

Alertness of Organizational Buyers: Dimensions, Drivers, and Outcome

Felix Hansen

University of Kaiserslautern
Department of Marketing
P.O. Box 3049
67653 Kaiserslautern
Germany
+49 (0)631 205 3384
hansen@wiwi.uni-kl.de

Abstract

Organizations that have committed themselves to an entrepreneurial purchasing do two things: they exploit existing relationships and they explore new and promising supply alternatives. Exploitation is about the deepening of close supplier relationships – a topic that has enjoyed considerable attention in recent years. Research on exploration, however, is rare. We therefore introduce the concept of alertness of organizational buyers as part of exploration. Based on a literature review and a qualitative study we propose buyer alertness as a two-dimensional construct that reflects buyers' watchfulness and attentiveness to alternative suppliers. We introduce supply market characteristics, buyer related factors, and relationship characteristics as antecedents. We propose that alertness reduces affective and continuance commitment to current suppliers and argue that this relation is moderated by switching costs and supplier responsiveness. Alertness is an essential aspect of buyer-seller interactions. Its exploration helps to understand how out-suppliers come into question.

Keywords: Alertness, Entrepreneurship, Alternative Exploration, Purchasing, Relationship Marketing

Introduction

In a buyer-seller-relationship one of the most fundamental risks for in-suppliers arises when customers get knowledgeable about outside alternatives. Social exchange theory implies that people use a “comparison level of alternatives” as a reference level to evaluate the attractiveness of current relationships (Thibaut and Kelley, 1959). When people notice better alternatives they have an incentive to leave the current relationship because their comparison level of alternatives indicates that they could get a better outcome elsewhere. Thus buyers’ knowledge about outside alternatives is a threat to the comparative advantage of in-suppliers (Caparo, Broniarczyk, and Srivastava, 2003; Fornell, 1992).

In order to minimize the risk of losing competitive strength, in-suppliers establish strong bonds with their customers. Thereby they try to discourage exchange partners from recognizing value-promising alternatives. Relationship literature expects that alternatives become distant because those who feel attached to their supplier “tune out competitive messages” (Oliver, 1999, p. 37). Satisfied customers would neglect the observation of out-suppliers (Moeller, Fassnacht, and Klose, 2006). Or as Oliver (1999) puts it “It is an aspect of love that alternatives to the love object are not processed.” (p. 38).

Organizational buyers, on the other hand, welcome strong bonds and focus on long-term partnerships as a source of value creation (Wilson, 2000). They have become increasingly aware of how important close long-term relationships are. Purchasing, as the gateway between the external suppliers and the internal functions, is considered more and more responsible for an organization’s overall strategic success (Ellram and Carr, 1994; Moeller, Fassnacht, and Klose, 2006; Sheth, 1996). Consequently organizations reduce the number of suppliers and focus on capturing value within close relationships (Ulaga, 2003).

However, in-suppliers must be cautious not to overstrain strong bonds as an entrance barrier to out-suppliers. The movement of purchasing from a transaction focused function to a strategic one has far more complex impacts on how business relationships are treated. We perceive that tight partnership building is an obvious outcome of the new entrepreneurial course in purchasing. Yet, the embracement of tight partnerships to the exclusion of alternative perception is only half the truth. Because of its competitive importance, purchasing goes also heavy on a constant lookout for promising supply opportunities. Organizational buyers devote resources to activities of exploration in order to detect new and promising supply alternatives.

Despite its obvious relevance, however, research on exploration is still lacking. The availability of better alternatives (i.e. opportunities) is considered an important determinant of relationships, but most papers implicitly treat this availability as something exogenous to the firm (e.g. Walter et al., 2003). Research normally starts with the conjecture that customers either have or don’t have an idea of their best alternative (Ping, 1994; Sharma and Patterson, 1999). However, opportunities do not exist per se, but have to be explored, before they come into existence (deBono, 1980, p. 9). Hence, what is of considerable interest is the question of how organizations discover better supply alternatives.

This paper approaches this issue by introducing the concept of alertness of organizational buyers. Alertness is conceptually defined as an organization’s watchfulness and attentiveness to outside alternatives in order to detect value promising supply opportunities.

Specifically, the further investigations are motivated by the following research questions:

1. What is the nature of alertness in organizational buying?
2. What drives organizations to be alert?
3. What is the consequence of alertness with regard to existing supplier relationships?

With our paper we like to contribute to a discussion that has been touched especially by IMP researchers over the last years: what is the relation between close partnerships and the out-supplier-world? Håkansson and Snehota (1998, p. 91) for example state that close relationships can easily turn into a burden when it leads to the preclusion of others. Equally, Gadde and Snehota (1999, p. 12) argue that reducing the number of suppliers means to uncouple from what is going on in the supply market. What is happening outside a relationship and the question of if, when, and how the outer world is explored is thus a very part of the complexity of buyer-seller-interactions in business markets. With our paper we would like to shed more light on this issue.

This paper is organized as follows. First, we provide a theoretical background by presenting the ideas of entrepreneurship and exploration – domains to which we assign our concept of alertness. Next, we describe our research methodology. Based on a review of the relevant literature and a qualitative study we propose two dimensions of buyer alertness and make propositions on its antecedents and its consequence. Finally we discuss implications of our research.

Theoretical Foundation

Entrepreneurship

The term "entrepreneur" was coined by the French author Say about 200 years ago. Say defined the entrepreneur as someone who "shifts economic resources out of an area of lower into an area of higher productivity and greater yield". Since this definition there has been a lot of discussion and many attempts to define entrepreneur and entrepreneurship – in academic as well as in the popular writings. Miller, for example, defines an entrepreneurial firm as "one that engages in product-market innovation, undertakes somewhat risky ventures, and is first to come up with 'proactive' innovations, beating competitors to the punch" (1983, p. 771). To Miller the opposite of an entrepreneurial firm is one "that innovates very little, is highly risk averse, and imitates the moves of competitors instead of leading the way."

Because of its multidimensionality, entrepreneurship is a complex phenomenon (Gartner, 1990). Scholars have, therefore, started to systematically explore the underlying meanings researchers have given to the concept of entrepreneurship (Cope, 2005; Gartner, 1990; Stevenson and Sahlman, 1989). First, one discussion centers around the context that entrepreneurship could be related to. Often entrepreneurship is very narrowly associated with small firms (Anderson and Skinner, 1999), start-ups (Parker and Belghitar, 2006) or family-owned enterprises (Handler, 1990). Often entrepreneurship is linked to innovation or high technology. In most cases, the scope of entrepreneurship refers to all kinds of new market ventures such as new product development, innovation, product introduction, business set up, or market entry.

Second, according to Cope (2005) three perspectives dominate in research on entrepreneurship: the personality, the functional, and the behavioral perspective. The former perspective assumes that certain entrepreneurial individuals have a unique set of personality characteristics (Greenberger and Sexton, 1988). The functional and also the behavioral perspective approach entrepreneurship by defining it as a process that consists of activities and actions in organizations (Cope, 2005; Gartner, 1985) as well as attitudes (Morris and Calantone, 1991). Personality traits in these views are only "ancillary to behaviour" (Cope, 2005, p. 375).

In this paper our interest concentrates on what entrepreneurs do rather than on who they are (Gartner, 1988), because we agree with Morris and Calantone (1991), Drucker (1993), Cope (2005) and many others that entrepreneurship should be seen as a behavior rather than a personality trait. Furthermore, we seek to expand the scope of entrepreneurship by explicitly broadening this concept to the domain of organizational purchasing. Interestingly, and to the

best of our knowledge, the entrepreneurship concept has not been an explicit issue in research on buying behavior. This gap might be attributed to the fact that the entrepreneurship literature is scattered and that only recently purchasing has gained strategic status. Morris and Calantone's (1991) research is an exception in this regard. They claimed that entrepreneurship is a salient concept for purchasing managers already some sixteen years ago.

