

What does the Purchasing Orientation Tell about the Buyer, the Organization, and the Supplier Selection Criteria?

Tommi Mahlamäki¹, Mika Ojala², Toni Mikkola³

¹ Corresponding author

Dept of Industrial Management, Tampere University of Technology,
P.O. Box 541, FIN-33101 Tampere, Finland
Telephone: +358 500 866 641
Fax +358 3 3115 2027
tommi.mahlamaki@tut.fi

² Dept of Industrial Management, Tampere University of Technology,
P.O. Box 541, FIN-33101 Tampere, Finland
mika.ojala@tut.fi

³ Dept of Industrial Management, Tampere University of Technology,
P.O. Box 541, FIN-33101 Tampere, Finland
toni.mikkola@tut.fi

Abstract

Companies can select from different purchasing orientations in relation to how they manage their supplier relationships, what supplier selection criteria they use, and how many suppliers they employ for a specific product. One of the most commonly used categorizations divides the purchasing orientations into buying orientation, procurement orientation, and supply management orientation. This research concerns purchasing orientation. More precisely, the study focuses on the effects and implications of purchasing orientation on purchasing manager profile, company characteristics, and the criteria that companies employ in selecting their suppliers.

The study analyzed the responses of 85 Finnish purchasing managers working in a business-to-business environment. The overall results show that reliability is ranked as the most critical supplier selection criterion among purchasing managers. Managers who emphasized low purchasing prices were significantly less interested in the reliability or the reputation of the supplier. In addition, managers who saw long-term relationships as critical in their business were focused more on single sourcing relationships and required more personal supplier relationships. Regardless of purchasing orientation, the managers did not emphasize lifetime costs as important.

Keywords: Purchasing orientation, supplier selection, supplier selection criteria, sourcing strategy

Competitive paper

INTRODUCTION

It is well known that sourcing has become increasingly important for companies operating in business-to-business markets (Gadde and Håkansson, 2001; Ojala and Mahlamäki, 2010; Van Weele, 2005). The importance of sourcing can manifest itself in different ways. To some companies, a buying orientation that gives priority to low purchasing prices is the key to success. Other companies employ procurement orientation, where the emphasis is on long-term relationships with the supplier companies. Regardless of the sourcing orientation, the selection of supplier companies is an essential task in a highly competitive business environment.

Companies use very different criteria in their supplier selection process (Choi and Hartley, 1996; Dickson, 1966). The first objective of the current research was to investigate how important different supplier selection criteria were in today's B2B markets.

As mentioned earlier, different categorizations of purchasing orientation exist. Those categorizations are mainly based on the typical activities used, but scientific evidence is needed, for instance to understand if the categories really differ from one another in terms of the characteristics of the purchasing managers and companies that adopt a particular purchasing orientation. This translates to the second objective of this paper, which is to examine the effects and implications of purchasing orientation on purchasing manager profile, company characteristics, and the criteria that companies employ in selecting their suppliers. In addition, we note that the fundamental distinctions between different categories should be analyzed by supplier selection criteria, which, in the end, dictate purchasing behavior. The third and final objective of this research is to critically examine the purchasing orientation categorization of Anderson et al. (2009).

Chapters 2 and 3 of this paper briefly explore the relevant research literature. Chapter 4 presents the methods and the research sample. Chapter 5 focuses on the results of the research. Finally, chapter 6 draws conclusions based on the results.

SUPPLIER SELECTION

Research on supplier selection has a long tradition. One of the seminal works in the field dates back to 1966, when Dickson reported a study on the importance of 23 supplier selection criteria. Recent academic work has identified several factors or influences that companies currently use when selecting their suppliers. Awaysheh and Klassen (2010) and Carter and Jennings (2004) have studied the issues of socially responsible practices in relation to supply chain structure. In a recent article Goebel et al. (2012) investigated the influence of ethical culture on supplier selection. Along with supplier selection criteria, the whole selection process has received wide attention (Boer et al., 2001; Tang, 2006). In addition, a broad range of models and systems have been created to assist in the process of supplier selection (Bottani and Rizzi, 2008; Feng et al., 2011; Ghodsypour and O'Brien, 2001; Lasch and Janker, 2005; Wu and Olson, 2008).

