
Buyer-supplier interactions in business services: stability and change in relational interfaces

Abstract

Business services have a growing importance since they increasingly become a considerable share of many firms' external resources. Therefore, the interactive processes involved in the acquisition and exchanges of these services need cumulative understanding and descriptions from scholars. In this study, patterns of interaction are sought through the mapping of both structural and process dimensions of interaction. Furthermore, we propose the investigation of an additional dimension of variety, by integrating the dimension of relational interfaces. We also suggest that the presence of variety in terms of interface, their stability and change, even within the same type of services (according to the application context, as defined) is inseparable from learning over time, both directly (i.e., at the dyad) and indirectly (i.e., in connected relationships).

Exploratory case study research was conducted into on-going buyer-seller interaction, using in-depth interviews as the main data collection method. The results show that interaction patterns from two of the proposed categories for types of services could be identified, namely, instrumental and consumption services. Moreover, variety was present in the interface supplier-buyer within a specific type of service. In fact, the business services' supplier positions itself towards the focal customers' within an array of three different interfaces: specific, translation and interactive. Furthermore, evolvement was shown to be inseparable from learning, that indeed occurred from repeated exchanges within the focal relationships, but more importantly, from the learning that occurred in the connected relationships.

Keywords:

Business services – patterns of interaction – relational interfaces

INTRODUCTION AND PURPOSE

Business services, i.e., those services that are exchanged between organizations, have a growing importance since they increasingly become a considerable share of many firms' external resources (van der Valk 2008; van der Valk and Rozemeijer 2009). Thus, the interactive processes involved in the acquisition and exchanges of these services need cumulative understanding and mapping from scholars. The relational approach of the IMP Group has shown to be a strong appropriate conceptual basis to study this phenomenon (e.g., Wynstra, Axelsson & van der Valk 2006; van der Valk, Wynstra & Axelsson 2008 2009). As referred in these studies, although the interaction approach has been originally developed on the basis of goods being exchanged among organizations, this approach and its extensive conceptualization developed by the IMP Group has shown to be applicable for gaining valuable insights on the interaction processes between buyers and sellers of business services.

Business relations between firms viewed as an interaction process has been early emphasized by Håkansson, Johansson & Wootz (1977). With the aim to find descriptive variables that increase the understanding of industrial markets, they view the interaction process from two perspectives: the buyer and the seller firms. According to Håkansson (1982, p.39) this interaction process “consists of a large number of individual episodes of product-service information, financial and social exchange”. Episodes are differentiated from the long-term aspects of relationships, i.e., institutionalization and adaptations. The institutionalization of procedures is mapped through the inter-functional and interpersonal contact patterns made by the companies. Adaptations concern modifications made by one of the parties in order to adjust itself to the other party. Examples include modifications in product design, specifications, manufacturing processes, planning and/or delivery procedures, administrative and financial procedures adaptations.

Recently, the studies by Wynstra et al. (2006), suggested the existence of variety in supplier-customer interaction patterns depending on the type of application customers give to the business service being acquired. A four-fold classification was proposed: component services, semi-manufactured services, instrumental services, and consumption services. This variety was analyzed considering initially static dimensions of interaction, such as: key objectives of interaction, type of representatives involved and required buyer and supplier capabilities (ibid). Process-related dimensions of interaction are further incorporated in the analytical framework, i.e., institutionalization and adaptation (van der Valk et al. 2008). Institutionalization is conceptualized based on the on-going communication between the parties (cf., Hakansson,1982), while adaptation is viewed as “any relation-specific changes or investments made by the parties involved aimed at buyer-seller collaboration” (van der Valk et al. 2008, p 8).

In this study, we propose the investigation of an additional dimension of variety, by integrating the dimension of *relational interfaces*, viewed as the way buyers and sellers relate their resources to each other (cf., Araujo, Dubois & Gadde 1999). The technical interdependencies that arise from the connection of the parties' resources are the core of the resource interfaces. Both the producer and user contexts are taken into consideration. Based upon the extent to which the customer and the supplier are aware of each other's contexts, Araujo et al. (1999) propose four different resource interfaces: standardized, specified, translation, and interactive.

Two fundamental aspects underlie the incorporation of the dimension of the resource interfaces as a key component of buyer-seller relationship: (1) as in Araujo et al. (1999, p.498) our belief “is that a firm’s competitive advantage resides not simply within the boundaries of what it owns and controls, but also on idiosyncratic interfaces it develops with other firms, e.g. its suppliers”; and (2) it helps to capture and unfold the dynamic aspects of interaction enclosed in the more static dimensions of interaction as proposed by Wynstra et al. (2006), i.e., key objectives of interaction, type of representatives involved and required buyer and supplier capabilities (as referred earlier).

Hence, the starting point of our approach is the investigation of the interaction processes that occur in the acquisition and exchanges of business services, as it is ascertained by scholars that these need further investigation and illustrations. According to the different types of services proposed by Wynstra et al. (2006), patterns of interaction are sought through the mapping of both structural and process dimensions of interaction – since we claim that the usage dimension as proposed by Wynstra et al. (2006) is one of the main factors that affects the interaction patterns and the occurring customer-supplier interfaces. Additionally, we posit that different relational interfaces may evolve within a given type of service.

The purpose of this, primarily conceptual, study is dual: firstly, to outline and describe whether the patterns of interaction proposed by Wynstra et al. (2006) are consistent with one of the proposed types of business services; secondly, whether variety is present in the interface supplier-buyer within a specific type of service.