Moreover, to our understanding, entrepreneurship means to look for change, to respond to it, and to capitalize on it as an opportunity. Entrepreneurship is about the discovery and development of opportunities (Venkataraman, 1997). Hence the entrepreneurial process in the purchasing function includes activities and actions that lead to the perception of supply opportunities and the allocation of resources to pursue these. Entrepreneurship in purchasing is, as much as it is understood in other contexts, a process of learning and adaptation to changing environments (Cope, 2005; Minitti and Bygrave, 2001).

Two ideas that evolve from the concept of entrepreneurship are exploration and exploitation.

Exploration and Exploitation

Exploration refers to learning and searching for new and better ways of doing things. It represents a process by which an organization broadens its stock of knowledge. Exploration incorporates experimenting with new alternatives, it is thus associated with high uncertainty (Gupta, Smith, and Shalley, 2006; Ireland and Webb, 2007). Fundamentally, and according to Auh and Menguc (2005), exploration is about challenging existing ideas.

Exploiting, on the other hand, is to use and draw on existing opportunities. According to March (1991, p. 85) "the essence of exploitation is the refinement and extension of existing competencies, technologies, and paradigms". Exploitation thus includes things such as refinement, efficiency, and execution (1991).

Scholars from diverse fields such as organizational learning, innovation, competitive advantage, and entrepreneurship have extensively examined the relationship between exploitation and exploration (Gupta, Smith, and Shalley, 2006; Homlqvist, 2004; March, 1991). The question of how to relate these concepts has thereby been a major concern. While some scholars argue that exploration and exploitation are independent from each other, some consider the concepts as "two ends of a continuum" (March, 1991). For the latter researchers the central questions are: how to balance between the exploration of new opportunities and the exploitation of old certainties (Holland 1975, March 1991; Schumpeter, 1934)? How to balance between opportunity-seeking behaviour (i.e., exploration) and advantage-seeking behaviour (i.e., exploitation) (Ireland, Hitt, and Sirmon, 2003)? And how to balance between organizational renewal (i.e., exploration) and the realisation of efficiency and profit from existing knowledge (i.e., exploitation)? Regardless of whether exploration and exploitation compete for scarce organizational resources and attention or not – a context dependent question (Gupta, Smith, and Shalley, 2006) - it has become clear that both exploration and exploitation are "twin" concepts inherently important to entrepreneurship.

In organizational buying, we argue, exploration involves the monitoring of supply markets, the survey of supply trends, and the discovery of ready supply alternatives – activities and actions that have been identified as ways by which purchasing contributes to the competitive advantage of a business (Browning, Zabriskie, and Huellmantel, 1983). Exploitation on the other hand refers to the strengthening of cooperative relationships with known suppliers. It is about mutual resource adaptation and investments in established bonds in order to profit from reduced risks, mutual understanding, and emerging trust within relationships. Similarly, Beckman, Haunschild, and Phillips (2004) noted that exploitation refers to the reinforcement of relationships with existing partners. Exploitation in that sense is a source of trust building. Exploration in contrast incorporates the formation of new relationships with new partners. It

relates to situations in which firms expand their knowledge about potential new relationship partners.

We perceive that entrepreneurially oriented organizations employ both exploitation and exploration in their buying conceptions, because exploitation to the exclusion of exploration would lead to insufficiencies and vice versa. For example, exploiting existing relationships by deepening mutual understanding or joining R&D efforts are important sources of technical know-how-transfer and potential cost savings (Gadde and Snehota 1999, p. 4). Yet treating relationships with suppliers as always “good-close-supplier-relationships” should not be the golden rule, because circumstances change (1999; 2000). Thus, in order to be prepared for changes and to remain ready to learn about better opportunities, firms must also commit organizational resources to the process of alternative exploration.

However, while much has been written on exploitation (the good-and-close relationship building), little has been done on exploration. Therefore, we would like to shed more light on the process of opportunity exploration. The central locus of this process is alertness (Ardichvili, Cardozo, and Ray, 2003; Ray and Cardozo, 1996; Kirzner, 1973; 1979). We subsequently investigate the dimensions, drivers and consequences of alertness in the purchasing context. It would have been problematic to draw only on existing alertness research, as studies on alertness, in general, are scattered and descriptive in nature (Gaglio and Katz, 2001). Additionally, authors in this area seem to have explored alertness exclusively outside the purchasing context.

Methodology

Qualitative Research

Gaining insights from “live B2B activity” is especially appropriate for generating depth of understanding when little is known about a phenomenon (Flint, Woodruff, and Gardial, 2002; Gummesson, 2003). Since the purpose of this study has been to elicit sound dimensions and propositions concerning an unexplored phenomenon, we decided on a qualitative study in the form of interviews. This inductive and interpretive approach yields theory that is empirically grounded in data. The data received was also constantly compared with extant theory – theory that marked our pre-understanding of the phenomenon at hand as well as theory that we had not given attention to before. In short, our qualitative interviews went hand in hand with an extensive literature review, coupling our inductive approach with a deductive one towards an appropriate research methodology.

Sample

The qualitative study consisted of nine semi-structured interviews with purchasing managers from five manufacturing firms and one service firm in Germany. The sample comprised organizations from different industries, namely, automobile, furniture, vehicle seating, pharmaceuticals, industry services, and automotive electronics. The set of organizations included two small-sized firms with up to 450 employees, two medium-sized firms with up to 9.000 employees as well as two larger corporations with up to 325.000 employees worldwide. Informants were purchasing managers in different positions. However, with respect to our research question it was important that interviewees were decision-makers. Therefore the criterion for the selection of interviewees was that they were somehow involved in the choice of suppliers. The years of experience in purchasing differed from 4 to 20 years, indicating that all interviewees were knowledgeable enough about the practices in purchasing. Table 1 summarizes the characteristics of the sample.

Company activity	Number of employees	Sales	Products purchased and considered in interview	Job title of interviewee	Years of experience in purchasing
Automobiles	325.000	190 bn	Fuel pumps, cooling and ventilation systems, charcoal filter	Manager Advanced Purchasing	7
				Manager Advanced Purchasing	6
Furniture	450	80 mill	Basins, glasses, fixtures, wood components	Head of Purchasing	20
Vehicle seating	6.000	1 bn	Steel, seat slides, engines, cushions	Director Global Sourcing	16
				Commodity Manager	14
Pharmaceutics	150	24 mill	Packaging materials, alcohol, drugs, spicery	Purchasing Manager	10
Industry services	9.000	1.1 bn	laboratory apparatus and clothing, medical services, consultancy	Deputy Purchasing Manager of Business Unit	4
Automotive electronics	240.000	41 bn	Micro controller, switches, wipers	Purchasing Manager	9
				Purchasing Manager	5

Table 1: Sample characteristics

Interview Procedure

Interviews lasted for about 30 to 45 minutes each. All but two interviews were audiotaped and verbatim transcribed. With two interviews in a company we had to take notes during the sessions because of strict nondisclosure policies of that company.

A standard format was generally followed for the interviews, even though the flow of the interview dictated its structure and not vice versa. Hence the interviews were semi-structured in nature. After a brief description of the research question, respondents were asked to state what they understood by alertness towards supply opportunities. When a consensus about the definition had been agreed upon, managers were asked to provide examples or situations in which they felt especially alert as well as situations in which they did not feel much alert. Interviewees were requested to state how they behaved in such situations. They were asked to reflect on the reasons and motivations for being alert vis-à-vis non alert. Next, the role of existing supplier relationships and relational consequences of alertness were discussed. Finally, respondents were invited to comment on their company as well as on their own professional background and position.

Analysis and Interpretation

Analysis of the interview transcripts followed grounded theory guidelines (Glaser and Strauss, 1967; Strauss and Corbin, 1990). Hence, analysis and interpretation started early after the first interview and was used to guide the research process. Dimensions, categories, and relationships between constructs emerged through theoretical open, selective, and axial coding (Strauss and Corbin, 1990).