The research literature has substantially covered the number of buying sources as part of the supplier strategy. For example, Segal (1989) studied which company characteristics influenced the decision to use a single versus multiple buying sources. Porter (1999) lists the advantages and disadvantages of different sourcing strategies. While many studies point to the advantage of a single sourcing strategy (Brierly, 2001; Ellram and Billington, 2001;

Larson and Kulchitsky, 1998), others have yielded different results (Glock, 2011, Inderst, 2008; Treleven, 1987). The transition from one sourcing strategy to another has also received considerable attention (Faes and Matthyssens, 2009).

Power is an important characteristic of a company when it comes to its sourcing strategy and policies. In this case, power is understood as the bargaining power or leverage that the company can use in the market or in the supply chain to advance its own goals. In an early work, Cho and Chu (1994) developed a model that could measure the distribution of power between a company and a supplier. More recently, Cox (1999) made one of the classic contributions to the literature concerning power and supply chains as a topic for academic discussion. He argued that many companies and academics have forgotten that the success for a company of the supply chain strategy known as lean production may require a certain power position. Crook and Combs (2007) studied the strategies of companies in different power positions in the supply chain. In a recent work, power as a basis of supplier selection was investigated by Zolghadri et al. (2011). Bargaining power has also inspired much mathematical modeling (Ma et al., 2010; Wallace and Choi, 2011). Finally, Benton and Maloni (2005) have studied the effects of power on supplier satisfaction.

PURCHASING ORIENTATION

Purchasing has increasingly interested both academics and practitioners in the past decades. Early seminal works on organizational buying behavior, such as the industrial buying process model (Robinson et al., 1967), the general model for understanding organizational buying behavior (Webster and Wind, 1972), and the model of industrial buyer behavior (Sheth, 1973), offered several new insights in the field (Johnston and Levin, 1994; Lindgreen et al. 2009). In addition, changes in the economic environment, including global competition, total quality management, reverse marketing, industry restructuring, and information technology, have developed the field of purchasing from a transactional to a relational focus and from decentralized domestic sourcing to centralized global sourcing (Frazier et al., 1988; Liker and Choi, 2004; Lindgreen et al., 2009).

Purchasing orientation has been one of the chief strands of discussion on the strategic level of purchasing. According to Anderson et al. (2009), purchasing orientation may be defined as “the philosophy that guides managers who make purchasing-related decisions and delineates their domain and span of influence.” Similarly, Hedaa and Ritter (2005) see purchasing orientation as “fundamental beliefs, shared assumptions,” which “resembles elements of organizational culture defining norms and expected behavior and thought.”

Furthermore, purchasing orientation has been discussed in close conjunction with the role of purchasing and purchasing strategy, and has been categorized by several authors. However, for the most part, these different categorizations have followed the same principles as those for purchasing orientation, described as a process in which the purpose has developed from buying via procurement to supply management (Anderson et al., 2009; Axelsson, 2005; Burt and Dobler, 1996; Van Weele, 2005). In other words, the models usually move from the most primitive orientation to the most advanced (Ellegaard, 2009). For instance, Axelsson and Håkansson (1984) have described three major roles, namely the rationalization role, the development role, and the structure/network role. The rationalization role focuses on keeping direct and indirect costs as low as possible, whereas the development role tries to match the development of the firm with that of the supplier to insure the efficient use of the supplier’s resources. The structure/network role aims at making the whole supply base as efficient as

possible through various activities. Gadde and Håkansson's (2001) central idea is that efficiency-oriented sourcing strategies can be divided into three types on the basis of the supplier relationship: 1) seeking efficiency in a single transaction, 2) seeking efficiency in a series of transactions with one supplier, or 3) seeking efficiency in a series of transactions with multiple suppliers. Furthermore, Svahn and Westerlund (2009) have developed the Gadde and Håkansson's classification further by contrasting these three types with the buyer's efforts to achieve either efficiency or effectiveness in operations through relationships with the supplier, thus creating six different purchasing strategies in supply nets. Van Weele (2005) discusses degrees of sophistication of purchasing function. His six levels of sophistication are in line with the classification above, as the model moves step by step from a decentralized, functional focus and transactional orientation through centralizing and integration toward a center-led role in the value chain.