AN USAGE-BASED CLASSIFICATION OF BUSINESS SERVICES AND ITS INTERACTION PATTERNS

Cook, Goh & Chung (1999) conduct a state of the art survey of service typologies. They chronicle four decades of service classifications and note that the majority of these focus on the output of the supplier/selling firms, meaning, the type of services/products offered. In turn, the perspective proposed by Wynstra et al. (2006) is based on the buyer and claims that the buying-company usage or application of the service, with respect to its own business processes, is determinant for designing effective buyer-seller interfaces and interaction processes. As referred earlier, in this particular study focus is given to the interactive processes involved in the acquisition and exchanges of business services. As in Wynstra et al. (2006) the nature of these interaction processes in services is characterized through the dimensions: key objectives of interaction, type of representatives involved and required buyer and supplier capabilities.

The four-fold classification proposed by Wynstra et al. (2006) is based on a set of decision rules developed by Doty & Glick (1994, p 232), as follows:

1. Consumption service, when such a service does not directly affect how the buying company's primary processes are carried out (e.g., office cleaning services for an airline);
2. Semi-manufactured service, when such a service after being transformed is delivered to the end-customer (e.g., weather forecasts which are transformed into specific flight schedules);
3. Instrumental service, when such a service directly affects how the buying company's primary processes are carried out, but is not delivered to end customers (e.g., information and communication technology services used to support flight operations);
4. Component service, when such a service is delivered to end customers without transformation (e.g., baggage handling).

Accordingly, for each service type, Wynstra et al. (2006) list interaction characteristics, i.e.: the objectives, the critical capabilities of both parties and the interfaces in terms of the representatives involved.

As mentioned earlier, process-related dimensions of interaction are later incorporated in the analytical framework, i.e., institutionalization and adaptation (van der Valk et al. 2008).

The following table, summarizes the descriptions of the patterns of interaction for the different types of services:

Table 1 - Propositions on patterns of interaction for the four types of services (based on Van der Valk et al. 2006; Wynstra et al. 2006)

	Objectives	Critical supplier capabilities	Critical customer capabilities	Supplier representatives	Customer representatives	Communication	Adaptation
Component services	The service should fit with the customer's final offering	Production capacity and quality Development capabilities (in case of specialized services)	Translating/communicating final customer demands (on going basis) Synchronizing the supply of various service components	Marketing representatives regarding the supplier's own service 'Downstream' specialists (knowledgeable of the final offering)	Buyer specialists regarding the service bought, and marketing representatives knowing the needs of the buyer's customer	Exchange of information on customer requirements Fit service with the rest of the offering Customer's evaluation of service	Service specification Service design Capacity and demand management
Semi-manufactured services	The buying company should be able to transform the service in the desired way	Production capacity and capability to maintain a stable quality Innovative capabilities (when used as an external expert and for strategic services)	Translating final customer demands Optimizing fit between internal and supplier's operations Synchronizing suitable contact interfaces between internal and the supplier's operations	'Production planning' and marketing representatives	Production and quality representatives	Exchange of information on customer requirements Service transformation possibilities	Service specification Service design Service delivery Capacity and demand
Instrumental services	The service should affect the customer's primary processes in the desired way	Business development and innovation Business and service production design services	'Implementation' skills: understanding what fits when, how and for whom	Product representatives, often including a team of consultants or process engineers	Business development representatives and affected internal customers	Exchange of sensitive information about the buying company's primary processes Effect of service on primary processes	Organizational structure Financial procedures Administrative procedures
Consumption services	The service should support various core processes	Ability to supply the desired service and (if needed) adapt it to the specific situation of customer	Translating/communicating internal customer demands (on ongoing basis) Follow up on performance and user satisfaction	Marketing representatives	Buyers and internal customers	Service performance Reducing administrative workload	Administrative procedures Financial procedures

Source: van der Valk (2008, p 304 – Table 1)

RELATIONAL INTERFACES WITHIN BUSINESS SERVICES INTERACTION PATTERNS

As with the incorporation of the process-related dimensions of institutionalization and adaptation (van der Valk et al. 2008), the dynamic aspects of most relationships underlie the choice to incorporate the relational interfaces, as proposed by Araujo et al. (1999), within the conceptual framework of this study.

Accordingly, based on how a focal customer accesses its suppliers' resources, the following interfaces are outlined:

1. Standardized interface, when both the knowledge of the supplier and buyer are unrelated. What is offered and what is used are goods and/or services standardized in this interface;
2. Specified interface, when the buyer commonly prefers a customized product. The interface requires resource adaptation from both the supplier and the buyer, but particularly from the seller who requires strict instructions from the buyer – since it is expected that the supplier would act as some sort of extended “production line” of the buyer;
3. Translation interface, when the buyer directs the supplier based upon the functional characteristics in its user context. Hence, the supplier has a greater degree of freedom in interpreting the functions required and consequently in developing the product;
4. Interactive interface, encompasses a mutual learning process and is based upon a continuous open dialogue between the parties who opt to join their knowledge and skills to utilize each other's resources.

By incorporating the relational interfaces and its potential evolution and consequent variety, the analytical focus shifts to the constraints and possibilities of learning that occurs between the parties' in the focal relationship, and beyond, in the network of relationships.

