

# Searching for Relationship Value in Business Markets: Are we missing something?

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## ABSTRACT

There is considerable evidence that in business markets relationships matter. Firms tend to depend on a limited number of relationships to customers and suppliers. Coping in these involves costs but relationships can result in significant benefits. That has led to the great effort recently put by scholars in conceptualizing and assessing the “value” of business relationships. Yet, the conceptualizations of relationship value remain elusive and their impact on the practice has only been limited.

In this paper we return to the concept of relationship value. We report results from a longitudinal study of value perceptions by customer and suppliers in the ICT Security market. On bases of this we argue that desired value and value judgments by the parties involved are subjective, relative, context dependent and changing as interaction between the parties unfolds and their context perceptions evolve. Consequently we argue that value of relationships is phenomenological and therefore the main factor of the desired and perceived relationship value is the cognitive/affective elaboration by the parties involved rather than the actual characteristics of the relationships and their content.

**Keywords:** value, relationship, interaction, customer, supplier.

## INTRODUCTION

The notion of relationship marketing has become popular in the marketing discipline. Acknowledging the role and economic consequences of relationships markets has led to the introduction in marketing research of the notion of relationship value: “starting from a concept of marketing linked to transactions, value for customers is embedded in the exchange of the product for money consideration; however, if we assume that marketing is based on relationships, the major role of the product starts to fade” (Grönroos, 1997: p. 411). A related argument is that when the notion of value is applied in context of business relationships the value is *relation specific*, rather than *transaction specific* (Håkansson, 1982: p. 14) and therefore, not simply related to the product (object of exchange) not even if considered for its performances as problem solving.

This appears evident in business markets, as cost and benefits consequences arising from relationships are magnified for parties and the “interactional” nature of value becomes more explicit. The value concept, and particularly value perceptions, are important as they guide actors behaviour in interaction. On bases of the double-sided perceptions interaction unfolds and economic consequences are generated. Another argument for the importance of relationship value is that firm’s relationships with its customers and suppliers contribute to its capital (Hunt, 1991) and to the value for shareholders (Payne and Frow, 2005). From the point of view of management businesses face the problem to invest in those with best returns (Ford and McDowell 1999, p. 430). The issue of value of relationships has also been raised in relation to various managerial problems such as strategic alliances, management of supplier/customer relationships, supply chain and channel relationships.

There has been a certain interest among marketing scholars for measuring the value of customer-supplier relationships (e.g. Anderson and Narus 1999; Ulaga 2001; Ravald and Grönroos 1996; Walter, Ritter and Gemunden 2001; Eggert et al. 2005; Ulaga and Eggert, 2006; Palmatier, 2008). Different authors have tried to explore what makes business relationships valuable and how to assess their value. The common threads in these studies are two interrelated questions: What makes business relationships valuable? and How can the value of a relationship be assessed? On both substantial progresses have been made even if also significant differences of opinion remain. Conceptualizing and assessing the value of relationships remains problematic and the impression is that the interest is ebbing and that, despite all the efforts, the conceptualizing of the relationship value has had little following in the practice. We are left with the situation that even with the recent attention by scholars and the growing body of literature, there is no consolidated concept of relationship value, nor is there a generally accepted conceptualisation of its dimensions to orient its assessment.

Moving from products, to services and relationships, complexity in determining the value of relational dimensions increases compared to tangible assets. Exploring the issue of value in business to business markets is intriguing as the economic consequences of relationships are difficult to grasp because of different product and process characteristics, variety and variability of every single relationship, the high interactivity of customers-suppliers relationships, the continuously changing in solutions, etc. Recent studies also suggest that circumstances external to the relationships, such as the level of interconnectedness among network entities, can also be critical factors in relationship performance and value (Van Den Bulte and Wuyts, 2007) and can be expressed in terms of number of inter-firm ties, the authority in the contact portfolio, and the interaction among relational drivers (Palmatier, 2008).

Our paper aims at exploring value perceptions of the actors involved in a relationship. The study is part of a broader research project on the value of business relationships in the ICT Security Industry. In two different time periods we asked period 25 key informants involved as customers or suppliers in 14 relationships to indicate which elements contribute to generate value of a given specific relationship. The data were collected through semi structured, bilateral, in depth interviews. The

study is confined to the ICT Security business that has been chosen because the supplier-customer relationships in that context have some features that make them extreme such as ambiguity of the product service content of the relationships and “emergent” nature of the solutions to the data security problems both among suppliers and customers.