In this paper we apply the Anderson et al. (2009) classification of purchasing orientation that follows the categorizations above and consists of three categories: 1) buying orientation, 2) procurement orientation, and 3) supply management orientation. Table 1 summarizes the key objectives of each type of orientation.

Buying orientation	<ul style="list-style-type: none"> ▪ Obtain the best deal in terms of price, quality, and availability from supplier ▪ Maximize power over suppliers ▪ Avoid risk wherever possible
Procurement orientation	<ul style="list-style-type: none"> ▪ Improve quality ▪ Reduce total cost of ownership ▪ Cooperate with suppliers
Supply management orientation	<ul style="list-style-type: none"> ▪ Focus all of the firm's efforts on delivering value to end users ▪ Craft a sourcing strategy around the firm's core competences and resources ▪ Build a supply network that efficiently completes required business processes ▪ Sustain highly collaborative relationships with select supplier and sub-supplier firms

Table 1. Key goals of purchasing orientations (Anderson et al., 2009)

Buying orientation is considered to be a narrow-focused orientation based on discrete transactions with a view to minimizing the price paid. The practices are tactical and short-term in nature (Kotler and Keller, 2008; Anderson et al., 2009). Also, multi-sourcing is often a tool in buying orientation.

When it comes to procurement orientation, the focus shifts from price to improved quality and total cost reduction by integrating activities with a certain supplier (Kotler and Keller, 2008; Anderson et al., 2009). Compared to buying orientation, procurement orientation concentrates more on the long term, trying to build cooperative relationships with suppliers. According to Anderson et al. (2009), the procurement orientation focuses on total cost of ownership (lifetime costs).

Supply management orientation, the third category, uses integration and coordination of purchasing with other functions and other firms in the value network. The scope is widened

further by including the supplier structures, development of resources, and knowledge capabilities, as well as aspects of joint product development, administrative routines, and so forth (Axelsson and Wynstra, 2002). According to Axelsson (2005), recent concepts such as just-in-time are an important embodiment of the category.

Although the categorizations have been discussed widely and several authors have produced similar models, there is still room for further research. While the categorizations have mainly focused on overall content and typical activities, we do not know, for instance, what kinds of purchasing manager and what kinds of company fall into which category with regard to their purchasing orientation.

For the purposes of the analysis in this research, only the first two Anderson et al. (2009) purchasing orientations, buying orientation and procurement orientation, are used. The main reason for limiting the orientation to two is that the analyzed orientations reflect satisfactorily the transactional and relational strategies, which can be found from the majority of purchasing orientation models. The analysis will start from two key variables that practically define the two selected purchasing orientations: low purchasing price and long-term relationships. The focus in the analysis will be on the factors that are linked into the key variable, that is, how issues like “maximizing power over suppliers,” in the buying orientation, and “reducing the total cost of ownership,” in the procurement orientation, are linked to low prices and long-term relationships respectively.

SAMPLE AND METHODS

The research targeted Finnish purchasing managers working in business-to-business markets. No specific industry was targeted, nor were any limitations set. The purchasing managers were contacted via postal questionnaire. The resulting data included 85 responses from a total of 711 purchasing managers contacted. The contact information was obtained from a national information provider, Fonecta. Even though this information provider is one of the largest in Finland, some companies still decided not to disclose personal information about their employees. Even so, the sample can be considered to be very close to a random sample of Finnish business-to-business buyers. The questionnaires were sent out in late 2010. Three weeks after the original questionnaires were delivered, reminder letters were sent to urge those who had not responded to do so and to thank all those who had already responded. After the reminder letters, the response rate for the survey was 12%.