Trustworthiness

To validate findings from qualitative research, several measures have been proposed (Wallendorf and Belk, 1989; Strauss and Corbin, 1990). We assess the reliability of our results by a set of criteria that is shown in Table 2 and that largely follows Flint, Woodruff, and Gardial (2002, p. 106; see also Beverland and Lockshin, 2003, p. 656).

Trustworthiness criterion	Method of addressing in this study
Credibility: Extent to which the results appear to be acceptable representations of the data.	Individual models that emerged from interviews were provided to interviewees for feedback
Transferability: Extent to which findings from one study in one context will apply to other contexts.	Theoretical sampling was used; input from different industries
Dependability: Extent to which findings are unique in time and place. The stability of consistency of explanations	Participants reflected on experiences covering recent events as well as past events; interviews covered a wide range of purchased products
Confirmability: Extent to which interpretations are the result of the participants and the phenomenon as opposed to researcher biases.	Individual models were provided to interviewees for feedback
Integrity: Extent to which interpretations are influenced by misinformation or evasions by participants.	Individual interviews were professional, of a non-threatening nature, anonymity was guaranteed
Fit: Extent to which findings fit with the substantive area under investigation.	Addressed through the methods used to address credibility, dependability, and confirmability. Interview interpretation was complemented by literature review
Understanding: Extent to which participants buy into results as possible representations of their words.	Individual models were provided to interviewees for feedback
Generality: Extent to which findings discover multiple aspects of phenomenon.	Interviews covered a wide range of purchased products; interviews were open and of sufficient length to elicit many facets of alertness; saturation seemed to have been reached after the nine interviews
Control: Extent to which organizations can influence aspects of the theory.	Some variables within the alertness theory are aspects over which participants have some degree of control

Table 2: Criteria assessing trustworthiness of qualitative research (adopted from Flint, Woodruff, and Gardial, 2002, p. 106)

Findings

Dimensions of Alertness

Alertness belongs to the domain of discovery which comprises recognition of the existence of a particular opportunity (Honig, 2001). As such, it is the way that changes the state of knowledge and perceptions of an organization. In our context, alertness is defined as an organization's watchfulness and attentiveness to outside alternatives in order to detect value promising supply opportunities. It represents an approach to learn about new and alternative ways to satisfy supply needs. Alert organizations try to figure out "what is really going on" (Gaglio and Katz, 2001). They constantly and systematically try to reconsider their supply options. Non-alert firms on the other hand do not detect, or ignore that the current alternatives may no longer be the optimal choice (2001).

It appears from our interviews that alertness presents itself as a two-dimensional construct. We refer to one dimension as receptive alertness, and the other one as proactive alertness (see Figure 1).

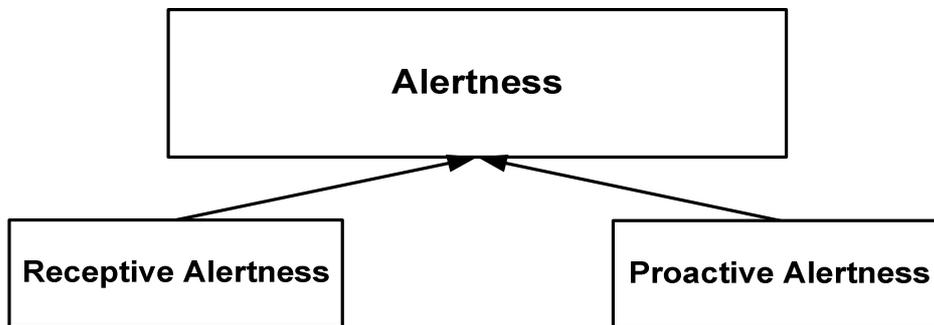


Figure 1: Alertness as a two-dimensional construct

Receptive alertness refers to an openness and responsiveness to new information on out-suppliers. Alert buyers show an attitude that Kirzner (1979) in his conception of entrepreneurial alertness defined as, “an attitude of receptiveness to available (but hitherto overlooked) opportunities” (p. 72). That is, alert buyers show a state of active awareness and a heightened sensitivity to perception of new and potential supply sources – important prerequisites for the identification of opportunities (Ray and Cardozo, 1996).

For example, alert buyers “leave their doors wide open” and are all ears to unknown suppliers. This is conveyed by the following statements from one of our interviews¹:

“Recommendations especially from our business customers play an important role when it comes to learning about new alternatives. If these customers tell us how satisfied they are with a certain supplier, that makes us curious of course and we say to ourselves ‘okay that may be a new source of supply for us.’ (...) If some sales representatives visit us, we tell them: ‘Let’s talk about your offers, though we cannot promise anything.’”

In a similar vein, another purchasing manager stated:

“Sometimes sales representatives visit our booth at exhibitions and tell us about their products – impertinent behaviour, because these exhibitions are for our customers! But of course we listen to them carefully because we do not want to miss any information.”

Conceptually, receptive alertness could be interpreted in the light of mindfulness. The fact that some people behave with more mindfulness compared to others was first brought up by Langer (1989; 1997) in the psychological literature. Later, this idea was introduced into the organizational literature (e.g. Sims and Gioia, 1986; Weick and Roberts, 1993; Weick, Sutcliffe, and Obstfeld, 1999). Mindfulness is conceptualized as a state of active awareness that is characterized by the continual creation and refinement of categories, openness to new information, and a willingness to view contexts from multiple perspectives (Langer, 1989). Mindfulness thereby describes individuals’ and organizations’ high sensitivity of perception (Levinthal and Rerup, 2006). It prods organizations to notice new things (Weick and Sutcliffe, 2006). In contrast, being in a mindless state as compared to being mindful is akin to behaving like “an automatic pilot” (Langer, 1997, p. 4) which leads to reduced alertness. Therefore, mindfulness seems to be an important property of entrepreneurial organizations (Jelinek and Litterer, 1995). It is a characteristic inherently important to our understanding of receptive

¹ all interview translations into English by the author of this article

alertness. Mindful buyers overcome comfortable routines, i.e. they challenge what one of our informants described as the “never-change-a-winning-team-mentality” in buying. Instead they switch on their antennas and welcome information on unknown supply sources.

Proactive alertness. According to Lumpkin and Dess (1996) proactiveness is crucial to an entrepreneurial orientation. Proactive alertness is defined as scanning activities of the supply environment. It is much more active behavior than reflective alertness. Purchasing managers seem to be proactively alert in that they regularly visit tradeshow, carry out substantive research, and engage in the study of articles in professional journals - thereby trying to anticipate future problems, needs and changes. As one manager stated:

“We always keep an eye on those suppliers who are waiting to serve us. I think alertness is a duty for every purchasing manager in order to have a good market overview. You have to know about price structures, who the top players are and who are the competitors of these top-players. We get there by visiting these firms, do market research, request for quotations and compare prices. We seek to know the supplier market better than the manufacturers themselves. (...) It costs a lot of money - I don't know how much we spent on travelling last year – but it's worth it.”

Because it is like environmental scanning, proactive alertness is a learning process through which organizations acquire knowledge. However, we would like to make a distinction between alertness and focused search. As has been argued in the literature about organizational learning, organizations start to search for alternatives in a *focused* way as soon as they feel “a significant disruption of the relationship between the environment and the organism” (Reitzel, 1958, p. 4). Thus, focused search is initiated when organizations receive “loud” search-prompting signals (Ansoff, 1975) and the search is then focused in the symptoms of a problem or on concrete options (Huber, 1991). Similarly, in purchasing the construct of “pre-purchase search” has been defined as information seeking activities that should facilitate decision making (Kelly 1968, p. 273). Prepurchase search in this regard is part of an incremental decision making process: after one has recognized a concrete need, the search process is started. The search is goal-directed and search patterns are toward the goal to make a purchase (Moe, p. 30, 2003).