On basis of the findings from the study we will argue that value can't be considered as a function of the offering, but rather of the interaction between the counterparts and tends to be time and space specific. We will than discuss the implications for conceptualizations and assessment of relationship value.

The paper is structured as follows: section 1 introduces the literature review, section 2 describes the open issues on relationship value, section 3 deals with the context of study and methodology and section 4 with the main findings. Discussion and conclusions of the study follow in section 5 and 6.

## **1. THE VALUE CONCEPT**

There are no doubts that the notion of value is intuitively appealing. There is a considerable literature on the concept of value in various contexts of management such as strategy, finance, accounting and marketing. Several authors have been interested in finding and assessing the drivers of customer/supplier relationship value in business markets. Particularly, they have searched for the variables able to measure the construct. Differences in results can be observed.

For instance, Anderson, Jain and Chintagunta (1993) point out that there is a monetary value of economic, technical, service and social benefits obtained by a customer firm in exchange for the price paid for the supply of a product. Although there is no explicit reference to relationship value, this definition starts to identify and conceptualise the relationship dimensions of the value construct, connected with social and service benefits. To fully understand the concept, in fact, it is necessary to take into account both the technical and the social aspects of the relationship (Holmlund and Kock, 1995). Relationship value can be defined based on three aspects: economic, strategic and behavioural, each of them connected both to attributes that can be measured (hard attributes) and to others that are more difficult to quantify (soft attributes) (Wilson and Jantrania, 1994). But studying value, it is also important to define the different levels of analysis and distinguish between desired value, which refer to the elements of value that actors perceive to desire to solve a specific problem (Flint, Woodruff and Gardial, 1997; 2000) and perceived value, corresponding to the judgement referred to value received.

Going more in depth, in order to measure value the aspects referred to the product and those connected to the relationship should be discriminated (Lapierre, 2000). Particularly in the market analyzed by the author, the ICT market, value is not so far represented by hardware and software components, but more by employers, their response capacity, flexibility, reliability and competencies. Ulaga and Eggert (2001), instead, distinguish among product benefits (quality, services, performance, etc.), strategic relational benefits (long terms benefits such as know-how transfer, new product development, time to market reduction, etc.), and personal benefits (interpersonal relationships between individuals which can favorite business interactions). On the opposite side they suggest time and effort as relational sacrifices. Afterward the authors (Ulaga and Eggert, 2005), redefine their model and identify the relationship value benefits in product, service, know-how exchange, time to market reduction and social relationships, while costs are evaluated in terms of price and process costs.

Moving to the supplier side, both benefits and sacrifices can be referred to the relationship itself and to the connected relationships, which can have an impact on the focal one (Walter et al. 2001). Value is a function, direct and indirect, of the relationships. Direct functions include those effects

independent from the other relationships out of the dyad and can be divided into the volume function, the profit function and the safeguard function. On the other side the indirect functions capture the effects connected to the future and to the other relationships in the network: they are the innovation function, the market function, the scout function and the access function. Not all relationship benefits and sacrifices can be measured, and trying to balance the different outcomes of a relationship is risky since evaluation based only on partial elements may lead to completely different relationship outputs (Gadde and Snehota, 2000).

Another issue in conceptualizing the value of relationships is the time dimension (Eggert, Ulaga and Schultz 2005). However, the impact of time on value has been limited to the issue of relationship lifecycle sustaining that relationship lifecycle moderates the relationship between value and its generative dimensions in relationships. More recently, instead, Vargo and Lusch (2008) affirm, “value is always uniquely and phenomenologically determined by the beneficiary” and is therefore “idiosyncratic, experiential, contextual, and meaning laden”. This adds to the previous emphasis in the Service-Dominant Logic on value creation as being relational and interactional.

Notwithstanding the difficulties to conceptualize and assess relationship value, Anderson and Narus (1999) observed that value «is one of the *cornerstones* of business market management», and opined that with reference to the importance that the theme of value holds for industrial marketing, it has not been properly analysed. They advocated the need to explore more the meaning of value with reference to the way in which it is produced, transferred, consumed and, at the same time, perceived by customers (Anderson and Narus 2004). That seems to be largely true still today. However, using the value concept analytically in economics and business studies has always been anything but straightforward.