The questionnaires included questions about the background of the respondent, i.e. age, gender, work experience, education, etc. Descriptive information about the current organization was also asked for, yielding very rich data. The age of the purchasing managers ranged from 28 to 64 years, with a mean of 48 years. Of the respondents, 22% were female and 78% were male. The annual turnovers of the companies they represented ranged from 1 million Euros to 2,500 million Euros, the average being 182 million Euros. Thirty-three percent of the companies had fewer than 50 employees, 17% had 50 to 100, 29% had 101 to 500, and 20% had more than 500 employees.

The questionnaire was divided into different sections based on topic. It included a section on perception of the importance of procurement functions in the organizations. Another section contained questions regarding the criteria for selection of suppliers. The list of criteria was adopted from previous research by Dickson (1966) and Weber et al. (1991). In addition, perceptions concerning the personal characteristics of buyers were investigated. Other

sections included questions on commitment in a buyer–seller relationship and the reasons why buyer–seller relationships end.

Reliability issues were kept in mind in designing the questionnaire. The fact that the research relies only on reports from purchasing managers makes it more vulnerable to bias. In order to minimize bias, the cover letter with the questionnaire urged respondents to answer as truthfully as possible. The researched topics were also part of a larger whole, which meant that the individual topics did not strike the respondents as being of particular note.

The importance of different supplier selection criteria was analyzed by calculating the average scores for each selection criterion. Standard deviations were also calculated. The analysis of supplier selection criteria also included analysis of an open-ended question that asked the respondents to describe the critical factors they identified as belonging to the supplier selection process.

The procurement orientations were analyzed by dividing the whole response set into two groups of equal size based on respondents’ emphasis on low purchasing prices or on long-term relationships with suppliers. In other words, the respondents were divided into purchasing managers who considered low price important and those who thought that low price was not so important. Table 2 describes the groups analyzed.

	Strong emphasis	Weak emphasis
Low price important (1-4)	N=42 Average score 3.95	N=43 Average score 2.81
Long-term relationships important (1-4)	N=42 Average score 3.67	N=43 Average score 2.63

Table 2. Groups used in the analysis

The reason for dividing the respondents into these different groups is that enabled us to analyze the differences between manager profiles, company characteristics, and company policies, based on emphasis on low prices or long-term relationships. The manager profile includes traditional variables such as sex, age, work experience, and educational level. Some not so traditional variables are their perceptions about purchasing managers. The managers were asked for their perceptions of the professionalism, friendliness, honesty, and other characteristics of purchasing managers. Companies were also rated according to some traditional and less traditional variables. Company turnover and purchases as a proportion of turnover figures belonged to the first, while bargaining power position and proportion of companies using single sourcing for strategic products belonged to the latter. Supplier selection criteria included variables that a company might use in choosing which supplier to utilize. The results of this analysis are covered in the next chapter.

RESULTS

First, the overall importance of supplier selection criteria was analyzed. The respondents were asked to evaluate different supplier selection criteria. The scale ranged from 1 = not important at all to 5 = very important. The results of the evaluation are presented in Table 3. The criteria are listed in order of importance. The “Average” column shows the mean average

rating from all the respondents. The standard deviations illustrate the variations between individual respondents.

N=85	Rank	Average (1-5)	St.dev.
Reliability of the supplier	1	3.82	.38
Quality of product /services	2	3.73	.50
Flexibility of the supplier	3	3.56	.52
Low prices	4	3.35	.68
Possibility of holding a bid auction	5	3.29	.69
Fast delivery	6	3.24	.72
Long-term relationships	7	3.14	.76
Financial stability of the supplier	8	3.07	.61
Good reputation of the supplier	9	3.02	.69
Good personal relationship	10	2.89	.82
Low lifetime costs	11	2.82	.76
Size of the supplier company	12	2.28	.81

Table 3. Importance of supplier selection criteria

The reliability of the supplier ranks as the most important selection criterion, as evidenced by the very low standard deviation. Quality of the product/services and flexibility of the supplier rank second and third. The overall lack of importance accorded to low lifetime costs is striking. The open-ended question about the key supplier selection also ranked reliability and product quality as the top two criteria. Because the list of selection criteria was relatively short, we expected that respondents would identify other criteria. Among those mentioned were good communication, loyalty, information sharing, and willingness to innovate.