In other words, by considering the development of supplier-customer relationships in business services, the inherent evolutionary process of learning becomes a reality. As known, the development of relationships can be regarded as a process that evolves in terms, for instance, of the increasing experience of both partners (Ford 1980; Turnbull, Ford & Cunningham 1996). Learning can occur from own experiences, and, more importantly, from others' experiences – enclosing “the transfer of knowledge embedded in products or processes or the transfer of knowledge in a more pure form” (Hakansson, Havila & Pedersen 1999, p 443). Besides, these authors also posit that the more relationships companies have to others in a business network, the more companies seem to learn. Moreover, Stjernstrom & Bengtsson (2004) assert that mutual learning relies on the absorptive capacity of the firms involved. However, in this study, the network perspective is adopted solely from a positional perspective (cf., Möller 1994). This means that the influence of other relationships is only taken into consideration to the extent that they affect the development of the particular focal relationship under investigation.

In this context, the interpretation that the focal actors make of the type of service – a critical aspect since it opens or restricts the scope of action of both parties in the relationship (cf., Wynstra et al. 2006), may reflect learning occurring in connected relationships, i.e., relationships with other suppliers and/or customers (Hakansson & Snehota 1995; Hakansson et al. 1999).

Additionally, even if there is consensus about the type of service, it makes sense to consider the extent to which the degrees of freedom of a supplier with a particular client (e.g., for designing the offer) may emerge both from the learning that occurs within repeated exchanges within the focal relationship, but particularly from the learning or experience generated in other relationships - for example, from having supported the development of new skills with other customers. In this context, it is therefore acceptable that the relational interfaces can be maintained or changed (Araujo et al. 1999) for any given service classification (van der Valk et al. 2009).

In this study, we suggest that the presence of variety in terms of interface, their stability and change, even within the same type of services (according to the application context, as defined) is inseparable from learning over time, both directly (i.e., at the dyad) and indirectly (i.e., in connected relationships).

Finally, if learning matters and to the extent that (connected) relational interfaces make up a “dynamic” dimension of interactions in ongoing service exchanges, what the counterparts define as exchange service success, either in terms of efficiency or innovation, has a context-specific and provisional nature.

A FRAMEWORK FOR ANALYSIS

Based on the aforementioned considerations our simplified representation of the analytical framework builds primarily on the classifications proposed by Wynstra et al. (2006) and extended by van der Valk et al. (2008) regarding the types of business services and its patterns of interaction, which enclose the dimension of evolving relational interfaces (Araujo et al. 1999) – thus, those interfaces that encompass variety over time.

“Researchers who propose typologies implicitly recognize that organizations are neither wholly different nor completely like other firms” (Cook et al. 1999, p 318). Whatever viewpoint one might have, the utility of typologies is to facilitate the development of meaningful strategies and guidelines for academics and practitioners regarding the further understanding of the interaction patterns and its’ interfaces when business services (certain types) are exchanged among buyers and suppliers.

The following figure illustrates a simplified, nested representation of our analytical framework. We would like to emphasize the existence of three layers, representing the three embedded units of analysis of this study, i.e., the type of business service that entails certain patterns of interaction described by the outlined dimensions. Further, it is intended to unveil the relational interfaces and its inherent learning process. Finally, the two-ended arrows represent graphically the connections that exist among the different layers.

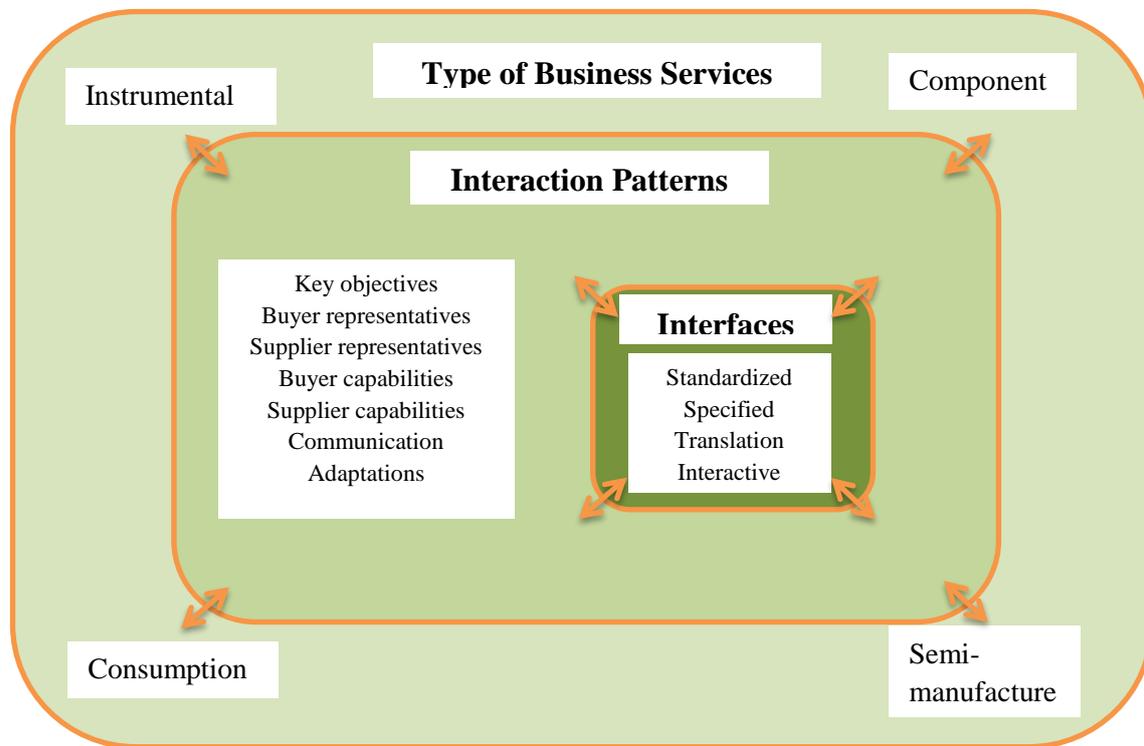


Figure 1: Conceptual framework – A nested relational interface approach to study business services' buyer-supplier interactions