Considering the various attempts to conceptualize value, we can attempt to sum-up some of the critical issues recurrent in the literature dealing with the value of business relationships that apparently need to be addressed in conceptualizing and assessing the value of business relationships:

- Value is a trade-off between benefits and sacrifices
- When considering benefits and costs of a relationship there are multiple points of reference: the relationship, the customer and supplier organization, or other entities (e.g. broader organizational entities such as industries or networks)
- There is the issue of how the consequences are perceived and anticipated
- To be determined, value has to be referred to a comparative standard.

**2. MODELLING RELATIONSHIPS VALUE**

Over the last decade or so several different models of relationship value in business markets were proposed in the literature. Studies tend vary according to the perspective of analysis (the customer, the supplier or both), the type of value dimensions considered (monetary, economic or other) and the importance attributed to the various relational aspects of value. Invariably the authors have founded this question rather problematic. We have no ambition to be exhaustive in reviewing the recent research on relational value even though we think we cover those most frequently quoted and referred to. We can sum up in the following table 1 those that explicitly address the issue of relationship value with regard to the focus on certain elements (perspective). The summary of these is somewhat arbitrary and leaves out many others that could be related to the value concept but do not use explicitly the value framework (e.g. Palmatier et al. 2006; Tuli, Kohli, Bharadwaj 2007; Ford et al. 2006). All these studies have in common the assumption that relationships matter. With different angles and perspectives as well as different levels of sophistication in the analysis, they tried to develop conceptual frameworks for understanding what can constitute value of a relationship.

**Table 1:** Focus in conceptual frameworks and models of relational value in recent research.

FOCUS	AUTHORS
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<b>Customer value</b> <i>Focusing on value of a supplier for the customer; only implicitly refer to the relationships</i>	Cantone, 2004 Menon, Homburg and Beutin, 2005
<b>Customer perceived value</b> <i>emphasize perceptual aspects and the communication affecting customer value.</i>	Anderson, Jain and Chintagunta, 1993 Lapierre, 2000 Ulaga and Chacour, 2001 Flint, Woodruff and Gardial, 1997; 2002
<b>Supplier perspective</b> <i>Acknowledge of value of customer relationships for the supplier</i>	Walter, Ritter and Gemünden, 2001 Baxter and Matear, 2004
<b>Customer and supplier perspective</b> <i>Acknowledge double - sidedness of relationships value</i>	Hogan, 2001 Biggemann and Buttle, 2005 Mandjak and Simon, 2007 Bouzine, Chameeva, Durrieu and Mandjak, 2001 Corsaro, 2009
<b>Relationship value for the customer</b> <i>Explore the consequences of various facets of supplier relationships for the customer organization.</i>	Wilson and Jantrania, 1994 Ravald and Grönroos, 1996 Grönroos, 1997 Ford and Mc Dowell, 1999 Ulaga and Eggert, 2001 Ulaga, 2003 Gadde and Snehota, 2000 Ulaga and Eggert, 2005 Ulaga Eggert and Schultz, 2005 Ulaga and Eggert, 2006
<b>Network features</b> <i>Emphasize the role of connected relationships (network) in value for customers (and suppliers)</i>	Gummesson, 2004 Möller and Törrönen, 2003

Given the above reading of how the relationship value has been dealt with and the choices the proponents of various models tended to follow, the picture of the contributions on relationship value seems to be rather broad, complex and heterogeneous. Reviewing this body of literature there are some recurrent themes regarding the relationship value:

- The focus in on economic value that tends to be interpreted mostly as short-term, measurable monetary costs and benefits;
- Greater attention to benefit dimensions than to sacrifice (cost) one;
- Emphasizing the value of relationships for the customers, rather the supplier, and leave open the issue regarding the possibility to consider both simultaneously;
- The necessity to relate value (benefits-costs) more to consequences of relationships for the actors involved rather than simply to products or artefacts exchanged;
- Value tends to be interpreted mainly in a static way, not taking into account its evolution actors' expectations or change in relationships;
- Tendency to emphasize the relational elements of value rather than situational elements of value. Only rarely connections and interdependences of relationships and their effects are acknowledged.

A meta-reading of these studies leads to two questions: Do all the elements of value individuated in literature can be simultaneously present in a relationship? Are actors able to manage this complexity?

