

A MACRO VIEW POINT TO THE CHANGE OF BUSINESS RELATIONSHIPS IN CHINESE SME NETWORK

Yi Jen Wang

yi-jen@red.umds.ac.jp Japan University of Marketing and Distribution Sciences

Masae Takimoto

masae@keiho-u.ac.jp Japan Osaka University of Economics and Law

Yoshiyuki Nakagawa

yoshin@silver.ocn.ne.jp Japan Osaka Seikei University

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Abstract:

The purpose of this WIP paper is to make sure how the economic development influences the business relationships in the Chinese SMEs network.

From the literature review we can find the stability of business relationships is one of the key issues in the industrial marketing research field. However, the most part of industrial marketing researches, especially the researches from IMP group, had focused on the cases that from the developed countries (e.g. Sweden, Finland, UK...etc). So, when we try to apply the findings to the cases in a developing country, some additional view point is necessary. In order to enrich the coverage of industrial marketing researches, we focus our research on the behavior of Chinese SME manufacturers in the mainland China.

A survey had been took place in China during 4-20, August, 2011. And five interviews had been arranged, too.

There are two main findings from the analysis. (1) In order to keep or to raise performance Chinese SME tends to change its business relationship by some way. However, by the statistical testing we found there are no significant statistical relationships among competitive advantages, relationship change patterns and profit changes. (2)The sampled companies change their business relationships by considering the turnover from their customers but not by the evaluation of competitive advantages. The reasons are related to the industry structure and development capacity.

The theoretical contribution of the findings is adding the macro view point on “economic development” to the industrial business researches. The contribution to the business practice is the findings may be helpful when a foreign company tries to build business relationship with Chinese SMEs. The space to develop new business may make company opportunistic.

Economic development offers the space to develop new business.

There are two limitations in this research. Firstly, the model for analysis is not clear enough, so that the implications to the theory and practice are still weak. The second limitation is the items for measure are still ambiguous. How to refine the model and items for measure to improve the quality of this research is the theme for the next step.

Keywords:

Economic development, partner changing, Chinese SME

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Introduction

The purpose of this WIP paper is to make sure how the economic development influences the business relationships in the Chinese SMEs network.

In the main stream of industrial marketing research, the importance of buyer-seller relations had been stressed for long. In short, a collaborative business relationship or customized partnership will improve the efficiency of business operation and raise the performance. (e.g. Ford et al. 1998; Cadilhon et al. 2003; 2005, Pressey et al. 2007; Cambra and Polo, 2008). However, to build and keep a collaborative business relationship or a customized partnership is not easy. Therefore, part of researches focused the theme on the stability of business relationships. Understanding (Pressey et al. 2007; Cambra and Polo 2008; Bordonaba and Cambra 2009) and trust (Hofstede et al. 2010; Skandrani et al. 2011) between buyers and sellers are the keywords for keeping business relation stable. On the other hand, there are problems occurred on keeping collaborative relationship/customized partnership stable from cultural aspect (Trimarchi, Liesch and Tamaschke 2010) and organizational cognitive aspect (Hakansson 1982; Easton 1992; Young and Wilkinson 1997; Ford et al. 1998).

From this brief review we can find the stability of business relationships is one of the key issues in the industrial marketing research field. Here, the concern of this research is on this topic, too. Furthermore, the most part of industrial marketing researches, especially the researches from IMP group, had focused on the cases that from the developed countries (e.g. Sweden, Finland, UK...etc). So, when we try to apply the findings to the cases in a developing country, some additional view point is necessary.

In order to enrich the coverage of industrial marketing researches, we focus our research on the behavior of Chinese SME manufacturers in the mainland China. There are three reasons for us to choose Chinese SMEs as the research object. The first reason is the relative lack of researches on SME business network. The second reason is the fact of Chinese SME behavior seems against the theoretical findings partly. We had arranged a questionnaire survey in China 2011. From the result we found the Chinese SME that tends to change its business relations has higher performance. This result appeals to our interests. And the third reason is the economic environment of China has changed dramatically in the past decade. In order to make some insight to the business relationships among the Chinese SMEs in mainland China, we arranged this research.