RESEARCH DESIGN

The purpose of this study was defined as follows: (1) to outline and describe whether the patterns of interaction proposed by Wynstra et al. (2006) are consistent with one of the proposed types of business services; (2) to understand whether variety is present in the interface supplier-buyer within a specific type of service.

So, as mentioned, the presence of variety in terms of the relational interfaces is suggested for a certain type of service. We also posit that mutual learning is potentially present in the evolution of the relationships established between buyers and suppliers of business services.

Since this is a complex phenomenon, that needs to be embraced in its entirety, exploratory case studies are selected as an appropriate research strategy. An important advantage of case study research is formulated as follows by Valdelin (1974) quoted by Gummesson (1988, p 76):

"The detailed observations entailed in the case study method enable us to study many different aspects, examine them in relation to each other, view the process within its total environment and also utilize the researcher's capacity for

‘Verstehen’¹. Consequently case study research provides us with a greater opportunity than other available methods to obtain an holistic view of a specific research project.”

In agreement with this view, Easton (1995, p 476) affirms: “case research allows the researcher the opportunity to tease out and disentangle a complex set of factors and relationships, albeit in one instance.” An issue to stress is that, even if the empirical reality needs to be delimited, the “problem is that, in the empirical world to which our studies apply, there are no natural boundaries” (Dubois & Gadde 2002, p 557).

Thus, exploratory case study research was conducted, using in-depth interviews as the main data collections method. Five exploratory case studies were conducted for one specific service type into on-going buyer-seller interaction. Similarly to van der Valk et al. (2008) theoretical selection criteria was used to choose the study objects, namely: 1) the type of company (service provider, namely a marketing agency), and 2) the type of customer of the buying company (other companies, B2B context).

So, purposive sampling criteria were applied, and, firstly, the service provider, i.e., the marketing agency “On Spot Marketing” (hereafter OSM) was selected due to ease of access and fit to the exploratory purpose of the study. Secondly, our main concern was towards the selection of the customer companies’ and the type of relationships established with the service supplier. As stated in the purpose of the study, it is paramount that one type of business service characterizes, at least at the outset, the types of relationships established between the seller and the buyers investigated. In other words, the logic underlying the selection of the multiple cases is based on conceptual grounds (cf., Miles & Huberman, 1994, p.29). This rationale is also in agreement with Yin (1994, p.46) as he argues that “Each case must be carefully selected so that it either (a) predicts similar results (a literal replication) or (b) produces contrasting results but for predictable reasons (a theoretical replication).” In this study, the first sampling logic is followed, in the sense that on-going buyer – seller interactions in one specific service type was pursued for further investigation in the five exploratory case studies.

Based on the aforementioned rationale, we now present the selected companies (one seller and five customers):

- OSM (seller): marketing agency specialized in developing appropriate marketing activities for the target market of university students with ages between 18 and 25. Founded in 2004, the new vision of this marketing agency was to develop and implement a new interaction model with the young generation, called “Student Brand Management” (SBM);
- AUTO (customer 1): multinational corporation within the automotive industry that also has brands that are targeted towards OSM’s preferential target segment;
- CONSM1 (customer 2): well-known brand belonging to an international Group of mass consumption products active within the tea business – both hot and cold teas’ market. The “university segment” is an attractive pole of potential consumers;
- TELCOM1(customer 3): mobile telecommunication company well established in the Portuguese market with a huge client portfolio (both B2B and B2C). The company covers all type of market segments, inclusively the university target segment where it seeks OSM’s particular know-how;

¹ empathetic understanding

- CONSM2 (customer 4): active in the mass consumption market within the fruit beverages market. It is one of the top 10 Portuguese consumption brands. Universities are a potential consumption setting for this company, where OSM's services are rendered;
- TELCOM2 (customer 5): a recent brand (around three years) in the Portuguese mobile telecommunication market. Its main purpose is to gain market share supported by creative, innovative marketing actions. OSM is sought to work "outdoor actions" in all type of market segments.

Hence, the exploratory five cases regard the investigation of the interaction patterns and the variety present (or not) in the supplier-buyer interfaces between:

- Case 1: OSM – AUTO;
- Case 2: OSM – CONSM1;
- Case 3: OSM – TELCOM1;
- Case 4: OSM – CONSM2;
- Case 5: OSM – TELCOM2.

