

Relationship Quality in Supply Chain Management: A Dyad Perspective

Tedarik Zinciri Yönetiminde İlişki Kalitesi: Çift Yönlü Perspektif

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ABSTRACT

The business performance is significantly affected by the relationship between the partners (Lages et al., 2008). Hence, the quality of the relationship between the members of the supply chain is vital for the success of the entire chain where it has a positive effect on profitability (Huntley, 2006) and supply chain performance (Fynes et al., 2008; Mohaghar & Ghasemi, 2011). On the other hand, integration and management of all process links throughout the supply chain is not possible besides, the level of integration may differ among the links or through time. Therefore, some links can be referred as more critical and must be actively managed. As a matter of fact, the relationships and the quality of the relationships within managed, monitored and not managed process links as indicated in the study of Lambert et al. (1998) are expected to show variances. Hence, the aim of this study is to investigate and identify the dimensions of relationship quality for each of the above mentioned process links.

Keywords: Relationship quality, supply chain management, process links.

ÖZET

İşletme performansı iş ortaklarının birbiriyle olan ilişkisinden anlamlı ölçüde etkilenmektedir (Lages vd., 2008). Bu sebeple, tedarik zinciri üyelerinin arasında var olan ilişkinin kalitesi, tüm zincirin başarısı için büyük önem teşkil etmekte, zincirin karlılığı (Huntley, 2006) ve performansı (Fynes vd., 2008; Mohaghar ve Ghasemi, 2011) üzerinde olumlu etki yaratmaktadır. Öte yandan, tedarik zinciri boyunca tüm süreç bağlantılarının entegrasyon ve yönetimi mümkün değildir bunun yanı sıra, entegrasyon düzeyi, bağlantılar arasında ya da zaman içinde farklılaşabilmektedir. Bu nedenle, bazı bağlantılar daha kritik olarak ifade edilebilir ve bu bağlantılar aktif yönetilmelidir. Dolayısıyla, Lambert ve arkadaşlarının (1998) çalışmasında belirtildiği üzere, yönetilen, izlenen ve yönetilmeyen süreç bağlantılarındaki ilişki kalitesinin de farklılık göstermesi beklenmektedir. Bu çalışmanın amacı yukarıda belirtilen süreç bağlantılarının her biri için ilişki kalitesinin boyutlarını araştırmak ve ortaya çıkartmaktır.

Anahtar Kelimeler: İlişki kalitesi, tedarik zinciri yönetimi, süreç bağlantıları.

1. INTRODUCTION

Relationship quality refers to a customer's perceptions of how well the relationship fulfills the expectations, predictions, goals, and desires of the customer (Jarvelin and Lehtinen, 1996). The quality of relationships determines how the relationships develop, what the likelihood of its ending is and what revenues, costs and profitability it incurs (Holmlund, 2008: 34). Gummesson (1987) views perceived relationship quality as the quality of the relationship between a supplier and a customer that can be interpreted in terms of accumulated value and according to the research of Moliner et al. (2007) overall valuation of the perceived relationship quality can be achieved by measuring three indicators which are satisfaction, trust and commitment.

Holmlund (2008: 35) brings a new approach and makes the perceived-service quality definition within business relationship context: perceived relationship quality is the joint cognitive evaluation of business interactions by significant individuals in both firms in the dyad (paired relationships between different members of the supply chain). The evaluation encompasses a comparison of experience with desired, potential, usual or previous interactions which constitute comparison standards.

The topic of relationship quality has been explored in many studies under different frameworks. Relationship quality between service firms and their customers, salespeople and customers, between manufacturers/suppliers and distributors/resellers are among the subjects of researches (Lages et al.,

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2005) where relationship quality from the customer point of view is one of the most studied aspect.

Crosby et al. (1990) address relationship quality in services setting as maintaining enduring relationships with salespeople where the sales people perform the role of the relationship manager. Besides, the main constructs of relationship quality identified are satisfaction and trust. Kim et al. (2006) also examine relationship quality within the consumer behavior approach and define trust and satisfaction as the dimensions of relationship quality.

The concept of relationship quality has its roots from the service management and relationship marketing studies (Dwyer and Oh, 1987; Gummesson, 1987; Crosby et al., 1990; Storbacka et al., 1994; Liljander and Strandvik, 1995). However, in this study the relationship quality is analyzed within supply chain context. Supply chain relationship researches have primarily sought to explain the nature of relationship process and focus on identifying the dimensions of relationship quality but it was neglected that the relationship dynamics may differ according to the different process links between the focal company and its supply chain members. Moreover, relationships in the supply chain may also differ according to the type of product purchased. In the case of commodity goods, the relations can be simple whereas, they can be complex if the product purchased is a specialty product which can be supplied in a few numbers of firms (Ellram, 1992).