Literature Review

There are many previous researches on SME marketing. Because of the small scale of company and the limitation of resources, marketing for SMEs is different to the one for big

companies. Generally, SMEs seem easy to be influenced by the trend of the market or the behavior of big companies. At the same time, the behavior of SME has some local character. Kienzle and Shadur (1997) made a pioneer research for the western companies to extend their business network to Asia area. They classified the business environments by countries in East Asia (Japan, South Korea and Hong Kong) and summarized the characteristic differences. Chao et al. (2010) compared the US and Taiwanese SMEs and found some differences on the SMEs marketing behaviors between these two countries. Tang et al. (2007) focused their concern on Chinese SMEs and found long-term differentiation marketing strategy, R&D, and years in business have positive impact to the performance. Chong et al. (2011) paid their attentions on the e-commerce for Chinese SMEs, and found how the relationships with customers and suppliers work. Agndal and Chetty (2007) pointed out business relationships are more influential in internationalization process for SMEs. From these brief reviews, we can suppose that in the different business environments, the marketing behavior that a SME takes may influence its performance. And also we can suppose keeping a good and long-lasting relationship with customers and suppliers may lead a SME to success.

On the other hand, Gadde and Mattsson (1987), Dubois et al. (2003) had their attentions on the changes of business relationship. They analysis the changes of business relationship from long time span and network view point. They defined the changes of position and the patterns of change. In their analyses, the suppliers and customers are in a network. Some of them have direct business relationships at a point of time but some of them have not. By their network point of view, without direct business relationship does not mean there is no relationship. Because all players are connected in a network, so by the supply chain connection all the players are connected in some way. The position of a company will change by the changes of business relationship. Table 1 summarized their definitions on the relationship changes.

Table 1 Types of Business Relationship and Position changes

Types of Changes	Types of Position Changes
<ol style="list-style-type: none"> 1. Pure Exchange: one supplier is replaced by another one, 2. One Supplier is Added, 3. One Supplier is Dropped, 4. Other Changes. 	<ol style="list-style-type: none"> 1. S: single source, 2. M1: main supplier, the share of total supply amount is at least 2/3, 3. M2: main supplier accompanied by two or more complements. The main supplier's share of total supply amount is twice as big as the second, 4. E1: one of two equal-sized supplier. No one qualifies as the main source, 5. E2: one of three or more equal-sized suppliers, 6. C1: single complementary supplier to a main source classified according to M1, 7. C2: one of two or more complementary suppliers

Gadde et al. (1987) pp. 34-35

According to these definitions, Gadde et al. identified the “exit” and “entry” patterns over

time by checking the changes of a company’s position in the whole supply structure.

Here we refer the patterns of change on business relationships from Gadde and Mattson (1987) to our research. However there are four important characters in Gadde et al. (1987) research. They are (1) the products traded are highly standardized, so that the technical factor did not influence the relationship changing, (2) the switching costs were low, (3) market supply exceeded demand, so that the price competition occurred, (4) the time span of analysis is over ten years. By considering the character of SMEs and the nature of SMEs network, and also considering the data availability, we had made some modifications on the concepts for analysis.

On the other hand, according to the resource-based view strategic theory, the competitive advantages that a company has will influence its marketing behaviors. And the marketing behaviors will bring different results to the company. Figure 1 shows our conceptual framework.

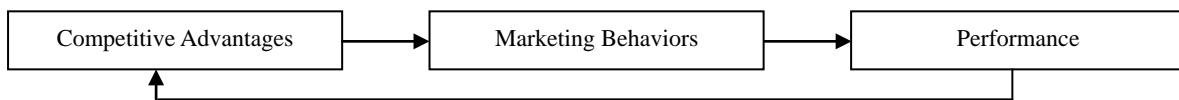


Figure 1: The Conceptual Framework

In this paper, we supposed the change patterns of business relationships are a kind of marketing behavior. Here we try to discuss “why SME changes its business relationship?” and “what kind of factor leads SME to change?” By these two motivations we developed our research questions as follows. (1) Do the competitive advantages influence the profit? (2) Do the relationship change patterns influence the profit? (3) Do the competitive advantages influence the relationship change patterns? According to these three research questions, we summarized the model for analysis as figure 2.