Regarding the in-depth interviews, the interview guide developed by van der Valk et al. (2008) served as a starting point for the focused interviews conducted (characterized by following a semi-structured guide but still assuming a conversational manner). Initially, it was planned to conduct interviews at both ends of the dyad. As Wilson (1996) states "the collection of richer data, incorporating the perspectives of respondents from both ends of the dyad, would compensate for the necessarily smaller sample size involved". However, constraints were found regarding the data collection since four of the five selected customers were not available for interviewing. Therefore, in four of the mentioned relationships studied, only the perspective of the supplier was possible. So, solely five interviews were conducted, four with the supplier company, OSM, and one with the customer company AUTO. The duration of each interview was of, at least, two hours. These interviews were recorded and transcriptions were then conducted. So, primary data, through in-depth interviews was gathered in the following manner:

- Interview one was with OSM's managing director. The purpose was to identify the company's internal organization and the customers that could be appropriate for further investigation within the scope of the study. Furthermore, the contact persons who deal directly with those customers were identified.
- Interview two was, again, with OSM's managing director and aimed at data collection regarding customers' AUTO, CONSM1 and TELCOM1.
- The third interview conducted was with the customer company AUTO. This allowed to obtain detailed information about the supplier company OSM from the buyer's perspective.
- The fourth interview was, all over again, with OSM's managing director. Particularly, details of the interaction patterns in the relationships develop with CONSM2 and TELCOM2.
- A fifth and last interview was held with OSM's managing director to validate the information gathered and ask key informants in the customers' companies to review the validity of the collected data. In this way, both the construct validity (e.g., through triangulation – Dubois & Gibbert 2010) and the external validity (using replication logic in multiple cases) are enhanced – cf. Yin (1994).

As mentioned, a commonality was sought regarding the type of service investigated. In all cases, the type of service exchanged could be classified as an instrumental service since in all situations there is a strong connection between the service provided and how the buying company's primary processes are carried out, yet, not being delivered to end customers.

Within this common type of service, relational interfaces were then investigated using the nested theoretical approach suggested. In the context of the present study, the analytical focus is towards a within and cross-case analysis (e.g., Miles and Hubermann 1994) of the results attained in view of the purposes defined.

MAIN RESULTS OF THE EXPLORATORY CASE STUDIES

Five exploratory case studies were conducted. Six actors are involved in the interaction patterns developed among these actors. Thus, some generic characteristics are provided regarding the companies involved, since these help to contextualize the interaction patterns which are one of units of analysis of this study.

OSM, as earlier mentioned, is a marketing agency founded in 2004, specialized in targeting university students with ages comprised between 18 and 25. The company has seven full-time employees and one part-time employee. Additionally, they hire temporary collaborators, around 50, to conduct specific tasks within the scope of project services provided to customers. A core service activity that characterizes OSM's service portfolio is "Student Brand Management" (SBM). OSM has a quite standardized interaction process with its customers that can be described as follows:

- a "zero" phase, meaning when the potential seller receives a "briefing" from a possible, duly identified, future customer;
- a "first" phase, led continuously and solely (with few exceptions) by an account manager in what concerns direct contact with the potential customer. The activities held, include: receiving the briefing, preparing the service scope proposal, defining the budget, identifying the suppliers, organizing and coordinating a brainstorming meeting for boosting creativity – when the service requested entails such a purpose. When this happens, the account manager has the support of the whole team (including other account managers, service managers, operational project managers and the partner and managing director that is also the head of the commercial department. The latter may engage actively in the preparation of the proposal if the task at hand is distinctive and/or the amount to be negotiated so justifies it;
- a "second" phase, that starts after the proposal has been accepted and the potential buyer actually becomes a customer. In this phase, the service manager leads the process and is responsible for its implementation. Three organizational members are involved and work closely intertwined during this implementation, namely: the service manager, the account manager, and the operational project manager. The first has the main responsibility to conduct the process, by abiding and following the instructions given by the account manager, and by being responsible to evaluate and control the work being developed by the operational project manager.

AUTO, is a well renowned multinational within the automotive industry that sells and provides after-sales services for different brands. With around 70 employees, AUTO commercializes “brand X” that is targeted towards the young segment that are OSM’s target specialty. Brand “X” allocates solely 5% of its communication budget to “below the line” actions – where OSM’s services’ scope is included. AUTO always requests proposals from at least three potential service providers. When the communication actions are intended towards OSM’s target market specialty, OSM’s is always included in this set. In the past years, OSM has won two of six proposals. OSM is well-regarded by Auto that conveys a wide span of autonomy in the conception and implementation of the below the line communication services. The fit of the creative actions proposed with the overall brand positioning together with an evaluation of the budget proposed are fundamental selection criteria for marketing communication services’ provided. A criterion that is of the outmost importance for the buyer’s evaluation of the seller’s activities regards the compliance to the delivery terms defined in the proposals. Overall, AUTO has a very positive impression of OSM and considers their on-going relationship as “rather successful”.

CONSM1 consists of a well-known brand belonging to an international Group of mass consumption products. CONSM1 products’ are within the tea business – in both the hot and cold teas’ market. Cold teas are, essentially, aimed at the young segment that is OSM’s target specialty. Also, hot teas are increasingly targeted at younger segments. This company has been an OSM customer since its foundation (2004) by acquiring the SBM (Student Brand Management) service. During three years the nature of the interaction occurring between the parties was continuous (since that is the nature of the SBM service). However, from 2007 onwards, this continuity was replaced by isolated actions, meaning exchanges of marketing services that have a shorter-term span. Examples include the use of “hit teams” at Universities to increase brand image. The change in the nature of the relationship was due to a decrease on the customer’s budget affected to “below the line” marketing actions. Still, due to the nature of the relationship between CONSM1 and OSM, the latter continues to receive briefings in an exclusivity regime, meaning that certain marketing services are intended to be supplied by CONSM1. The nature of the on-going interaction is informal and trust is a common denominator between the parties. OSM is well-regarded as a service supplier especially due to its overall know-how of the target market (university students) which allows them to conceive and develop touch points that result in high-involvement with the brand.