Search for some absolute set of elements appears pointless. The value concept is relative in so far as it always is a question of "value for" rather than simply an absolute "value of" a relationship. It shows that when we look for value for any subject the elements of value (factors that determine the value) are relative and much dependent on perceptions, cognitive elaboration, emotions and framing of consequences, which are numerous. They can be manageable for an actor only if this complexity

is in some way reduced. Another issue is that if perceptions of relationship value guide relationship behaviours then we face the problem of a dynamic loop. The relationship value is not only time and context dependent but also constantly changing.

### **3. METHODOLOGY AND DATA COLLECTION**

The ICT Security business has been chosen because a preliminary study has shown that in that business customer – supplier relationships have a few features that are interesting for our purpose. Data security is a problem perceived as urgent and serious by some less by others. Security appears to be an increasingly important issue for firms of every type as it can impact on company performance both directly (money and sensitive information thefts), and indirectly (reputations, brand value). It is the market where there is little of shared dominant view and agreement on what the problem is and what solutions exist and can be applied. Customers of security solutions are concerned but their views are fuzzy at best. The different interpretations of both problems and solutions tend to evolve and change rather quickly. Various actors in this market lament that they are only partly satisfied with the counterparts and see the relationships as risky, costly and difficult but urgent. Customer firms in this market are searching for solutions to their problems and for suppliers able to provide. The major providers of “security solutions” are: technology providers (vendors specialized in security, ICT vendors) and service providers (system integrators, consulting companies, outsourcers), telecomm operators and Internet Services Providers.

Considering the exploratory nature of this research the ICT security business appears to offer a fruitful field in which certain aspects of business relationships are magnified and thus suited for “theoretical sampling”. We followed Eisenhardt’s principle of saturation (1989), which states that repeated analyses of the case and refinement of hypotheses have decreasing returns as the work progresses: a number of cases from four to ten should be sufficient when using theoretical sampling.

This study is part of a more extensive research on customer and supplier perceptions of value in business markets in ICT Security market. Initially we carried out ten exploratory interviews with various managers and experts in the business with the purpose to get a broad picture of the actors and their relationships in the Security market in Italy. On the basis of these we have designed the two studies.

In the first we investigate perceptions of value of a relationship as seen from the provider and user perspective. We identified eight relationship dyads and three triads for which we could interview both the customer and the provider of the “security solutions”. The customer firms were selected among medium-large firms for which the need of security increases and becomes more articulated and becomes an important issue of concern. These firms belong to different industries: finance, manufacturing, transports, services, public administration, utilities, infrastructures. The relationships to be analysed were chosen asking customers of security solutions to indicate the relationship with the main supplier in the security area. Different types of suppliers have been identified by customers as they used different types of suppliers: hard-ware/soft-ware vendors, system integrators, consultancy firms and distributors. In the eight dyads and three triads then key respondents in each company were identified on both sides of a specific relationship (one respondent per firm; marketing or sales manager in the supplier firms, and ICT managers in customer firms).

This first phase of research consisted of two steps. First, we carried out 16 open interviews with key informants in provider and user companies to identify various elements that respondents claimed to be of concern for the customer when dealing with each other; so in the customer companies respondents were asked to indicate what they consider to be the main elements of benefits desired (as Flint, Woodruff and Gardial, 1997; 2002 describe desires are composed by only benefits) and the main elements of value (benefits and sacrifices) currently perceived from the relationship developed. In the provider companies the respondents were asked to indicate what they thought/believed the

main elements of benefits and sacrifices were sought by the customers and what they thought have been achieved. Second a questionnaire containing measures of benefits indicated in literature by Ulaga and Eggert (2006) (see the appendix) has been distributed both to customers and supplier asking to score the importance attributed to each of elements on the list on a scale from 1 to 7.

Both open and close questions were asking to compare the main supplier of the customer with the second one; this has been possible as in all cases the main supplier knows quite well the business context of the customer, and is able to provide some considerations on the supplier portfolio of the customer. As Ulaga and Eggert suggest (2006) managers tend to compare these two alternatives when making value judgments and furthermore similar comparison standards allow respondents for meaningful comparisons.