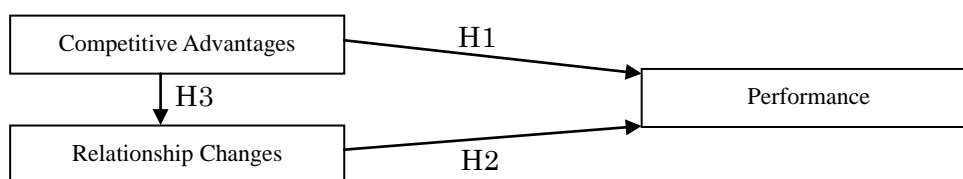


Figure 2: Model for Analysis

H1: The evaluations on each competitive advantage are different among different profit groups.

H2: The relationship change patterns are different among different profit groups.

H3: The evaluations on each competitive advantage are different among different relationship change pattern groups.

To test these hypotheses, we asked the managers of Chinese SME manufacturers to evaluate their competitive advantages by eight marketing factors. The evaluation was taken by a seven-point Likert scale. The eight factors are, price, quality, technology, lead time, on

time delivery, business relationship, customer reference, and brand image. We also asked the informants to answer if their business relationships had been changed or not, and the average of change on profit, in the last three years. Table 2 shows the summary.

Table 2: The items of the questionnaire

categories	Profile of companies	situations	Product types	Marketing Factors	Relation Change Patterns	Changes of Performance
items	<ul style="list-style-type: none"> • industry • position in SC • number of employees 	<ul style="list-style-type: none"> • Purchasing • Offering 	<ul style="list-style-type: none"> • Standardized parts • Customized parts • Equipment) • Service 	<ul style="list-style-type: none"> • Price • Quality • Technology • Lead time • On time • Relationship • Reference • Brand image 	<ul style="list-style-type: none"> • No Change, no replaced • Changed without Replaced • Replaced without Changed • Both changed and replaced 	<ul style="list-style-type: none"> • decreased • fair • increased

Highlights of Survey

We had arranged a survey in mainland China during 4-20, August, 2011. Firstly we contacted the SMEs one by one by telephone from the China SME name list. Over 1500 companies had been contacted. 250 companies showed their interests. Then we send our questionnaire to these 250 SMEs. 128 companies gave us their answers. However 58 companies offered their products to distributors for sell, so that we excluded these 58 cases and only 70 cases were used in the analysis. Table A in Appendix shows the industries of the 70 companies. Table B in Appendix shows the position in the supply-chain. And Table C in Appendix shows the distribution of employee numbers.

From Table A we can see the most part of the cases are machinery manufacturers. And the ten cases in “etc” category are glass, furniture, and cook ware makers. Refer Table B, we can find almost half of the cases offer “finished product” to the other companies. The “finished product” is not for consumers here. For example, they offer paper boxes as packages, fabric as curtains to the other companies. And the concern of this research is on the industrial relationship, so that those companies that offer their “finished products” to distributors had been excluded from the analysis. And the scale of all cases had been limited under 100 employees.

In this research, we chose the manufacturers that purchase products from suppliers and sell their products to the others for the next process. Here we asked the companies if they had been changed their suppliers, and if their business relationship with the downstream partners had been replaced by the other companies in the last three years. Table D in Appendix shows the relation change patterns of these companies. Only five cases didn’t change their business relationships with other companies within the past three years at all. 65 cases had been changed their business relationships in some way. Especially, there are 41 cases had been changed their business relationships both in the upper stream and downstream in the supply

chain. From these data, we can find the business relationships of these sampled companies are changeable.

Table E in Appendix shows the change of profit in the last three years. 24 cases kept their profits in the past three years. Profit increased in 44 cases and decreased in two. Table F in Appendix shows the change of the profit rates. Within those 46 cases that the profit rate had changed, there are several cases are remarkable. One of the losing cases, the rate is -50%. On the contrary, there is a case said its profit rate increased 120%. And two are increased over 50%; four are over 30%. We contacted to all these remarkable cases for interviews. For some reasons almost all these companies refused to be interviewed. By negotiations and personal connections finally five interviews had been arranged.