Alertness as much as scanning, on the other hand, refers to a more strategic sensing of an external environment. It reflects a behavior that aims at detecting value promising opportunities rather than solving an urgent problem. Organizations scan their environment in order to be better equipped for the future by receiving information about changes (Fahey, King, and Narayanan, 1981). In a similar vein and with respect to consumers' information gathering, Bloch, Sherrell, and Ridgway (1986) differentiate ongoing from prepurchase search. They claim that unlike prepurchase search, the former takes place on a regular basis, “independent of sporadic purchase needs” (p. 120). The difference between scanning (ongoing search) on one side and focused search (prepurchase search) on the other is also clarified by Kirzner who separated the discovery of opportunities from successful search. The former refers to a state of being “ready to make discoveries” and therefore belongs to the domain of entrepreneurial alertness whereas the latter refers to a situation in which someone knows about the absence of a piece of information (Kirzner, 1997, p. 72). While these search concept are difficult to separate in practice (Bloch, Sherrell, and Ridgway, 1986, p. 120), the different motivations behind these concepts are essential when it comes to organizational purchasing. It has been only recently, that scholars have started to explicitly pay attention to a concept of ongoing search among industrial buyers (Borghini, Golfetto, and Rinallo, 2006).

Hence, while focused search is a reaction, alertness is more an activity to foresee changes and to build a bank of information for future strategic use. As one of our interviewee stated:

“We watch the market without any urgent necessity and request suppliers for quotations. We actually stay in a permanent dialogue with any suppliers. (...) We are constantly on the way

to see what happens on the market. We try to always get the best from the market. (...) Our purchasing function tries to follow the development of products on the supply market.”

Another manager illustrated this reactive-proactive dichotomy by complaining about the missing alertness in his organization:

“I think there is still no systematic analysis, sensing or monitoring of what is going on in the supply market. We are still rather reacting than taking actions. It is getting better now because we carry out projects that look at the improvement of specific product groups, but there is still no systematic market observation.”

Antecedents of Alertness

Three groups of factors emerged as drivers of alertness: factors related to the supply market, buyer related factors, and relationship characteristics (shown in Figure 2, left side). We review individual variables associated with these factors and make propositions on how they influence alertness.

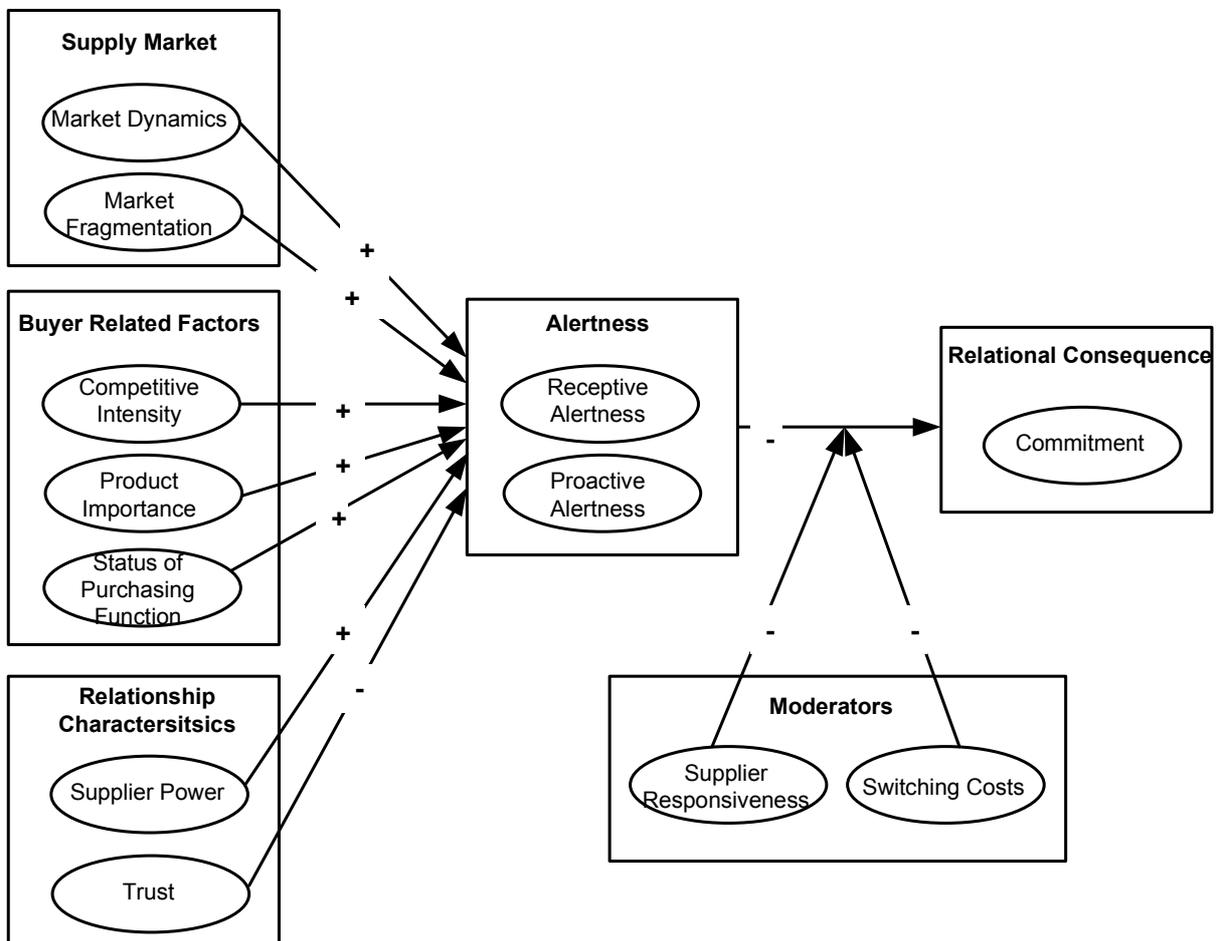


Figure 2: Model of Alertness

Supply Market

One variable with which markets can be characterized is dynamics. Dynamics is an instability of the environment showing itself in the absence of patterns and the unpredictability of environmental changes (Dess and Beard, 1984). Market dynamics, in our model, is defined as the degree to which a market faces continuous changes (Achrol and Stern, 1988; Jap, 1999). A supply market that is highly dynamic is characterized by regular entries and exits of suppli-

ers or by a high pace of technological change. A high level of market dynamics will increase uncertainty for the buyer. As has been argued in the literature, managers try to reduce this uncertainty by acquiring new information (Beatty and Smith, 1987; MacCrimmon and Taylor, 1976). Porter (1985) advances the idea that in dynamic markets organizations should divest current relationships in favour of those relationships that are more appropriate to the changed market realism. In our context, we argue that buyers must process more information if supply markets are dynamic because buyers must adjust accordingly to achieve a given level of success (Jap, 1999). With respect to the size of the consideration set of a buyer, it has been shown that rapid technological changes increase buyers' tendency to include new vendors in their consideration set before repurchase (Heide and Weiss, 1995). These observations are consistent with the result from our interviews. Organizational buyers expressed an expectation to benefit from being alert to better opportunities that possibly might emerge if the environment changed quickly. This is reflected in the following statement:

"World market prices sometimes change very quickly. Therefore you have to watch carefully these prices and evaluate whether prices you currently pay in your partnership are proper or not. If not you have to act of course."

Overall, we expect the following:

Proposition 1: The higher the market dynamics on the supply side, the higher the alertness of the buying organization.

Second, the fragmentation of the supply market plays a role in being alert. Market fragmentation is defined as the degree to which the supply market is composed of many small suppliers as opposed to a few corporations. Like market dynamics, the fragmentation of the supply market determines how certain a purchasing manager feels with his current choice and how carefully the many unknown suppliers must be observed. Note for example these two statements by two of our managers:

"The market for these components is quite fragmented – a lot of small and medium sized firms are operating there. So we are quite alert in these markets."

"Concerning the breadth, the market we source from is quite big. There are a couple of suppliers there. Let alone in Germany you can not know all – but we try to. (...). And we are active in East Europe in order to profit from better prices. That's a broad field and we need local purchasing manager to gain a certain level of market knowledge."