TELCOM1 is a mobile telecommunication company that has millions of clients (both B2B and B2C). The company covers all type of market segments. The relationship among TELCOM1 and OSM is recent (since 2008). The scope of the exchanges includes solely marketing actions which are specifically directed towards the university student’s target segment. Parallel to these actions, the companies interact with a partnership that aims at the acquisition of a “university card” that incorporates a credit phone service together with a span of other types of benefits. TELCOM1 is considered as a strategic customer for OSM, since it’s a powerful buyer with an enormous potential in the market (since the expenditure in marketing services is considerable).

CONSM2 is inserted in the mass consumption market within the fruit beverages market. It is one of the top 10 Portuguese consumption brands. The relationship with OSM is considered to be recent, since 2007. Universities are the setting where the services marketing actions occur. Roadshows have also been part of the service portfolio provided by OSM. Within the scope of the services provided is also included the management of a SBM network. The type of services rendered entail a “turn-key” contractual arrangement, being OSM responsible for the acquisition of the goods and services needed to provide the marketing services intended.

Each turn-key project is evaluated on a one-to-one basis by the customer company. CONSM2 is regarded as a strategic, critical, customer since it answers for around 10% of OSM's revenues, and for being a reference customer within the mass consumption market.

TELCOM2 is a recent brand, with no more than three years, active in the mobile telecommunication market. It is part of a wide international Group, and its entry in the Portuguese market aims at targeting those who do not want complex tariffs with compulsory charging. Initially, during year 2006, OSM was contacted and hired to target the segment where the supplier has its main expertise, i.e., university students. Yet, further on, OSM was requested to enclose in its marketing services, a wide array of "outdoor actions" that have the purpose to induce experimentation of the new mobile service by all type of market segments. These actions have proven to be successful, and, for instance, OSM has five times been responsible for an outdoor action that consists in offering mobile cards at the country's borders during the periods of Portuguese emigrants' homecoming. TELCOM2 is characterized by an informal structure (very different from the formal structure of TELCOM1), and the customer evaluation of OSM's services is essentially based on quantitative criteria, such as number of contacts performed, number of new mobile connections established, etc... This is a strategic, paramount, customer for OSM due to the regularity of its contracts and the relative importance of the business revenues that originate from this customer. Regarding the university target segment, TELCOM2 – contrary to the other customer companies' investigated – works closely with OSM's competitors.

The following table outlines in a summarized way the patterns of interaction identified in the five exploratory case studies conducted:

Table 2 - Patterns of interaction identified in the exploratory case studies

Case	Objectives	Critical supplier capabilities	Critical customer capabilities	Supplier representatives	Customer representatives	Communication	Adaptation
OSM – AUTO relationship	To create and implement communication actions through <i>below the line</i> actions towards the university students / young segment.	Develop creative and intelligent marketing actions in strict combination with the other communication channels of the buying company, abiding to the other communication elements and the <i>timing</i> for its execution.	Identify creative and intelligent marketing actions that might have a positive impact in the targeted segment; Guarantee the necessary communication so that the actions developed abide to the company's marketing plan.	The account manager (AC) leads and conducts all direct contacts with the customer. The AC is supported by the service manager (SM), operational project managers (OPM) and the managing partner that is the head of the commercial department.	The responsible for the promotion and <i>below-the-line</i> marketing centralizes the contact with the supplier, involving the purchasing department as well as the product manager. In some situations the public relations department may become involved.	Emphasis given to the dialogue that aims at the integration of all the communication elements (e.g., graphics produced) and information that will be spread and publicized by the supplier company.	<i>Nothing to report.</i>
OSM – CONSM1 relationship	To create and implement communication actions through <i>below the line</i> actions towards the university students / young segment. Generate involvement of the target market with the brand through “moments of truth”.	Application of the know-how of the target segment in ways that lead to the activation, adoption, of the brands in the university market segment. Propose actions in a spontaneous, creative way that fit the overall objectives of the brand. Manage a network of collaborators that are connected to the brand image.	Propose and select actions that might have a positive impact in the targeted segment; Monitoring and latter qualitative evaluation of the actions.	<i>(Idem)</i>	The product management team centralizes the contact with the supplier, initially through a senior responsible that triggers the process and has the capacity and power to decide. Later on, a junior manager accompanies the preparation and development of the action. The purchasing department as well as a communication agency may become involved.	Emphasis given to the dialogue that aims at the integration of all the communication elements (e.g., graphics produced) and information that will be spread and publicized by the supplier company. Institutionalization shown in the monitoring of the actions that are developed.	Sometimes it implies small investments in equipment from thee supplier's side.