Next we consider purchasing orientations. The differences between companies emphasizing the importance of low purchasing prices and those who do not can be seen in Table 4. The differences are presented in three sections, relating to manager profile, company characteristics, and supplier selection criteria.

The results show that the male managers are more interested in cheap purchasing prices than their female colleagues. The difference is statistically significant at .05 level. That difference does not extend to low lifetime costs, where males and females in equal numbers choose companies that emphasize low lifetime costs and companies that do not. Age and education level have no significant bearing on the results, although the managers who seek out low prices have a slightly higher education level. The results relating to the image that managers have of purchasing managers are interesting. Managers who see price as more important also have a perception that purchasing managers are less honest and less friendly. This can also be an indication of buyer–seller relationships. When prices are a big issue, friendships and the truth are not as important.

N=85		Low price important	Low price not important	p-value (two tailed)
Individual				
Female	Proportion	12%	30%	0.0414
Male	Proportion	88%	70%	0.0414
Age	Years	48.5	49.8	0.5084
Education level	Scale 1-6	4.71	4.28	0.0952
Professional experience	Years	6.99	8.89	0.2451
Perception of buyers, honest	Scale 1-4	2.92	3.24	0.0426
Perception of buyers, friendly	Scale 1-4	2.69	3.14	0.0041
Perception of buyers, reliable	Scale 1-4	3.03	3.17	0.2770
Company				
Turnover	Euros	195M €	175M €	0.8450
Bargaining power	Scale 1-3	2.00	2.28	0.0400
Purchases of turnover	Proportion	49%	49%	0.9168
Single sources	Proportion	6%	16%	0.2297
Complexity of products	Scale 1-7	3.74	3.66	0.8166
Supplier Selection Criteria				
Fast deliveries	Scale 1-4	3.29	3.19	0.5006
Flexibility of the supplier	Scale 1-4	3.59	3.56	0.8130
Long-term relationships	Scale 1-4	3.12	3.14	0.9165
Low lifetime costs	Scale 1-4	2.83	2.81	0.9274
Personal supplier relationships	Scale 1-4	2.75	3.00	0.1628
Quality of product services	Scale 1-4	3.68	3.79	0.2971
Reliability of the supplier	Scale 1-4	3.68	3.95	0.0014
Reputation of the supplier	Scale 1-4	2.85	3.19	0.0281
Size of the supplier company	Scale 1-4	2.27	2.28	0.9518

Table 4. Importance of low purchasing prices

Few differences can be seen in the company characteristics, the purchases of turnover ratios being almost identical for the two groups. The figures for turnover also very close. The only statistically significant difference is bargaining power, which exhibits a different direction from the Anderson et al. (2009) model. Bargaining power is higher for the companies that consider purchasing price not to be important.

Significant differences can be identified in the supplier selection criteria variables. The purchasing managers focusing on low prices are less concerned about the reliability or the reputation of the supplier than managers who do not emphasize low prices. The other supplier selection criteria seem to be equally important to both groups. Personal supplier relationships are the criterion that is closest to significance level. Price-conscious managers seem not to require personal relationships with suppliers.

Table 5 illustrates the differences between companies that consider long-term supplier relationships important and those that do not.