Therefore, this gap is addressed in this study in order to shed light on the relationship characteristics in different supply chain process links of a specialty product. Hence, the aim of this paper is to explore the dimensions of relationship quality, embracing the dyad perspective of Holmlund (2008) within managed, monitored and not managed process links as indicated in the study of Lambert et al. (1998) through a conceptual framework that comprised of both an intensive literature review and a case study. The remainder of this paper is structured as follows: firstly, the theoretical background of relationship quality in business-to-business context is reviewed; secondly, the methodology is described; thirdly the findings are discussed and the conclusion with suggestions for further researches is provided.

2.THEORETICAL BACKGROUND

The nature of supply chain relationships were explained by various theoretical frameworks like resource dependence theory, transaction cost theory, political economy theory and social exchange theory by different scholars (Robicheaux and Coleman, 1994). Most studies refer relationship quality as a higher order construct consisting of several first-order constructs (Dwyer and Oh, 1987; Dorsch et al., 1998; Walter et al., 2003; Skarmeas et al., 2008). However, there isn't a consensus on the dimensions; in various studies the dimensions of relationship quality in business-to business setting were used as antecedents or consequences (Holmlund, 2008). Satisfaction, commitment, minimal opportunism, customer orientation, and ethical profile (Dwyer and Oh, 1987), fairness, role performance, coordination and cooperation are among the antecedents of relationship quality. However, satisfaction is also found to be the outcome of relationship quality (Payan et al., 2010). Woo and Ennew (2004) assert that one explanation for this lack of consensus lies in the variety of different types of relationships which can be observed across a range of different consumer and business markets.

In order to clarify this debate and to provide an insight on different types of relationships, in this study, the relationship quality is examined according to the types of process links within supply chains considering both the focal company and the suppliers' perspective.

2.1.Types of Process Links within Supply Chain

It is unlikely to integrate and manage all process links that are formed within supply chains. The biggest reason behind is the contingency of the factors that may differ according to processes affecting the process integration (Hakansson and Snehota, 1995; as cited in Lambert et al., 1998). Lambert and Cooper (2000) in their study, identified four different basic business processes between supply chain members.

The four basic business processes are managed process links, monitored process links, not managed and non member process links (Lambert et al., 1998). However, in this study, only the three of the process links which are managed, monitored and not managed, are covered.

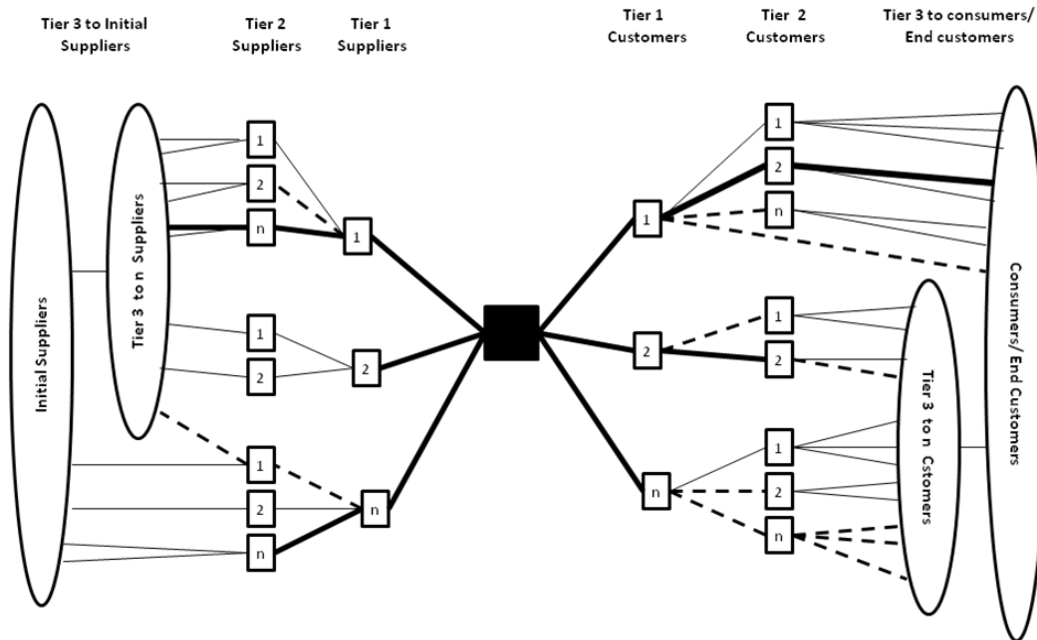


Figure 1: Types of Inter-company Business Process Links

(Source: Adapted from Lambert, D.M., Cooper, M.C. and Pagh, J.D. (1998:7).