Source: Galveias (2009, pp 52-53) – Table 3-3 “Interaction patterns identified in the case studies”

Table 2 (continued) - Patterns of interaction identified in the exploratory case studies

	Objectives	Critical supplier capabilities	Critical customer capabilities	Supplier representatives	Customer representatives	Communication	Adaptation
OSM – TELCOM1 relationship	<p>Manage communication towards university students / young segment.</p> <p>Integrate the customer's product in the process led by the supplier.</p>	<p>Application of the know-how of the target segment in ways that lead to the activation, adoption, of the brands in the university market segment.</p> <p>Propose actions in a spontaneous, creative way that fit the overall objectives of the brand.</p>	<p>Identify creative marketing actions that might have a positive impact in the targeted segment;</p> <p>Quantitative and qualitative evaluation of the actions through local "in situ" monitoring and controlling the activated cards.</p>	(Idem)	<p>The briefing is issued by one of the three responsible members of the organization: Segment or Communication responsible, or Event manager. The briefing is then issued publicly and abides to the public rules. The purchasing department conducts the financial evaluation, while the technical evaluation is done by the one that issues the briefing.</p>	<p>Emphasis on the monitoring of the results.</p>	<p>Need for adaptation and specific investment of the supplier company regarding the formal system used by the customer.</p>
OSM – CONSM2 relationship	<p>To create and implement communication actions through <i>below the line</i> actions towards diversified segments, yet, with focus on the university students / young segment.</p>	(Idem)	<p>Propose and select actions that might have a positive impact in the targeted segment;</p> <p>Monitoring and latter qualitative evaluation of the actions.</p>	(Idem)	<p>The product manager centralizes the communication. He/she requests proposals and manages the acquired services. Decision power lies with the marketing director. The communication agency is usually involved in the process to handle the more technical aspects of the proposal.</p>	<p>Emphasis given to the dialogue that aims at the integration of all the communication elements (e.g., graphics produced) and information that will be spread and publicized by the supplier company.</p> <p>Institutionalization shown in the monitoring of the actions that are developed.</p>	<i>Nothing to report.</i>
OSM – TELCOM2 relationship	<p>To create and implement communication actions through <i>below the line</i> actions towards various diversified segments.</p>	<p>Efficient development of actions that lead to brand adoption.</p> <p>Propose actions in a spontaneous, creative way that fit the overall objectives of the brand.</p>	<p>Propose and select actions that might have a positive impact in the targeted segment;</p> <p>Monitoring and latter qualitative evaluation of the actions.</p>	(Idem)	<p>There is no rigid contact structure. The dialogue between parties might be directly with the Marketing manager, Managing director or even with the Board.</p>	(Idem)	<p>Supplier adaptation by working closely with market segments outside its core competencies and know-how.</p>

Descriptive characteristics of the *interaction patterns* investigated in the exploratory case studies are provided, specified along the dimensions defined in the theoretical framework:

Key objectives, common among all studied cases, fit the theoretical propositions of van der Valk (2008, p 315), i.e., the marketing services provided fit and are core to the customers' final offering. In all investigated situations, there is a strong connection between the service rendered by the supplier and the effect it has on the buyers' main activity which consists on sales to consumer mass markets;

Critical supplier capabilities, also fit the patterns of interaction put forward by van der Valk (2008), namely business development and innovation and business and service production design services. In the studied cases, these competencies are present through the know-how the service supplier has on a particular market segment (i.e., the university/ college students and correspondent buying behavior). This enhances their capability on designing and developing tailor-made innovative marketing communications actions adapted to the needs of each particular market segment (e.g., the development of a new communication platform through the creation of a "university card");

Critical customer capabilities, are defined by van der Valk (2008) as "implementation skills" and understanding what fits when, how, and for whom. In our particular cases, the implementation is not conducted by the customer but by the marketing services' provider. Yet, the briefing outlined by the customer is key to the implementation procedures and to the identification of the actions that might have more impact in the target market of each client. In this case, patterns of interaction present in consumption services can also be found, namely, the need to monitor and evaluate the marketing actions conducted;

Supplier representatives, include the specification of those organizational members in contact with the customers. In the studied cases, the account manager coordinates the interaction with service and operational managers, and can, eventually be supported by the marketing / commercial department. In the case of instrumental services, technical-related competencies and its members are expected as representatives (e.g., product representatives, often including a team of consultants or process engineers – van der Valk 2008). On the other hand, consumption services gather the involvement of members related to the marketing area. In our studied cases, patterns of interaction from both these types of services were present;

Customer representatives, include the specification of those members in this organization present in the interaction. No consistency was found in the studied exploratory cases. Membership characteristics varied not allowing any patterns to be identified (e.g., from product manager, managing director, administration, segment-manager to purchasing department involvement – present in three of the five buying organizations). The empirical evidence did not fit the expected theoretical propositions, i.e., business development representatives and affected internal customers;

Communication, established between supplier and customer relies fundamentally on two aspects: (1) the exchange of information regarding the fit and integration of the communication actions proposed by the supplier with the overall marketing campaign ongoing at the customers' organizations, and (2) the correct exchange of information from the customer to the supplier that allows the latter to plan the effect of the service on the customer's primary processes. Again, evidence supports the theoretical propositions of the interaction patterns described in both types of services (instrumental and consumption);

Adaptation, occur from the supplier's perspective, in the following manners: (1) through adapting the service delivery (providing them in new settings determined in conjunction with the customers - e.g., shopping malls, public parks, beaches, etc...), and adapting the administrative procedures to comply with the adapted service delivery process (such as contacts with local government for the necessary permissions); and (2) investments-specific to the relationship development such as acquisition of materials and equipment necessary for the implementation of the service marketing actions. No customer-adaptations were identified in the collected evidence.

One of the main objectives of this study was to investigate whether variety was present in the interface supplier-buyer within a specific type of service. In fact, to unfold this nested dynamic dimension is regarded as the potential main theoretical contribution of this study.