More possible alternatives on the supply side imply greater chances so that better opportunities could be spotted. More possible alternatives result in more effort being needed in acquiring appropriate information. Thus we propose:

Proposition 2: The more fragmented the supply market, the higher the alertness of the buying organization.

Buyer Related Factors

Competitive intensity refers to the degree to which a firm faces competition in a market (Jaworski and Kohli, 1993). It could be measured as the degree to which a firm is challenged by competitors to hold its market position. Organizations that operate in less intense environments can rely on existing systems and routines. However, if competitive intensity increases, organizations need to engage in entrepreneurial activities (Auh and Menguc, 2005). They will be compelled to investigate cautiously the changes in the environment. More specifically, they then need to engage in proactive activities that incorporate learning and exploration (Auh and Menguc, 2005; Zahra, 1993).

Supplier performance is increasingly critical to the long-term success of buying firms (Krause, Scannell, and Calantone, 2000). As has been argued before, purchasing managers have a responsibility to manage these external resources. The purchasing function thereby has a stake in the competitive advantage of an organization (Ramsay, 2001). If competition is intense in the market a firm serves, then the buying centre, too, has to be alert in order to guarantee organizational competitiveness.

These theoretical considerations are in accordance with what we learned from the interviews. Some of our informants stressed the fact that their organization would operate in an environment of high competitive intensity which would lead them to constant alertness. For example:

“Competition is really fierce in this business. If that were not the case, I think, we as purchaser would be more relaxed and inertial, as our sales department would have sold anyway. But that’s not the case with us, and so we try to bring out the best of the market.”

“We can not afford to pause in complacency with our suppliers and do nothing. Competition is too intense in our own market. Competitors have clever people, too, and our customers are never satisfied with us. So we have to look for the best.”

Our third proposition thus turns out to be as follows:

Proposition 3: The more intensive the competition in the market an organization serves, the higher its alertness on the buying side.

The importance of a purchase has been conceptualized in different ways in the literature. For example Johnston and Bonoma (1981) conceptualize the importance of a purchase in terms of its relative importance to other purchases of a similar type. Another approach has been to define the importance of a purchase in terms of its perceived impact on organizational profitability and productivity (McQuiston, 1989). We follow this latter approach and define the importance of a product purchased as the degree to which it influences an organization’s profitability and productivity. Heide and Weiss (1995) have shown that when a product is critically important to a buyer’s enterprise, the buyer is likely to open his consideration to new vendors. Similarly, all purchasing managers in our interviews stated that the importance of a product determined the degree of their alertness. Managers try to be knowledgeable about the best deal especially when a product plays a crucial role in the income statement. In that case visible cost saving could be made and organizational profitability and thus competitiveness would rise even if only slightly better opportunities could be made out. Based on this logic we find our fourth proposition as given below:

Proposition 4: The more important a product purchased, the higher the alertness of the buying organization.

Only if organizations accept and recognize the purchasing function as an important part in fulfilling strategic goals, purchasing managers will have the support, resources and acceptance needed to act in an entrepreneurial manner. We argue that this recognition mirrors the status of the purchasing function within an organization. It is indicated by the fact that purchasing functions grow, become senior level departments and report directly to the CEO. Interestingly, albeit the strategic importance of purchasing is widely recognized nowadays, in our interviews we got the impressions that the elevation of the purchasing functions still differs between firms. For example, the degree to which purchasing is integrated with other functions still varies. So does the responsibility assigned to purchasing and the involvement of purchasing into an overall strategy. We argue that the difference in status could be responsible for variations in alertness. If purchasing functions enjoy higher status, the purchasing managers will be pushed and supported to find the best opportunities. For example, some managers reported that the sales department or the controlling function placed great

expectations on the performance of purchasing. In case of low status assigned to purchasing, however, managers were seen as the “bad guys”. One manager complained that the attempts to be alert towards better opportunities were considered “affronts” and “impositions of optimisation calculus” on other departments. Such purchasing managers were blocked in their exploration of opportunities. In some cases the lack of status comes along with strong decentralization and a situation in which there are – as one of the managers noted – “thousands of purchasing managers” with no will or capacity to observe the market properly.

With respect to the status of the purchasing function we therefore propose:

Proposition 5: The higher the status of the purchasing function in an organization, the higher the alertness of the buying organization.

Relational characteristics

Two purchasing managers pointed out that they turn on their alertness system when they find themselves too dependent on sellers. Following Thibaut and Kelley (1959), we define dependence in terms of power. Power of the supplier in a buyer-seller-relationship is the degree to which a supplier can affect the quality of outcomes attained by the buyer. Power is always relative to a buyer’s second best alternative. A supplier has power over the buyer if the latter has no alternative, but she or he has no power if the buyer is aware of ready alternatives. Thus, power constitutes an imbalance in a relationship that is subject to alternatives. In line with this argumentation Emerson (1962) and Granovetter (1985) argue that relationship partners look for alternatives if exchanges within the relationship are perceived as disproportionate. We reason that buyers try to overcome the power imbalance. They seek to gain power themselves through knowledge on alternatives as “knowledge, itself is power” (Bacon, 1597). Knowledge in turn is obtained by alertness. Although this point has come up only in two of our interviews, we propose:

Proposition 6: The more powerful the supplier, the higher the alertness of the buying organization.

Trust has been defined as the “confidence in an exchange partner’s reliability and integrity” (Morgan, Hunt, 1994, p. 23). Together with commitment, it is one of the most extensively studied variables in relationship marketing. Instead of drawing attention to the widely established direct relationship between trust and commitment (Morgan and Hunt, 1994; Ruyter, Moorman, and Lemmink, 2001) we propose that trust leads to reduced levels of alertness. The more the customer trusts the supplier, the higher the perceived value of the relationship by the customer (Walter, Hölzle, and Ritter, 2002). Consequently, buyers do not anticipate enough strategic gain in being alert. Because in trustful relationships buyers have confidence in the goodwill of the exchange partner, buyers might also even get prevented from looking for changes because they become inert. They become insensitive to out-suppliers because in trustful interactions with the partner a feeling of ease emerges (Gulati and Singh, 1998). This argumentation is very much in line with the illustration by Oliver (1999), that we have quoted at the beginning; namely, that love contributes to blindness. Hence, we provide our final antecedent proposition as follows:

Proposition 7: The higher the trust of the buying organization in the supplier, the lower the buying organization’s alertness.

Consequence of Alertness

Commitment has commonly been defined as a lasting intention to maintain a relationship (Morgan and Hunt, 1994; Moorman, Zaltman, and Deshpandé, 1992). It is a “psychological attachment” to an organization and presents an integral part of partnerships (Gruen, Summers, and Acito, 2000). In many studies on B2B and B2C commitment has been shown to be one of the fundamentals of partnerships. There is empirical evidence that commitment is a key

mediator of the linkage between the customer's evaluation of an organization and the customer's intentions regarding the future relationship (e.g. Prichard, Harvitz, and Howard, 1999; Gruen, Summers, and Acito, 2000). Commitment has been conceptualized differently concerning its dimensionality. We are interested primarily in affective and continuance commitment as part of the overall commitment phenomenon. Affective commitment describes a positive attitude towards the future existence of the relationship because one likes to continue. Continuance commitment is the motivational intent to continue the relationship because one needs to do so (Meyer and Allen, 1991).

We observed that alertness leads to declining commitment towards the current supplier. Organizations' enduring desire to continue the relationship fades away. More precisely, the continuation is no longer taken for granted; instead the end of the partnership becomes an issue. Consider for example the following statements:

"The communication with our partners is quite unemotional in case we find cheaper and better suppliers. We frankly tell them that we are approaching a competitor and ask how he will react. Of course our main supplier has the 'last call', but if he does not react we have to leave. That happens every day."

"When we perceive that our supplier does not offer us competitive conditions we start to develop a 'business case' with which we check what it would mean if we switched suppliers. How much investments would we then have to make etc."