Statistical Analysis of the Results

Table G-I in Appendix show the statistical results. Table G tested if the competitive advantages influence performance. Table H tested if the competitive advantages influence the relation change patterns. And table I tested if the relationship change patterns influence performance. From all these tables, there are no significant difference had been found. These meant we did not have enough statistical evidences to identify the causal sequence among “competitive advantages”, “relationship change patterns” and “profit changes”. By these results we have to reject all our hypotheses. However, there are different relationship change patterns and different performances. In order to make more insights into this topic, we had contacted all remarkable companies. By negotiations and the personal connections, five interviews were available. Table 3 summarized the detail of the interviewees.

Table3: Detail of the Interviewees

ID	Position in SC	Number of Employees	Industry	Relationship Change Patterns	Profit Change	Percentage
A	materials	86	Chemical	No Change	Fair	0
B	materials	40	Textiles	Both Change and Replaced	Fair	0
C	parts	58	Metal	Both Change and Replaced	Increased	10
D	Finished products	25	Paper Craft	Both Change and Replaced	Decreased	-50
E	Assembly	50	Electronics	Both Change and Replaced	Increased	120

Highlight of Interviews

- (1) Company A is a chemical manufacturer. It offers plastic materials to bag and sheet manufacturers. The manager told us that the structure of this industry was very stable. The number of suppliers and customers are almost fixed. There are several competitors in Changzhou industrial area. However all they have their own customers, so that the

market share and business relationships did not change dramatically for decade. And the price adjustment goes very smooth in this industry. As a result, there is no change both on the business relationships and profit during the last three years.

- (2) Company B is a textiles manufacturer. It offers clothes mainly to the curtain manufacturers. The real estate business in China is still developing. However the higher income consumers tend to buy import curtains, so that the orders from curtain manufacturers are decreasing. Also because of the development of OEM apparel business (e.g. the order from Uniqlo, Japan) the prices of materials are rising. In order to reduce the cost, the company has to find cheaper material suppliers. On the other hand, company B tries to develop new customers beside curtain manufacturers very aggressively. However the demands on the textiles are very changeable. So that the business relationships of company B are very complicated. According to the manager, they had changed six material suppliers in the past three years. And there were two customers which had cut the order in the same period. By changing suppliers and developing new customers, company B is keeping the profit now. But the manager said, they did not sure if the profit can keep fair or not in the coming future.
- (3) Company C is an iron foundry. It accepts special orders from its customers. For example, molds, gears, and devices. This company has high level of processing technology. The QC in this company is strict, too. So that the quality of its products is warranted. On the contrary, this company has no advantages on price and lead time. Company C is a unique manufacturer, that there is no competitor in the same area. However, this company had changed 5 suppliers in the past three years. According to the owner of the company, these changes are not from the price consideration but from the special characteristics of the orders. On the other hand, its customers are always different. Some of the orders are from outside of Changzhou city and aboard. The owner said “there are many new businesses in China, some of them need special parts. So the more increasing the businesses the more chances the company can get”. And also, “we don’t care if the business relationships are stable or not. We have enough confidence to offer any special order. So there is an order there is a customer”. “Our business relationship is very short. But if our customers satisfied with our products, they will come back after years. All our products are expendable. The well our customers run their businesses, the quick the order will come...Our products are not cheap. The customers can choose cheaper companies to buy their equipments. But we are proud of our quality. And almost all our customers admit our quality. Some of our customers had shifted to cheaper companies, but we still can catch new customers constantly. The economy is still developing”.
- (4) Company D is a package manufacturer. It offers paper boxes and cases to the print factories and directly to the customers. This company is one of the decreasing profit

cases in our survey. The average changed rate on profit is minus 50 points in the past three years. According to the sales manager, this company started its web based business five years ago. At the first two years, the business went very well. The customers can order products from the web site easily. And also to the company, the operating cost had been reduced. However, there was a boom on web business at the same time. So there are many “invisible competitors” on the internet. Especially in this industry, all customers want to reduce their cost, so that they search the cheapest company to make order. So his company always changes the paper suppliers by orders, too. The manager thought his company had good advantages on price, quality, technology, and on time factors. Even though, to the customers who search package supplier from internet, company D is just one of the choices. Because the search engine will show many alternatives to the customers. To the customers, paper boxes and cases seldom have specialty. So there are many substitutes. The sales managers said, “The business relationships are very weak since they shift their business to web. Almost all the customers ordered once only....some of their order that from old customers had been replaced by other invisible competitors”. The average profit rate of this company had reduced 50 points, however this company still runs well. Because five years ago this company earned extra profit by the “net bubble economy”. Now the profit has come down to the normal level.