N=85		Long-term important	Long-term not important	p-value (two tailed)
Manager Profile				
Female	Proportion	24%	21%	0.7537
Male	Proportion	76%	79%	0.7537
Age	Years	48.3	50.2	0.3480
Education level	Scale 1-6	4.57	4.42	0.5501
Professional experience	Years	7.91	7.84	0.9670
Perception of buyers, honest	Scale 1-4	3.20	3.00	0.2063
Perception of buyers, friendly	Scale 1-4	3.02	2.83	0.2196
Perception of buyers, reliable	Scale 1-4	3.12	3.10	0.8524
Company Characteristics				
Turnover	Euros	94M €	270M €	0.0921
Bargaining power	Scale 1-3	2.10	2.19	0.4874
Purchases of turnover	Proportion	48%	51%	0.3938
Single sources	Proportion	23%	3%	0.0199
Complexity of products	Scale 1-7	3.98	3.48	0.1712
Supplier Selection Criteria				
Fast deliveries	Scale 1-4	3.29	3.19	0.5258
Flexibility of the supplier	Scale 1-4	3.60	3.53	0.5967
Low costs	Scale 1-4	3.40	3.30	0.4819
Low lifetime costs	Scale 1-4	2.93	2.72	0.2099
Personal supplier relationships	Scale 1-4	3.07	2.72	0.0491
Quality of product / services	Scale 1-4	3.76	3.69	0.5155
Reliability of the supplier	Scale 1-4	3.83	3.81	0.8173
Reputation of the supplier	Scale 1-4	3.10	2.95	0.3499
Size of the supplier company	Scale 1-4	2.48	2.09	0.0283

Table 5. Importance of long-term relationships

The emphasis on a long-term relationship has no statistical relationship with the purchasing manager profile. Manager age, education level, and professional experience are almost identical for the two groups. Company characteristics exhibit larger differences. The proportion of companies using single sourcing is significantly higher for the managers who focus on long-term relationships. The company turnover is higher in the companies not emphasizing long-term supplier relationships. Some significant differences can be identified in relation to supplier selection criteria. Personal supplier relationships and the size of the supplier company are more important to the managers who seek long-term relationships. Reliability and reputation of the supplier are not a differentiating factor between the two groups.

The fact that the focus on long-term relationships has little bearing on the other variables puts a categorization on that basis into question. In order to have categories that reflect reality, there should be more intercorrelations between the variables analyzed.

CONCLUSIONS

The study analyzed the responses of 85 Finnish purchasing managers working in a business-to-business environment. The results demonstrate that reliability of the supplier and the quality of the products are clearly the two most important criterion in supplier selection. They also show that focus on low purchasing prices is a factor that divides purchasing managers and the companies they serve. More specifically, managers who focus on low purchasing prices are not as interested in the supplier's reliability and reputation. These managers are more likely to be male and to think that purchasing managers are less friendly and honest. The low bargaining power position of the companies focusing on low purchasing prices contradicts previous models, thus giving the scientific community something to research further.

No clear profile can be identified of the purchasing manager who is keen on establishing a long-term relationship with the supplier. Purchasing manager sex, age, work experience, or education level reveals no information about the differences between managers who emphasize long-term relationships and those who do not. From the company perspective, the emphasis on long-term relationships shows a statistically significant correlation with using only a single supplier for strategically important purchases. Regarding supplier selection criteria, two show statistically significant differences. Personal supplier relationships and the size of the supplier company are more important for managers whose focus is on long-term relationships. For these managers, low lifetime costs are slightly more important, but not to a significant level.

Emphasis on low costs does not seem to be negatively related to the decision to focus on long-term relationships. This could be considered as a reason not to divide purchasing orientations into categories that use low prices and long term focus as complements to each other. Thus, the results of the analysis raise a question about the validity of the purchasing orientation categorizations in the first place. Are there companies that fit these categories? Or could the real business world be too complex to simplify in such a manner?

For the practitioners these results are particularly important in the cases of companies that serve customers with different purchasing orientations. The selling organization can now customize its marketing communications to better suit changing customer needs regarding the selection of suppliers. For example, a company that sells mainly to customers focusing on long-term relationships should try to use personal relationships as a more important communication theme. Of course, the information this research provides can help companies to reshape their whole offering and find new ways of operating, the better to suit the customer company, and not only for marketing communications.