These observations are consistent with what has been found in research on romantic partnerships in the psychological literature. According to Miller (1997) attentiveness to alternatives represents a good predictor of relationship failure. In Miller's empirical study, individuals who were more attentive to their alternatives showed lower adjustment and closeness in their present partnership. Inattentiveness to alternatives, on the other hand, is a "relationship maintenance mechanism" (p. 763) because it safeguards people from getting lured away. "People who pay little heed to new potential partners tend to be more contented with and committed to their current lovers than are those who remain alert to other possibilities" (Miller 2003, p. 284).

In our context we assume that only those buyers remain fully committed who believe that their current supply source is better than what could be obtained elsewhere. If buying organizations are alert, the probability of gaining information about better opportunities increases. That in turn raises their comparison level of alternatives – they become attracted by these alternatives and less committed to the current partner. They no longer need to stay (because they have found alternatives) and they no longer want to stay (because the alternative is more attractive). Likewise knowledge about better opportunities affects the negotiation strategy with the current supplier. Because circumstances have changed, buyers move away from a cooperative, "share the pie" negotiation strategy towards a strategy of claiming as much as possible of the pie. Such a strategy, however, often leads the relationship partners to discount their current relationship (Savage, Blair, and Sorenson, 1989, p. 38); hence buyers become less committed.

Note, however, that we exclude the opposite causality, because we have distinguished between alertness and focused search. Unlike focused search, alertness is not triggered by reduced commitment because we argue that alertness is independent from e.g. the state of satisfaction with the current supplier.

With regard to the outcome of alertness we thereby propose:

Proposition 8: The higher the alertness of a buying organization, the lower its commitment towards its current supplier.

Moderating Effects

We propose two moderating effects of the alertness-commitment-link: supplier responsiveness and perceived switching costs. Supplier responsiveness is defined as the existing supplier's flexibility to catch up with better suppliers' performance levels. Our interviews uncovered that the current supplier remains first choice if he is able to adapt to the newly formed comparison level of the buyer. The simple logic is that alert organizations form new levels of reference and inwardly move to better perceived opportunities. In case of responsiveness the existing supplier remains the best alternative, however, and commitment levels remain stable. Purchasing managers throughout stressed that they would ask their supplier for a reaction. The current supplier would be challenged to catch up with quality or more favourable price levels once information about better opportunities had been gathered. In the event of positive response, firms liked to maintain the relationship. Hence:

Proposition 9: The higher the supplier's responsiveness, the weaker the effect of the buying organization's alertness on commitment.

Switching costs are the perceived additional costs that are required to terminate the current relationship and secure an alternative (Porter, 1980). They may be of economic nature (Morgan and Hunt, 1994) or comprise psychological and emotional costs (Sharma and Patterson, 2000).

Interestingly, our interviews have not revealed that switching costs discourage buyers from exploring new suppliers as Jackson (1985) and Heide and Weiss (1995, p. 38) state. We neither see switching costs as a direct effect of commitment (Fullerton, 2005) nor as a cause of the same. Dwyer, Schurr, and Oh (1987) for example proposed that the anticipation of switching costs causes the buyer's interest in maintaining the relationship. We go one step further and argue that switching costs moderate the effect that alertness has on commitment because first of all "switching" requires an alternative the buyer could switch to. Perception of alternatives (through alertness) is a prerequisite of the connection between switching costs and commitment. Organizational buyers discover better opportunities but switching costs keep them committed as the following statement illustrates:

"If our supplier tells us that he can't adopt we try to switch. But that depends on the products, of course. Is it a product that can be easily replaced? I mean, we have to consider machine set ups, for example. Sometimes it's not so easy to change these set ups and so we stay with that supplier."

We finally propose:

Proposition 10: The higher the switching costs, the weaker the effect of the buying organization's alertness on commitment.

Implications

Since procurement plays a strategic role in organizations, organizational buying incorporates entrepreneurship. That is, buying centres have to act like entrepreneurs in fulfilling overall organizational strategy. As a consequence buyers in B2B do two things: the exploit and they explore. In this paper we have argued that the former has to do with the deepening of existing relationships – an issue extensively discussed in literature. Exploration, on the other hand, is about detecting new opportunity by alertness. Our research has looked at dimensions of alertness and its driving forces as well as its outcome, and moderating effects. Our research has managerial as well as theoretical implications.

Theoretical Implications

From a theoretical viewpoint, our framework represents efforts to systematically integrate entrepreneurial characteristics of organizational buying into theories in B2B. We think that this might be a fruitful avenue for future research on relationships because it incorporates the out-supplier sphere. Specifically, the research has shown that by being alert, organizational buyers behave somehow like Schumpeterian “creative destructors”. That is, the phenomenon results in a readiness to depart from existing bonds in favour of better opportunities. Alert buyers disrupt routines and try to progress by being open to some new supply relationship. In this respect alertness might not only offer an interesting perspective on buyer-seller interactions but also on the competitive process between in-suppliers and out-suppliers.

Moreover, our topic raises new questions. For example, sometimes entrepreneurial behaviour like alertness seems to be associated with “opportunism” by the seller. An interesting question therefore is whether entrepreneurship in organizational buying and perceived opportunistic behaviour are two sides of the same coin.

Managerial Implications

First, for in-suppliers it is important to be sensitive to the complex and forward looking exploration process of alertness. We have proposed that the phenomenon at hand impacts commitment. Commitment is an essential part of relationship quality (Walter et al., 2003). Consequently, in-suppliers must refrain from thinking that the strength of relational bonds is the sole determinant of exchange partners’ watchfulness to alternative suppliers. Instead they should develop strategies to deal with highly alert customers, e.g. by being more responsive or by reducing power.

Second, to be or not to be alert reveals something about how willing an organization is to take part in a dialogue. Alert organizations are more prone to engage in the interactive process of learning. The degree to which someone watches and listens determines the kind of communication strategy a seller should follow. For example, organizations that are perceptive are easier to lure away from their partner through communicative efforts than those organizations that are non-alert.

References

- Achrol, R. S. and L. W. Stern (1988), "Environmental Determinants of Decision-Making Uncertainty in Marketing Channels", *Journal of Marketing Research*, 25 (1), 36-50.
- Anderson, V. and D. Skinner (1999), "Organisational learning in practice: How do small businesses learn to operate internationally?" *Human Resource Development International*, 2 (3), 235-58.
- Ansoff, H. I. (1975), "Managing Strategic Surprise by Response to Weak Signals", *California Management Review*, 18 (2), 2-33.
- Ardichvili, A., R. Cardozo, and S. Ray (2003), "A theory of entrepreneurial opportunity identification and development", *Journal of Business Venturing*, 18 (1), 105-23.
- Auh, S. and B. Menguc (2005), "Balancing exploration and exploitation: The moderating role of competitive intensity", *Journal of Business Research*, 58 (12), 1652-61.
- Bacon, F. (1597/1924), *Essayes - Religious Meditations - Places of Perswasion & Disswasion From the First Edition of 1597*, London: F. Etchells & H. MacDonald.
- Beatty, S. E. and S. M. Smith (1987), "External Search Effort: An Investigation Across Several Product Categories", *Journal of Consumer Research*, 14 (1), 83-96.
- Beckman, C. M., P. R. Haunschild, and D. J. Phillips (2004), "Friends or Strangers? Firm-Specific Uncertainty, Market Uncertainty, and Network Partner Selection", *Organization Science*, 15 (3), 259-75.
- Beverland, M. and L. Lockshin (2003), "A longitudinal study of customers' desired value change in business-to-business markets", *Industrial Marketing Management*, 32 (8), 653-67.
- Bloch, P. H., D. L. Sherrell, and N. M. Ridgway (1986), "Consumer Search: An Extended Framework", *Journal of Consumer Research*, 13, 119-126.
- Borghini, S., F. Golfetto, and D. Rinallo (2006), "Ongoing Search among Industrial Buyers", *Journal of Business Research*, 59 (10/11), 1151-1159.
- Browning, J. M., N. B. Zabriskie, and A. B. Huellmantel (1983), "Strategic Purchasing Planning", *Journal of Purchasing & Materials Management*, 19 (1), 19-24.
- Capraro, A. J., S. Broniarczyk, and R. K. Srivastava (2003), "Factors Influencing the Likelihood of Customer Defection: The Role of Consumer Knowledge", *Journal of the Academy of Marketing Science*, 31 (2), 164-75.
- Cope, J. (2005), "Toward a Dynamic Learning Perspective of Entrepreneurship", *Entrepreneurship: Theory & Practice*, 29 (4), 373-97.
- deBono, E. (1980), *Opportunities*, Middlesex: Penguin.
- Dess, G. G. and D. W. Beard (1984), "Dimensions of Organizational Task Environments", *Administrative Science Quarterly*, 29 (1), 52-64.
- Drucker, P. F. (1993), *Innovation and Entrepreneurship*, New York: HarperBusiness.
- Dwyer, F. R., P. H. Schurr, and S. Oh (1987), "Developing Buyer-Seller Relationships", *Jour-*

nal of Marketing, 51, 11-27.