- (5) Company E is an automobile parts maker. The main products are LED head lights and direction signals. This company manufactures the base parts and assembles the parts to a component as semi-finished products for other automobile parts makers. Almost all the orders are customized. The development of automobile industry in China has brought this company many extra profits. The average profit rate increased 120 percent in the past three years. Even though, the business relationships of this company are very changeable. According to the product manager, “...compared to other components, our products are easy to process. In order to reduce our manufacture cost, we are always looking for new suppliers....the big potential of automobile industry in China gathers many new comers. Especially in the parts filed. Our customers check our products but they don’t check the parts, for example, LED, condensers, registers...etc”. And also the manager said, “our customers are increasing year by year. So our business relationships are extending. Notice, they are not unstable, they are growing. Surely we have our limitation on the manufacturing capability. So we select our customers. In order to make our profit maximum, we won’t waste our resources on inefficient customers”.

According to the interviews, we can find there is a gap between the marketing behaviors that our interviewees took and the findings from the previous researches. In the next section, we will summarize our findings from the survey and interviews and list the discussion points up.

Findings and Contributions

From the statistical analysis results and the interviews, there are two main findings.

The first finding is, in order to keep or to raise performance Chinese SME tends to change its business relationship by some way. Some of them changed their suppliers from one to the other. Some of them chose their customers and some of them did both. However, by the statistical testing, we found there were no significant statistical relationships among competitive advantages, relationship change patterns and profit changes. (See the results in Appendix Table G-I)

And the second finding is from the interviews. The sampled companies change their business relationships by considering the turnover from their customers but not by the evaluation of competitive advantages. Table 4 shows the evaluation of our interviewees on each competitive advantage.

Table 4 Evaluation on each Competitive Advantage

ID	Price	Quality	Tech- nology	Lead time	On time	Relation -ship	Reference	Brand image
A	6	7	7	7	7	6	6	6
B	7	7	5	5	5	4	4	7
C	5	6	6	4	5	4	5	5
D	7	7	7	6	7	5	5	5
E	6	7	6	7	7	7	6	6

Compare to Table 3, we can find that the higher evaluation on competitive advantages must not lead companies to change their business relationship. For example, case A has high evaluation on each competitive advantage, but this company did not use these advantages to extend its business. On the other hand, case B, D, and E have high evaluations but they change their business relationships. On the contrary, case C has lower evaluation, but this company changes its business relationships and has increasing profit. Almost all the interviewees had mentioned the reason why they change the suppliers is “price”. In order to reduce their manufacture costs they try to find the cheaper suppliers. And the reasons to end a business relationship related to “the number of suppliers” and “the chance to get higher profit”. Both of these two points related to the industry structure and development capacity. In a matured industry, e.g. the chemistry industry in our case, the demand and competitors are almost fixed. So lesser change will occur. On the other hand, in a developing industry, e.g. the automobile industry, the demand is still increasing. This increasing demand attracts more and more companies to enter to the industry. When the demand still can nourish the number of players in the industry, the business relationships are hard to keep stable.

Refer the findings above we may say there are two reasons which made Chinese SMEs become opportunistic. The first reason is the economic development which brings more opportunities to the SMEs to enter to a certain industry. In this aspect, the more new comers offer, more chance to the SMEs to choose their business partners. On the other hand, the new entries and the opportunistic behavior break the market order and influence the stability of business relationships. When the business relationships get unstable, the SME may become tricky. A company may get extra profits by changing its partner continuously. And also it may get loss by choosing wrong partner. Not like big company, once the SME found the partner is wrong, it will cut the relationship and switch to other easily.