During the second phase of study, the same interviews as in the first phase have been repeated after a year. In this phase customers and suppliers have been interviewed separately but in the same time moment, specifically during two conferences on security themes. This allowed avoiding biases in the evaluation done by respondents. As for data analysis we have observed both the single actors and the dyad. No statistical validation of the data was done, as it is not the purpose of the study to claim statistical significance. Our purpose was simply to describe the perceptions of value elements in business relationships.

#### 4. FINDINGS

Firstly we have compared the perception of the elements of value (benefits and sacrifices) by two different customers, Regione Abruzzo and Monte dei Paschi di Siena, and compared them with the elements included in Ulaga and Eggert's model (2006).

**Table 2:** The dimensions of relationship value compared to Ulaga and Eggert (2006) model.

Ulaga & Eggert, 2006		Regione Abruzzo (customer)		Monte dei Paschi di Siena (customer)	
Benefits	Sacrifices	Benefits	Sacrifices	Benefits	Sacrifices
Product quality	Direct costs	Know-how transfer	Price	Commitment	Price
Delivery performance	Acquisition Costs	Innovation capacity	Interlocutors' change frequency	Service support	Effort/Energy
Service support	Operation Costs	Personal interaction	Acquisition Costs	Availability of alternative solutions	Acquisition Costs
Personal interaction		Possibility of creating synergies	Cost to make the relationship public	Problem solving ability	Coordination costs
Time to market				Capacity of response	
Supplier know-how					

Source: personal elaboration

We can observe that the elements of value indicated (and formulated) by the respondents are numerous, heterogeneous and specific. Correspondence with the conceptual categories for relationship value in the literature is difficult to establish. Respondents appear to use different, more empirically rooted, categories of factors of importance (clues) on which they judge the benefits and costs of a relationship. The framing and judgments of what accounts for value of the relationship

suggest considerable ambiguity in judgments of the value of relationships. Whatever the picture held it can be assumed to matter, as it is what the respondents are set to act upon.

The table 3 shows the importance assigned (from one to seven) to the same elements of customer value (Ulaga and Eggert model 2006 was used - see appendix) by customer and supplier in a specific dyad, while table 4 emphasizes the customer desired benefits as by the customer and supposed by the supplier.

**Table 3:** The dimensions of Relationship Value for the customer in the dyad: the customer and supplier perspective.

<b>DL.GI. (customer)</b>	<b>Score</b>	<b>SECETI (supplier)</b>	<b>Score</b>
Compared to the second supplier, the main supplier provides us with better product quality.	<b>7</b>	Compared to the second supplier, the main supplier knows better how to help us drive innovation in our products.	<b>7</b>
Compared to the second supplier, we interact better with the main supplier.	<b>7</b>	Compared to the second supplier, we have less delivery errors with the main supplier.	<b>7</b>
Compared to the second supplier, the main supplier is more available when we need information.	<b>6</b>	Compared to the second supplier, the main supplier's products are more reliable.	<b>7</b>
Compared to the second supplier, the main supplier adds more value to the relationship overall.	<b>5</b>	Compared to the second supplier, we can discuss problems more freely with the main supplier.	<b>6</b>
Compared to the second supplier, we have less delivery errors with the main supplier.	<b>5</b>	Compared to the second supplier, the main supplier responds faster when we need information.	<b>5</b>

Source: personal elaboration

**Table 4:** The customer desired benefits: the customer and supplier perspective.

<b>Desired benefits</b>	
<b>DL.GI. (customer)</b>	<b>SECETI (supplier)</b>
Partnership	Product reliability
Know-how transfer	Product flexibility
Reputation of individuals in the supplier firm	Possibility to integrate product and services
Specialized competences	Specialized know how
Scouting on the technological state	Time of product delivery and implementation

Source: personal elaboration

Comparing how customers and suppliers rank the benefits of the mutual relationships in the security business they show, obvious and expected, differences in type of value elements the parties generally give importance. They express different opinions on value, considering some aspects and not others, and emphasizing concern with different consequences. It suggests different focusing on the two

parts. Considering that these are always referred to the same relationship and with the use of the same questionnaire (see appendix) the differences in listing of benefits elements are interesting.

The analysis of table 4 suggests that value doesn't exist in an absolute sense, but it depends on the subjective perception of the problems and of the solutions received. In other words, the perception of value is related to what specific problem the customer desires to solve and asymmetries in what the customer desires and the supplier think the customer desires may emerge.