Ellram, L. M. and A. Carr (1994), "Strategic Purchasing: A History and Review of the Literature", *International Journal of Purchasing & Materials Management*, 30 (2), 9-18.

Emerson, R. M. (1962), "Power-Dependence Relations", *American Sociological Review*, 27 (February), 31-41.

Fahey, L., W. R. King, and V. K. Narayanan (1981), "Environmental Scanning and Forecasting in Strategic Planning -- The State of the Art", *Long Range Planning*, 14 (1), 32-39.

Flint, D. J., R. B. Woodruff, and S. F. Gardial (2002), "Exploring the Phenomenon of Customers' Desired Value Change in a Business-to-Business Context", *Journal of Marketing*, 66 (4), 102-117.

Fornell, C. (1992), "A National Customer Satisfaction Barometer: The Swedish Experience", *Journal of Marketing*, 56 (1), 6-21.

Fullerton, G. (2005), "How commitment both enables and undermines marketing relationships", *European Journal of Marketing*, 39 (11/12), 1372-88.

Gadde, L. A. and I. Snehota (1999), "Developing Effective Supply Strategy - Is Outsourcing, Single Sourcing And Partnering With Suppliers The Only Solution?" in *Proceedings of the 15th Annual IMP Conference*, ed. D. McLoughlin and C. Horan, University College, Dublin.

Gadde, L. E. and I. Snehota (2000), "Making the most of supplier relationships", *Industrial Marketing Management*, 29, 305-16.

Gaglio, C. M. and J. A. Katz (2001), "The Psychological Basis of Opportunity Identification: Entrepreneurial Alertness", *Small Business Economics*, 16 (2), 95.

Gartner, W. (1985), "A conceptual framework for describing the phenomenon of new venture creation", *Academy of Management Review*, 10, 696-706.

Gartner, W. B. (1988), "'Who is an Entrepreneur?' Is the Wrong Question", *American Journal of Small Business*, 12 (4), 11-32.

--- (1990), "What Are We Talking About When We Talk About Entrepreneurship?" *Journal of Business Venturing*, 5 (1), 15-28.

Glaser, B. G. and A. L. Strauss (1967), *The Discovery of Grounded Theory*, Chicago: Aldine.

Granovetter, M. (1985), "Economic Action and Social Structure: The Problem of Embeddedness", *American Journal of Sociology*, 91 (Nov), 481-510.

Greenberger, D. B. and D. L. Sexton (1988), "An interactive model of new venture creation", *Journal of Small Business Management*, 26 (3), 1-7.

Gruen, T. W., J. O. Summers, and F. Acito (2000), "Relationship Marketing Activities, Commitment, and Membership Behaviors in Professional Associations", *Journal of Marketing*, 64 (3), 34-49.

Gulati, R. and H. Singh (1998), "The Architecture of Cooperation: Managing Coordination Costs and Appropriation Concerns in Strategic Alliances", *Administrative Science Quarterly*, 43, 781-814.

- Gummesson, E. (2003), "All research is interpretive!" *Journal of Business & Industrial Marketing*, 18 (6/7), 482-92.
- Gupta, A. K., K. G. Smith, and C. E. Shalley (2006), "The Interplay Between Exploration and Exploitation", *Academy of Management Journal*, 49 (4), 693-706.
- Håkansson, H. and I. Snehota (1998), "The Burden of Relationships or Who's Next?" in *Understanding Business Marketing and Purchasing*, ed. D. Ford, Cornwall: Thomson, 88-94.
- Handler, W. C. (1990), "Succession in Family Firms: A Mutual Role Adjustment between Entrepreneur and Next-generation Family Members", *Entrepreneurship: Theory & Practice*, 15 (1), 37-51.
- Heide, J. B. and A. M. Weiss (1995), "Vendor consideration and switching behavior for buyers in high-technology markets", *Journal of Marketing*, 59 (3), 30-43.
- Holland, J. H. (1975), *Adaptation in Natural and Artificial Systems*, Ann Arbor, MI: University of Michigan Press.
- Holmqvist, M. (2004), "Experiential Learning Processes of Exploitation and Exploration Within and Between Organizations: An Empirical Study of Product Development", *Organization Science*, 15 (1), 70-81.
- Honig, B. (2001), "Learning Strategies and Resources for Entrepreneurs and Intrapreneurs", *Entrepreneurship: Theory & Practice*, 26 (1), 21-35.
- Huber, G. P. (1991), "Organizational Learning: The Contributing Processes and the Literatures", *Organization Science*, 2 (1), 88-116.
- Ireland, R. D., M. A. Hitt, and D. G. Sirmon (2003), "A Model of Strategic Entrepreneurship: The Construct and its Dimensions", *Journal of Management*, 29 (6), 963-90.
- Ireland, R. D. and J. W. Webb (2007), "A multi-theoretic perspective on trust and power in strategic supply chains", *Journal of Operations Management*, 25 (2), 482-97.
- Jackson, B. B. (1985), *Winning and Keeping Industrial Customers*, Lexington, MA: Lexington Books.
- Jap, S. D. (1999), "Pie-Expansion Efforts: Collaboration Processes in Buyer-Supplier Relationships", *Journal of Marketing Research*, 36 (4), 461-75.
- Jaworski, B. J. and A. K. Kohli (1993), "Market orientation: Antecedents and consequences", *Journal of Marketing*, 57 (3), 53-71.
- Jelinek, M. and J. A. Litterer (1995), "Toward Entrepreneurial Organizations: Meeting Ambiguity with Engagement", *Entrepreneurship: Theory & Practice*, 19 (3), 137-68.
- Johnston, W. J. and T. V. Bonoma (1981), "The Buying Center: Structure and Interaction Patterns", *Journal of Marketing*, 45 (Summer), 143-156.
- Kelley, R. F. (1968), "the Search Component of the Consumer Decision Process: A Theoretic Examination", in *Marketing and the new Science of Planning*, ed. R. King, Chicago, Il: American Marketing Association, 271-274.
- Kirzner, I. M. (1973), *Competition and Entrepreneurship*, Chicago: University of Chicago Press.