The theoretical contribution of the findings is adding the macro view point on “economic development” to the industrial business researches. In the framework of previous researches, we can explain the problems that occurred from the opportunistic behaviors. However, when we want to discuss why the opportunistic behaviors occurred, we need some new aspects. Economic development is one of the useful view points.

The contribution to the business practice is the findings those may be helpful when a foreign company tries to build business relationship with Chinese SMEs. Opportunistic behavior occurs not only by cultural factor. (That means not all SME is tricky because of its nation.) But if there is a space to develop new business, no company wants to miss the chance. Especially the company with higher entrepreneurship tends to chase the chance. In this meaning, the entrepreneurship may break the stability of the existed business relationships, while the economy is developing.

Discussion

From the findings above, we would like to list up some points for further discussion.

(1) From the relation marketing view point, in order to improve the efficiency in the industrial marketing practices, keeping business relationship stable is important. However, when the industry is developing, e.g. the automobile industry in China, in order to make the profit of a certain company maximum, considering the demand of market and the manufacture capacity of a company, “choice” is necessary. But when a company tries to choose its business partner, the business relationship is not easy to keep stable. Chasing the efficiency in the industrial marketing practices, stable relationship is not the only key factor.

(2) From the IMP view point, the position of a certain company in the business network might be changed by the change of players. For example, the position from the first tier downs to the second tier. However, this idea bases on a “closed network” proposition. When apply this idea to the developing industry some modification may need to be added.

(3) When discussing industrial marketing, IMP had introduced the network concept as a macro factor for long. However, the economy condition will influence the network structure. In short, in a matured economy, the demand and players are going fixed, so that the network

tends to be “closed”. On the contrary, when the economy is still developing, the network seems to be “changeable”. In this meaning, economy condition may be an additional key word for the macro analysis in the industrial marketing research.

(4) Beside the economy condition, the cultural aspect may need to be focused. We had found some differences in our survey between the Taiwanese and Chinese companies. However this time we did not pay too much attention on this aspect. So this is just a remark.

Limitations of this research

There are two limitations in this research. Firstly, the model for analysis is not clear enough, so that the implications to the theory and practice are still weak. For this research, we have reviewed several papers related to the marketing of SMEs. However, the point that discussed in each paper was not inclusive. So to improve to analysis model is the step for the next research.

The second limitation is the items for measure are still ambiguous. For example, we asked the managers to evaluate their competitive advantages. But we did not control the evaluation on purchasing phase or offering phase. For the SMEs seldom recorded all their business partners so that it is difficult to measure the change patterns over time seriously. And also all the SMEs did not like to show their financial details, so instead of asking the financial data directly we have to use the change rate. This may make the analysis unclear.

To sum up, how to refine the model and items for measure to improve the quality of this research is the theme for the next step.

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APPENDIXES

Table A: Industry Distribution

Industry	Frequency
Apparel	6
Metals	2
Machinery	28
Electronics	7
Chemical	8
Paper Crafts	6
Service	2
Textiles	1
etc.	10
Total	70

Table B: Position in the Supply Chain

Position in SC	Frequency
Materials	12
Parts	12
Assembly	9
Finished Products	37
Total	70

Table C: Distribution of Employee Numbers

Number of Employees	Frequency
1-49	44
50-99	26
Total	70

Table D: Relationship Change Patterns

Change Patterns	Frequency
No Change No Replaced	5
Change without Replaced	21
Replaced without Change	3
Both Changed and Replaced	41
Total	70

Table E: Change of Profit in the last 3 years

Performance	Frequency
Decreased	2
Fair	24
Increased	44
Total	70

Table F: Change of Profit Rate (average of the last 3 years, decreased rate is included)

Change of Profit Rate	Frequency
No Change	24
1-9%	12
10-19%	18
20-29%	8
Over 30%	8
Total	70

