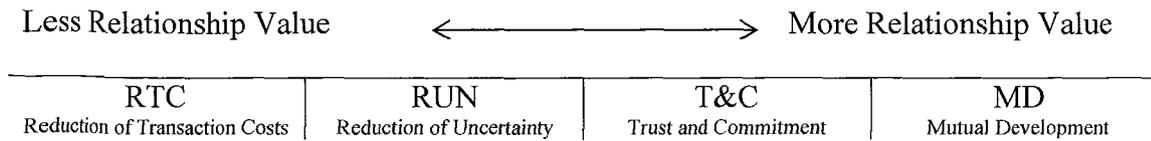
In sum, the benefits of relationship value comprise two distinct types of value outcomes: tangible and intangible (Baxter and Matear, 2004). Tangible value refers to direct outcomes of the relationship, e.g. efficiency and reduction in costs. In contrast, intangible value outcomes are represented as values that signify ongoing relationship benefits that enhance future trading ability. Trust and commitment are examples of how such intangible values can be represented. Both tangible and intangible values contribute to relationship value in different degrees, dependent upon the level of relationship that is present between the buyer and the seller. Value received from participating in a relationship can be operational and strategic, tangible and intangible.

Whether the value outcomes received from participating in a relationship are operational or strategic, the influence of the relationship in creating the value is acknowledged. The level of the relationship value is dependent upon the regularity, input, and focus of the relationship participants.

A Relationship Value Continuum

The previous section provided a detailed review of the justification for establishing the four value types of RTC, RUN, TC and MD. Each value type comprises a variety of value indicators which are representative of the type. This section places each relationship value types on a newly developed continuum (see Figure 1).

Figure 1 Value Continuum



Reduction in transaction costs (RTC) anchors the continuum as the lowest relationship value indicator. These values are strictly transactional in nature, with an economic focus. They concentrate on efficiency-driven value outcomes, which are deemed necessary as the minimum value expectation of participating in a transaction. There is no relational content associated with this value type.

The reduction in levels of uncertainty (RUN) value type remains transactional in nature, but starts to become relational, as the characteristic values reflect dependability between trading firms. RUN values emphasize the importance of regularity in exchange, as a means of firm stability.

The Trust and Commitment (TC) value type, represents a mix of some transactional and some relational value indicators. TC values recognize the importance of long-term partner associations in creating values that result from successful relationships. Such values include reputation, reliability and credibility, which are values that both buyers and sellers seek from each other.

The Mutual Development (MD) value type is non-transactional in nature and only reflects relational elements of the exchange. Mutual development encompasses value indicators that express the opportunity of growth for both relationship partners. Often this growth indicator is the result of firms combining resources for mutual development.

The relationship value continuum is an important step for future research in business relationships because it highlights how a relationship’s value changes, dependent upon its application and on the firm’s role in the exchange. It also provides an operationalisation of these value types for buyers and for sellers so these value types will be consistent with future research and their results comparable. The multidisciplinary review provided a broad-based definition of value, all of which acknowledge that value is the result of exchange.

Future research resulting from the continuum should include a more detailed look at how dyads assess their relationship, with attention to similarities and differences in expectations between these buyer and seller pairs. Understanding how the values of buyers and sellers affect information and product flow throughout the supply chain is worthy of further investigation. Knowledge of how the interfirm relationship impacts the value-added nature of supply chain activity would increase the chain's ability to deliver more for less cost. Clearly, the quality of the relationship may have significant consequences for service delivery through the supply chain. These sorts of effects deserve further investigation as well. Overall, a more comprehensive understanding of the nature and content of channel member relationships can strengthen the degree of supply chain integration, with positive consequences throughout.

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