REFERENCES

- Anderson, J. C., Narus, J. A., Narayandas, D., 2009. *Business Market Management: Understanding, Creating, and Delivering Value*, 3rd ed. Upper Saddle River, NJ: Pearson Education.
- Awaysheh, A., Klassen, R., D., 2010. The impact of supply chain structure on the use of supplier socially responsible practices. *International Journal of Operations & Production Management*, 30 (12), 1246-1268.
- Axelsson, B., 2005. Purchasing as supply management. In S. Furusten, & A. Werr (Eds.), *Dealing with confidence - the construction of need and trust in management advisory services* (1st ed., pp. 39-58). Denmark: Copenhagen Business School Press.
- Axelsson, B., Håkansson, H., 1984. *Inköp för konkurrenskraft*. Malmö: Liber.
- Axelsson, B., Wynstra, F., 2002. *Buying business services*. New York: Wiley.
- Benton, W.C., Maloni, M., 2005. The influence of power driven buyer/seller relationships on supply chain satisfaction. *Journal of Operations Management*, 23 (1), 1-22.
- Boer, L., Labro, E., Morlacchi, P., 2001. A review of methods supporting supplier selection. *European Journal of Purchasing and Supply Management*, 7, 75-89.
- Bottani, E., Rizzi, A., 2008. An adapted multi-criteria approach to suppliers and products selection - An application oriented to lead-time reduction. *International Journal of Production Economics*, 111, 763-781.
- Brierly, S., 2001. Beyond the buzzword: single sourcing. *Intercom*, 49 (1), 15-18.
- Burt, D. N., Dobler, D. W., 1996. *Purchasing and Supply Management*. London: McGraw-Hill Education.
- Carter, C. R., Jennings, M.M., 2004. The role of purchasing in corporate social responsibility: a structural equation analysis. *Journal of Business Logistics*, 25 (1), 145-186.
- Cho, D., Chu, W., 1994. Determinants of bargaining power in OEM negotiations. *Industrial Marketing Management*, 23 (4), 343-355.
- Choi, T.Y., Hartley, J.L., 1996. An exploration of supplier selection practices across the supply chain. *Journal of Operations Management*, 14, 333-343.
- Cox, A., 1999. Power, value and supply chain management. *Supply Chain Management*, 4 (4), 165-175.
- Crook, T.R., Combs, J.G., 2007. Sources and consequences of bargaining power in supply chains. *Journal of Operations Management*, 25 (2), 546-555.
- Dickson, G.W., 1966. An analysis of vendor selection systems and decisions. *Journal of Purchasing*, 2(1), 5-17.
- Ellegaard, C., 2009. The purchasing orientation of small company owners. *Journal of Business & Industrial Marketing*, 24(3), 291-300.
- Ellram, L., Billington, C., 2001. Purchasing leverage considerations in the outsourcing decision. *European Journal of Purchasing and Supply Management*, 7 (1), 15-28.
- Faes, W., Matthyssens, P., 2009. Insights into the process of changing sourcing strategies. *Journal of Business & Industrial Marketing*, 24 (3-4), 245-255.
- Feng, B., Fan, Z.-P., Li, Y., 2011. A decision method for supplier selection in multi-service outsourcing. *International Journal of Production Economics*, 132, 240-250.
- Frazier, G. L., Spekman, R. E., & O'Neal, C. R., 1988. Just-in-time exchange relationships in industrial markets. *Journal of Marketing*, 52(4), 52-67.
- Gadde, L.-E., Håkansson, H., 2001. *Supply Network Strategies*. Chichester: John Wiley & Sons Ltd.
- Glock, C. H., 2011. Single sourcing versus dual sourcing under conditions of learning. *Computers & Industrial Engineering*, 62, 318-328.