Table G: ANOVA of Competitive Advantage Evaluations by Change of Profit

		Sum of Squares	df	Mean Square	F	Sig.
CA1: price * Change of Profit	Between Groups (Combined)	3.775	2	1.888	1.491	0.232
	Within Groups	84.811	67	1.266		
	Total	88.586	69			
CA2 : quality * Change of Profit	Between Groups (Combined)	0.776	2	0.388	0.697	0.502
	Within Groups	37.295	67	0.557		
	Total	38.071	69			
CA3: technology * Change of Profit	Between Groups (Combined)	0.981	2	0.491	0.679	0.510
	Within Groups	48.390	67	0.722		
	Total	49.371	69			
CA4: lead time * Change of Profit	Between Groups (Combined)	0.685	2	0.342	0.335	0.717
	Within Groups	68.515	67	1.023		
	Total	69.200	69			
CA5: on time * Change of Profit	Between Groups (Combined)	0.753	2	0.376	0.500	0.609
	Within Groups					

	Within Groups	50.390	67	0.752		
	Total	51.143	69			
CA6: relationship * Change of Profit	Between (Combined) Groups	0.155	2	0.077	0.061	0.941
	Within Groups	84.545	67	1.262		
	Total	84.700	69			
CA7: reference * Change of Profit	Between (Combined) Groups	0.096	2	0.048	0.053	0.949
	Within Groups	60.890	67	0.909		
	Total	60.986	69			
CA8: brand image * Change of Profit	Between (Combined) Groups	2.802	2	1.401	1.189	0.311
	Within Groups	78.970	67	1.179		
	Total	81.771	69			

Table H: ANOVA of Competitive Advantage Evaluations by Relationship Change Patterns

		Sum of Squares	df	Mean Square	F	Sig.
CA1: price * Relationship change patterns	Between (Combined) Groups	4.719	3	1.573	1.238	0.303
	Within Groups	83.867	66	1.271		
	Total	88.586	69			
CA2: quality * Relationship change patterns	Between (Combined) Groups	1.591	3	0.530	0.959	0.417
	Within Groups	36.481	66	0.553		
	Total	38.071	69			
CA3: technology * Relationship change patterns	Between (Combined) Groups	3.837	3	1.279	1.854	0.146
	Within Groups	45.534	66	0.690		
	Total	49.371	69			
CA4: lead time * Relationship change patterns	Between (Combined) Groups	1.963	3	0.654	0.642	0.591
	Within Groups	67.237	66	1.019		
	Total	69.200	69			
CA5: on time * Relationship change patterns	Between (Combined) Groups	4.008	3	1.336	1.871	0.143
	Within Groups	47.134	66	0.714		
	Total	51.143	69			

CA6: relationship *	Between (Combined)	0.814	3	0.271	0.213	0.887
Relationship change patterns	Groups					
	Within Groups	83.886	66	1.271		
	Total	84.700	69			
CA7: reference *	Between (Combined)	2.799	3	0.933	1.058	0.373
Relationship change patterns	Groups					
	Within Groups	58.187	66	0.882		
	Total	60.986	69			
CA 8: brand image *	Between (Combined)	3.743	3	1.248	1.055	0.374
Relationship change patterns	Groups					
	Within Groups	78.029	66	1.182		
	Total	81.771	69			

Table I: Cross Table of Relationship Change Patterns and Change of Profit

			Change of Profit			Total		
			Decreased	Fair	Increased			
relationship change patterns	No Change	No	Count	0	1	4	5	
	Replace	Change without	Expected Count	0.1	1.7	3.1	5.0	
			Adjusted Residual	-0.4	-0.7	0.8		
			Count	0	10	11	21	
	Replace	Replace	Expected Count	0.6	7.2	13.2	21.0	
			Adjusted Residual	-0.9	1.5	-1.2		
			Count	0	1	2	3	
	Replace without	Change	Expected Count	0.1	1.0	1.9	3.0	
			Adjusted Residual	-0.3	0.0	0.1		
			Count	2	12	27	41	
	Both Change and	Replace	Expected Count	1.2	14.1	25.8	41.0	
			Adjusted Residual	1.2	-1.1	0.6		
			Count	2	24	44	70	
	Total			Expected Count	2.0	24.0	44.0	70.0

Chi-Square Tests

	Value	df	Asymp. Sig. (2-sided)

Pearson Chi-Square	3.769(a)	6	0.708
Likelihood Ratio	4.446	6	0.616
Linear-by-Linear Association	0.000	1	1.000
N of Valid Cases	70		

- a. 8 cells (66.7%) have expected count less than 5.
The minimum expected count is .09.