- (1979), *Perception, Opportunity, and Profit*, Chicago: University of Chicago Press.
- (1997), "Entrepreneurial Discovery and the Competitive Market Process: An Austrian Approach", *Journal of Economic Literature*, 35 (1), 60-85.
- Krause, D. R., T. V. Scannell, and R. J. Calantone (2000), "A Structural Analysis of the Effectiveness of Buying Firms' Strategies to Improve Supplier Performance", *Decision Sciences*, 31 (1), 33-55.
- Langer, E. J. (1989), "Minding matters: The consequences of mindlessness-mindfulness", in *Advances in experimental social psychology*, Vol. 22, ed. L. Berkowitz, San Diego: Academic Press, 137-73.
- (1997), *The power of mindful learning*, MA: Perseus Books.
- Levinthal, D. and C. Rerup (2006), "Crossing an Apparent Chasm: Bridging Mindful and Less-Mindful Perspectives on Organizational Learning", *Organization Science*, 17 (4), 502-13.
- Lumpkin, G. T. and G. G. Dess (1996), "Clarifying the Entrepreneurial Orientation Construct and Linking it to Performance", *Academy of Management Review*, 21 (1), 135-72.
- MacCrimmon, K. R. and R. N. Taylor (1976), "Decision Making and Problem Solving", in *Handbook of Industrial and Organisational Psychology*, ed. M. D. Dunnette, Chicago: Rand McNally, 1397-453.
- March, J. G. (1991), "Exploration and Exploitation in Organizational Learning", *Organization Science*, 2 (1), 71-87.
- McQuinston, D. H. (1989), "Novelty, Complexity, and Importance as Causal Determinants of Industrial Buyer Behavior", *Journal of Marketing*, 53 (April), 66-79.
- Meyer, J. P. and N. J. Allen (1991), "A Three-Component Conceptualization of Organizational Commitment", *Human Resource Management Review*, 1, 61-89.
- Miller, D. (1983), "The Correlates of Entrepreneurship in three Types of Firms", *Management Science*, 29 (7), 770-91.
- Miller, R. S. (1997), "Inattentive and Contented: Relationship Commitment and Attention to Alternatives", *Journal of Personality & Social Psychology*, 73 (4), 758-66.
- (2003), "On Being Admired But Overlooked: Reflections on "Attention to Alternatives" in Close Relationships", *Psychological Inquiry*, 14 (3/4), 284-88.
- Minniti, M. and W. Bygrave (2001), "A dynamic model of entrepreneurial learning", *Entrepreneurship Theory and Practice*, Vol. 25, 5-16.
- Mintzberg, H., D. Raisinghani, and A. Théorêt (1976), "The Structure of 'Unstructured' Decision Processes", *Administrative Science Quarterly*, 21 (2), 246-75.
- Moe, W. W. (2003), "Buying, Searching, or Browsing: Differentiating Between Online Shoppers Using In-Store Navigational Clickstream", *Journal of Consumer Psychology*, 13 (1&2), 29-39.
- Moeller, S., M. Fassnacht, and S. Klose (2006), "A Framework for Supplier Relationship

- Management (SRM)", *Journal of Business-to-Business Marketing*, 13 (4), 69-94.
- Moorman, C., G. Zaltman, and R. Deshpandé (1992) "Relationships between Providers and Users of Market Research: The Dynamics of Trust within and between Organizations", *Journal of Marketing Research*, 29, 314-28.
- Morgan, R. M. and S. D. Hunt (1994), "The Commitment-Trust Theory of Relationship Marketing", *Journal of Marketing*, 58 (3), 20-38.
- Morris, M. H. and R. J. Calantone (1991), "Redefining the Purchasing Function: An Entrepreneurial Perspective", *International Journal of Purchasing & Materials Management*, 27 (4), 2-9.
- Oliver, R. L. (1999), "Whence Consumer Loyalty?", *Journal of Marketing*, 63 (4), 33-44.
- Parker, S. C. and Y. Belghitar (2006), "What Happens to Nascent Entrepreneurs? An Econometric Analysis of the PSED", *Small Business Economics*, 27 (1), 81-101.
- Ping Jr, R. A. (1994), "Does Satisfaction Moderate the Association between Alternative Attractiveness and Exit Intention in a Marketing Channel?", *Journal of the Academy of Marketing Science*, 22 (4), 364-71.
- Porter, M. (1985), *Competitive advantage*, New York: Free Press.
- Porter, M. (1980), *Competitive Strategy: Techniques for Analyzing Industries and Competitors*, New York: Free Press.
- Pritchard, M. P., M. E. Havitz, and D. R. Howard (1999), "Analyzing the Commitment-Loyalty Link in Service Contexts", *Journal of the Academy of Marketing Science*, 27 (3), 333-48.
- Ramsay, J. (2001), "The Resource Based Perspective, Rents, and Purchasing's Contribution to Sustainable Competitive Advantage", *Journal of Supply Chain Management: A Global Review of Purchasing & Supply*, 37 (3), 38-47.
- Ray, S. and R. Cardozo (1996), "Sensitivity and Creativity in entrepreneurial opportunity recognition: a framework for empirical investigation", *Presented at the 6th Global Entrepreneurship Conference*, Imperial College, London.
- Reitzel, W. A. (1958), *Background to Decision Making*, Newport: U.S. Naval War College.
- Ruyter, K., L. Moorman, and J. Lemmink (2001), "Antecedents of commitment and trust in customer – supplier relationships in high technology markets", *Industrial Marketing Management*, 30, 271– 286.
- Savage, G. T., J. D. Blair and R. L. Sorenson (1989), "Consider Both Relationships and Substance When Negotiating Strategically", *The Academy of Management Executive*, 3 (1), 37-48.
- Schumpeter, J. A. (1934), *The Theory of Economic Development*, Cambridge, MA: Harvard University Press.
- Sharma, N. and P. G. Patterson (2000), "Switching costs, alternative attractiveness and experience as moderators of relationship commitment in professional, consumer services", *International Journal of Service Industry Management*, 11 (5), 470-90.
- Sheth, J. N. (1996), "Organizational buying behavior: Past performance and future expecta-

tions", *Journal of Business & Industrial Marketing*, 11 (3/4), 7-27.

Sims, H. P. and D. P. Gioia (1986), *The Thinking Organisation*, San Francisco, CA: Jossey-Bass.

Stevenson, H. H. and W. A. Sahlman (1989), "The entrepreneurial process", in *Small business and entrepreneurship*, ed. P. Burns and J. Dewhurst, Basingstoke: Macmillan, 94-157.

Strauss, A. and J. Corbin (1990), *Basic of qualitative research: Grounded theory procedures and techniques*, Newbury Park, CA: Sage Publications.

Thibaut, J. W. and H. H. Kelley (1959), *The Social Psychology of Groups*, New York: John Wiley & Sons.

Uлага, W. (2003), "Capturing value creation in business relationships: A customer perspective", *Industrial Marketing Management*, 32 (8), 677-93.

Venkataraman, S. (1997), "The distinctive domain of entrepreneurship research: An editor's perspective", in *Advances in entrepreneurship, firm emergence, and growth*, Vol. 3, ed. J. Katz and R. Brockhaus, Greenwich: JAI Press, 119-38.

Wallendorf, M. and R. W. Belk (1989), "Assessing Trustworthiness in Naturalistic Consumer Research", in *Interpretive Consumer Research*, ed. E. Hirschman, Provo, UT: Association for Consumer Research, 69-84.

Walter, A., T. A. Müller, G. Helfert, and T. Ritter (2003), "Functions of industrial supplier relationships and their impact on relationship quality", *Industrial Marketing Management*, 32 (2), 159-69.

Walter A., K. Hölzle, and T. Ritter (2002), "Relationship functions and customer trust as value creators in relationships: a conceptual model and empirical findings for the creation of customer value", *Proceedings of the 18th IMP Conference*, Dijon, France.

Weick, K. E. and K. H. Roberts (1993), "Collective Mind in Organizations: Heedful Interrelating on Flight Decks", *Administrative Science Quarterly*, 38 (3), 357-81.

Weick, K. E. and K. M. Sutcliffe (2006), "Mindfulness and the Quality of Organizational Attention", *Organization Science*, 17 (4), 514-24.

Weick, K. E., K. M. Sutcliffe, and D. Obstfeld (1999), "Organizing for High Reliability: Processes of Collective Mindfulness", in *Research in Organizational Behavior*, Vol. 21, ed. B. Staw and R. Sutton, Greenwich: JAI, 81-123.

Wilson, D. (2000), *Relationship Marketing in Organizational Markets: From Competition to Cooperation*, Oxford: Oxford University Press.

Zahra, S. A. (1993), "Environment, Corporate Entrepreneurship, and Financial Performance: A Taxonomic Approach", *Journal of Business Venturing*, 8 (4), 319-41.