When solicited respondents described their network of relationships. We asked them to indicate other actors that they think have an influence on the value generated in the dyad, (assigning them a score between 1 -no impact- to 7 -strong impact- according to the strength of the effects generated). Results are described in table 5.

**Table 5:** The network of the customer: the customer and supplier perspective.

2008		2009	
DLGI (customer)		SECETI (supplier)	
Actors	Impact on the dyad (1-5)	Actors	Impact on the dyad (1-5)
IBM	7	The vendors	6
The other vendors	5	The customer's customers	4
The supplier's customers	5	Competitors	3
		Opinion leaders	3

Source: personal elaboration

Circumstances and connection at the "a network level" seem to be often suggested as relevant for the relationship value. But also that each actor has his own view and idea regarding the composition of the network in which he is embedded, both in terms of who the other influent actors are and how much they matter for value creation. This picture is important as it represent the frame on which individuals undertake decisions. Relationships with the other actors in the network contribute to the creation of actors' ideas of the perceived value, but also of the desired one.

Finally, the longitudinal study has allowed us to verify how both the perception of value (table 6) and of desired value (table 7) have changed in time.

**Table 6:** The benefits and sacrifices for the customer: a longitudinal perspective.

Regione Abruzzo (customer)			
2008		2009	
Benefits	Sacrifices	Benefits	Sacrifices
Supplier know-how	Price	Specialized competences	Price
Innovation capacity	Interlocutors' change frequency	Possibility of creating synergies	Risks of opportunistic behaviour by the supplier
Personal interaction	Acquisition Costs	Scouting on the other relationships	Negotiation costs
Possibility of creating synergies		Effort in understanding the customer context	Interlocutors' change frequency

**Table 7:** The desired benefits for the customer: a longitudinal perspective.

<b>Regione Abruzzo (customer)</b>	
<b>2008</b>	<b>2009</b>
<b>Desired benefits</b>	<b>Desired benefits</b>
Personal interaction	Support to customer innovation
Effort in understanding the customer context	Relationship growth potentialities
Possibility of creating synergies	Problem solving ability
Product/service quality	Capacity to personalize the offerings
Availability to share risks	Continuity in the supplier strategy

Source: personal elaboration

The two table shows that clues used to assess relationship value change. Not only what actors perceive as value change in time, but also what actors desire. Both the problems and the solutions are continuously evolving. This aspect is not surprising but it has been mostly by literature, both from a theoretical perspective, and as for the paucity of empirical evidences.

## 5. DISCUSSION OF FINDINGS

Findings from two studies of value perceptions by customer and suppliers in the ICT Security market lead to the following considerations.

Firstly, the value judgments observed in the practice of managers appear clearly subjective. In interaction each actor emphasizes certain dimensions of value, changes others and becomes even aware of dimensions that had not previously considered. It is rather obvious that intercompany relationships express a multiplicity, a specificity and variability of consequences which lead actors to simplify their cognitive schemes activating every time some specific elements. They only use a limited number of clues because it is virtually impossible to assess all possible value dimensions of the relationships. Secondly, the idea of value is related to priorities. Customers and suppliers have different focus and give importance to different value elements, showing asymmetry in evaluating of relationships. The interaction in the dyad and in the network lead perceptions (i.e. solutions) and desires (i.e. problems) to be continuously changing. Parties have different expectations and perceptions about the consequences of their own relationships, expectations and perceptions which, in turn, modify in the course of time.

The cost and benefit consequences perceived by parties to a business relationship between the supplier and customer companies reflect not only the perceived value arising from the solutions adopted in the relationship, but also the framing of problems for which the relationships can be “of use”. Actors perceptions regarding the elements of value do not depend only on the interaction in the dyad but also in other relationships. That is on how is configured in that moment the network they belong to.

The subjective, relative, context dependent and dynamic nature of value matters in defining parties’ behaviors, which, in turn, contribute in determining the relationships configurations in terms of

solutions provided. Every configuration has economic consequences for parties; it represents the basis for future interactions, generating thus a recursive loop. The value judgements direct actors' behaviors in interaction, however vague and incomplete these perceptions are. In this sense the relationship evolution is dependent on the change of value perception in time.

## **6. CONCLUSIONS**

Value is a problematic concept: it is relative, subjective, context dependent, dynamic and evaluation based only on partial elements may lead to completely different relational behaviours.