- Ghodsypour, S.H., O'Brien, C., 2001. The total cost of logistics in supplier selection, under conditions of multiple sourcing, multiple criteria and capacity constraint. *International Journal of Production Economics*, 73, 15-27.
- Goebel, P., Reuter, C., Pibernik, R., Sichtmann, C., 2012. The influence of ethical culture on supplier selection in the context of sustainable sourcing. *International Journal of Production Economics*, Article in press.
- Hedaa, L., Ritter, T., 2005. Business relationships on different waves: Paradigm shift and marketing orientation revisited. *Industrial Marketing Management*, 34, 714-721.
- Inderst, R., 2008. Single sourcing versus multiple sourcing. *The Rand journal of economics*, 39 (1), 199-213.
- Johnston, W. J., Levin, J. E., 1994. *A review and integration of research on organizational buying behavior*. Marketing Science Institute working paper No. 94-111. Cambridge: Marketing Science Institute.
- Kotler, P., Keller, K. L., 2008. *Marketing management (13th ed.)*. Upper Saddle River, NJ: Prentice-Hall.
- Lasch, R., Janker, C., 2005. Supplier selection and controlling using multivariate analysis. *International Journal of Physical Distribution & Logistic Management*, 35 (6), 409-425.
- Larson, P.D., Kulchitsky, T.D., 1998. Single sourcing and supplier certification: performance and relationship implications. *Industrial Marketing Management*, 27 (1), 73-81.
- Lindgreen, A., Révész, B., & Glynn, M., 2009. Purchasing orientation. *Journal of Business & Industrial Marketing*, 24(3), 148-153.
- Liker, J. K., Choi, T. Y., 2004. Building deep supplier relationships. *Harvard Business Review*, 82(12), 104-113.
- Ma, L., Liu, F., Li, S., Yan, H., 2010. Channel bargaining with risk-averse retailer. *International Journal of Production Economics*, Article in press.
- Ojala, M., Mahlamäki, T., 2010. Perceptions of purchasing managers' characteristics and the importance of the purchasing function. *Proceedings of 20th IPSERA conference*, Maastricht, 2011.
- Porter, A.M., 1999. Single sourcing: some love it, some fear it. *Purchasing*, 126 (9), 22-25.
- Robinson, P. J., Faris, C. W., Wind, Y., 1967. *Industrial buying behaviour and creative marketing*. Boston, MA: Allyn & Bacon.
- Segal, N.M., 1989. Implications of single versus multiple buying sources. *Industrial Marketing Management*, 18 (3), 163-178.
- Sheth, J. N., 1973. A model of industrial buyer behavior. *Journal of Marketing*, 37(4), 50-56.
- Svahn, S., Westerlund, M., 2009. Purchasing strategies in supply relationships. *Journal of Business & Industrial Marketing*, 24 (3), 173-181.
- Tang, C. S., 2006. Perspectives in supply chain risk management. *International Journal of Production Economics*, 103, 451-488.
- Treleven, M., 1987. A management tool for the quality supplier. *Journal of Purchasing and Materials Management*, 26 (4), 2-7.
- Wallace, S. W., Choi, T.-M., 2011. Flexibility, information structure, options, and market power in robust supply chains. *International Journal of Production Economics*, 134, 284-288.
- Van Weele, A., 2005. *Purchasing & Supply Chain Management. Analysis, Strategy, Planning and Practice, 4th ed.* Thomson Learning.
- Weber, C. A., Current, J. R., Benson, W.C., 1991. Vendor selection criteria and methods. *European Journal of Operational Research*, 50, 2-18.
- Webster, F. E. J., Wind, Y., 1972. *Organizational buying behaviour*. Englewood Cliffs, NJ: Prentice-Hall.

- Wu, D., Olson, D., 2008. Supply chain risk, simulation, and vendor selection. *International Journal of Production Economics*, 114, 646-655.
- Zolghadri, M., Eckert, K., Zouggar, S., Girard, P., 2011. Power-based supplier selection in product development projects. *Computers in Industry*, 62, 487-500.