Clearly, in our study, mainly, two situations arise regarding how the focal customer accesses its supplier's resources (business marketing services), i.e.:

- the answer to a specific customer need, meaning that the buyer wants a customized product – i.e., a specified interface; and more frequently
- the development of a “tailor-made” marketing service that conforms to the satisfaction of the customers' needs – i.e., a translation interface, when the buyer directs the supplier based upon the functional characteristics in its user context.

As stated by Araujo et al. (1999) firms use a wide variety of resources to provide and make use of their services. In our particular cases, both critical supplier and customer capabilities are paramount to the understanding of the on-going interaction. The ways these capabilities are used within the relationship determine its success, productivity and innovativity.

Regarding the specified interfaces, no direct learning from suppliers is fostered (cf. Araujo et al, 1999). As evidenced in the studied cases, when the dominant role is exerted by the customer, productivity and innovativity are somewhat limited on the supplier side. Still, since the supplier OSM is induced to work with other market segments beyond its specialty (i.e., the university market segment), learning occurs by benefiting of the experiences held with the different customers.

The translation interface is more common within the interaction patterns studied. In this case, economies of scale were possible through, for instance, securing a bigger regularity in terms of the working hours of its pool of collaborators. Due to this, the hourly fee paid to the collaborators is less that if the work was more irregular. The latter is in accordance to Araujo et al. (1999, p.503) that predict that “translation interfaces allow room for economies of scale and scope that can be translated into lower prices for customers”. Regarding learning, this is enhanced through the indirect contacts that are held by the supplier OSM with the other customer companies.

In one particular case, the TELCOM1 relationship, aspects of an interactive interface could be identified, through the mutual learning process and understanding present in the parties. The sharing of knowledge is found present in that particular interface.

The focus on the relational interfaces, beyond the characterization of the interaction patterns has allowed us to disclose other variety dimensions that exist in the on-going relationships within a same service type. We emphasize that the frontier between different service types

(instrumental and consumption services) is not clear-cut. This conclusion fits one of the limitations pointed out by Wynstra et al. (2006, p 493), i.e., “different services do not automatically belong to a specific category”. Within each category of services, different realities can be found regarding the possible combinations between supplier and buyers’ capabilities. As indicated by Araujo et al. (1999), this diversity can be useful for organizations since they induce different possible outcomes regarding innovation and productivity.

In our theoretical framework, a main concern was to propose a nested approach, in which we aim at combining two models of analysis regarding buyer-seller relationships. In this study, focus was given to the supplier’s perspective, OSM, that considers that, along an historical, time, perspective, new models of interaction with the target markets’ of its customers are developed. This happens through the evolvement of the interfaces established between the parties.

In the three interfaces identified, the translation interface might lead to the generation of specific know-how and scale economies (through the usage of the same base of human resources – by using the same pool of collaborators in marketing actions aimed at different customers). The specified interface is more limited regarding productivity; still, some aspects of scale economies are present by allocating the same pool of collaborators to different customers’ marketing activities. As expected, the interactive interface, is not common to the supplier OSM and therefore does not induce increased productivity, still it contributes to joint learning among the organizations.

CONCLUDING REMARKS AND STUDY’S LIMITATIONS

Two questions were raised within the scope of this exploratory study. The first answer relates to the outline and description of the interaction patterns proposed by Wynstra et al. (2006) and whether these were consistent with the types of business services investigated. Clearly, the investigated marketing service does not fit into one sole category. Interaction patterns from two of the proposed categories could be identified, namely, instrumental and consumption services. This conclusion fits one of the limitations pointed out by Wynstra et al. (2006, p 493), i.e., “different services do not automatically belong to a specific category”. Still, the studies by Wynstra et al. (2006) and van der Valk et al. (2008, 2009) have proven to be an appropriate conceptual basis for the mapping and description of the interaction occurring when business services are exchanged between parties.

The second question raised was whether variety is present in the interface supplier-buyer within a specific type of service. In fact, the business services’ supplier positions itself towards the focal customers’ within an array of three different interfaces: specific, translation and interactive. Regarding the consequences of the use of different interfaces in terms of productivity and innovativity (Araujo et al. 1999), these are yet to be thoroughly determined; still there are clear indications that productivity and innovativity are potentiated along the continuum of the interfaces established.

We are well-aware of the several limitations of this study, such as conducting exploratory case studies solely for one specified service type. Also, the logic of literal replication was pursued, yet, constraints were found and, fundamentally, collection of data is done solely from the supplier's perspective.

In terms of contribution, empirical illustrations of ongoing interaction and relational interfaces between buyers and sellers of business services are put forward, and key dimensions of the interaction patterns are clearly identified.

Moreover, our exploratory study supports the notion that the dynamic dimension of relational interfaces needs further investigation. Evolvement was shown to be inseparable from learning, that indeed occurred from repeated exchanges within the focal relationships, but more importantly, from the learning that occurred in the connected relationships. Also, this issue needs further investigation.

Again, we should emphasize, that even when there is consensus about the type of service, the degrees of freedom of a supplier with a particular client (e.g., for designing the offer) may emerge both from the learning that occurs within repeated exchanges within the focal relationship, but particularly from the learning or experience generated in other relationships - for example, from having supported the development of new skills with other customers. In this context, it is therefore acceptable that the relational interfaces can be maintained or changed (Araujo et al. 1999) for any given service classification (van der Valk et al. 2009).

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