Coming back to the attempts to assess the value of business relationships made in literature, we can affirm that trying to represent relationship value through a model implies that one assumes that value is a function of the form and content of the relationship. Instead the more or less unexpected consequences for the parties involved are the only ones that can be observed, measured and translated in economic terms.

The interaction within the dyad and within the network makes different selected components of value to be perceived and successively enacted. The relationship outcome is thus generated "in between" and is intrinsically changing. That makes problematic to adopt a structural view and to consider the components of value as "a given set". Value depends on desires and perceptions, which, in turn, are the results of the interaction among two or more counterparts and of how that interaction relates to the respective problems of the two counterparts at that point in time and space.

Rather, the phenomenological nature of value that emerges from the study has some implications for conceptualizing value and attempts to assess it. It clearly suggests that we have to consider the way in which actors form and act upon pictures of possible consequence.

As for further research in this area it is suggested that the socio-cognitive dimension matters for the creation of value perception and so for the explanation of relationship value and its dynamics.

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**APPENDIX**

1. Ulaga and Eggert (2006) model: Value-Based Differentiation in Business Relationships: Gaining and Sustaining Key Supplier Status, *Journal of Marketing*, 70.

Value Drivers in Key Supplier Relationships		
	Benefits	Costs
<i>Core offering</i>	- Product quality - Delivery performance	Direct cost
<i>Sourcing process</i>	- Service support - Personal interaction	Acquisition costs

<i>Customer operations</i>	<ul style="list-style-type: none"> <li>- Supplier know-how</li> <li>- Time to market</li> </ul>	Operation costs
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2. Ulaga and Eggert (2006) Relationship Value benefits measures.

**Product Support**

- Compared to the second supplier, the main supplier provides us with better product quality.
- Compared to the second supplier, the main supplier meets our quality standards better.
- Compared to the second supplier, the main supplier’s products are more reliable.
- Compared to the second supplier, we reject less products from the main supplier.
- Compared to the second supplier, the main supplier provides us with more consistent product quality over time.
- Compared to the second supplier, we have less variations in product quality with the main supplier.

**Service Support**

- Service1 Compared to the second supplier, the main supplier provides us with better services.
- Service2 Compared to the second supplier, the main supplier is more available when we need information.
- Service3 Compared to the second supplier, the main supplier provides us with more appropriate information.
- Service4 Compared to the second supplier, the main supplier responds faster when we need information.

**Delivery**

- Delivery1 Compared to the second supplier, the main supplier performs better in meeting delivery due dates.
- Delivery2 Compared to the second supplier, we have less delivery errors with the main supplier.
- Delivery3 Compared to the second supplier, deliveries from the main supplier are more accurate (no missing or wrong parts).

**Supplier Know-How**

- Compared to the second supplier, the main supplier provides us a better access to his know-how
- Compared to the second supplier, the main supplier knows better how to improve our existing products.
- Compared to the second supplier, the main supplier performs better at presenting us with new products.
- Compared to the second supplier, the main supplier knows better how to help us drive innovation in our products.
- Compared to the second supplier, the main supplier knows better how to assist us in new product development.

**Time to Market**

- Compared to the second supplier, the main supplier performs better in helping us improve our time to market
- Compared to the second supplier, the main supplier helps us more in improving our cycle time.
- Compared to the second supplier, the main supplier helps us more in getting our products to market faster.
- Compared to the second supplier, the main supplier performs better in helping us speed up product development.

**Personal Interaction**

- Compared to the second supplier, it is easier to work with the main supplier.
- Compared to the second supplier, we have a better working relationship with the main supplier.
- Compared to the second supplier, there is a better interaction between the main supplier’s people and ours.

- Compared to the second supplier, we interact better with the main supplier.
- Compared to the second supplier, we can address problems more easily with the main supplier.
- Compared to the second supplier, we can discuss problems more freely with the main supplier.
- Compared to the second supplier, the main supplier gives us a greater feeling of being treated as an important customer.

**Relationship Value**

- Compared to the second supplier, the main supplier adds more value to the relationship overall.
- Compared to the second supplier, we gain more in our relationship with the main supplier.
- Compared to the second supplier, the relationship with the main supplier is more valuable.
- Compared to the second supplier, the main supplier creates more value for us when comparing all costs and benefits in the relationship.