As depicted in figure 1, managed process links shown in bold lines refer to the critical integrated processes with first tier customers and suppliers. In the figure, when the process links of the first tier customers and suppliers are followed, it's seen that the focal company is actively involved in processes with the second and even the third tier customers and suppliers. Monitored process links are the links that are not critical to the focal company, but it is important to the focal company that the process links are integrated and managed appropriately between other member companies. As frequently as necessary, the focal company monitors or audits how the process link is integrated and managed. And finally, not managed process links are the links that the focal company is not actively involved in nor are they critical enough to use resources for monitoring. For example, a manufacturer has a number of suppliers for cardboard shipping cartons. Usually the manufacturer will not choose to integrate and manage the links beyond the carton supplier all the way back to the growing of trees. The manufacturer wants certainty of supply but it may not be necessary to integrate and manage the links beyond the cardboard shipping carton supplier (Lambert et al., 1998:8).

2.2. Dimensions of Relationship Quality in Business-to-Business Context

The nature of the relationship quality and its dimensions have been extensively discussed in the literature however, there is still a lack of consensus on the dimensions of relationship quality and there is no universal scale that measures relationship quality within business-to-business context that scholars have compromised on. Lages et al. (2005) measure relationship quality in exporting context by developing a multi dimensional scale, RELQUAL, where relationship quality reflects the intensity of information sharing, communication quality, long term orientation and satisfaction with the relationship between the exporter and importer. Similarly, Skarmas et al. (2008) study the relationship quality in the context of importing distributors trading with exporting manufacturers of industrial products and measure relationship quality with satisfaction, trust and commitment dimensions. A cross-cultural RELQUAL scale has been developed and applied in supplier-distributor setting (Payan et al., 2010). The conceptual model includes satisfaction, trust, commitment, cooperation, coordination and specific assets dimensions.

Svensson and Mysen (2011) focus on relationship quality from the buyers' point of view in business relationship between the manufacturers and the suppliers. The authors construct META-RELQUAL measurement scale consisting of ten dimensions which are satisfaction, commitment, trust, opportunism, cooperation, coordination, continuity expectance, formalization, dependence and specific assets.

Walter et al., (2003) introduce a model of relationship quality within business-to-business context from the customer's point of view. In this study, the antecedents of relationship quality is examined and the findings reveal that direct functions (cost reduction, quality, volume and safeguard) and indirect functions (market, scout, innovation development and social support) have a strong influence on the customer's perception of relationship quality

which was measured via customer satisfaction, trust and commitment. Similarly, Fang et al. (2011) hypothesized that relationship quality, measured by the two dimensions; trust and commitment are positively related to direct and indirect functions. However, in this study, the direct functions are limited to volume and safeguard function whereas the indirect functions are limited to market and innovation function. The results demonstrate a positive relationship between relationship quality and direct and indirect functions. In another study conducted in automotive industry, communication, trust, adaptation, commitment, interdependence, cooperation, and atmosphere are the dimensions of relationship quality in supply chains where communication, commitment and atmosphere are found to be the most important ones (Mohaghar and Ghasemi, 2011).

Table 1: Dimensions of Relationship Quality within Business-to Business Context

Study	Dimensions of Relationship Quality Obtained
Kumar et al. (1995)	Conflict, trust, commitment, willingness to invest in the relationship, expectation of continuity
Dorsch et al. (1998)	Trust, satisfaction, commitment, opportunism, customer orientation, ethical profile
Walter et al., (2003)	Customer satisfaction, trust and commitment
Woo and Ennew (2004)	Cooperation, adaptation, and atmosphere
Lages et al. (2005)	Information sharing, communication quality, long term orientation and satisfaction
Fynes et al. (2005)	Communication, trust, adaptation, commitment, interdependence, and co-operation
Rauyrueen and Miller (2007)	Trust, commitment, satisfaction and service quality
Skarmeas et al. (2008)	Satisfaction, trust and commitment
Su et al. (2008)	Communication, trust, institutionalization/ cooperation, adaptation, and atmosphere
Payan et al., (2010)	Satisfaction, trust, commitment, cooperation, coordination and specific assets
Svensson and Mysen (2011)	Satisfaction, commitment, trust, opportunism, cooperation, coordination, continuity expectance, formalization, dependence and specific assets
Mohaghar and Ghasemi, (2011)	Communication, trust, adaptation, commitment, interdependence, cooperation, and atmosphere
Kühne et al. (2013)	Trust, satisfaction, reputation, governance, conflict, power and dependency

Ambrose, et al. (2010) explain the antecedents and dynamics of supply chain relationships both from buyer and supplier perspectives by using transaction cost and social exchange theory as foundations of relationship mechanisms. The results of the study point out that buyers' and suppliers' perceptions of relationship differs significantly for commitment, adaptability, communication, dependence, power

and performance whereas the perceptions for trust and uncertainty are found to be similar. On the other hand, Su et al. (2008) use IMP (International/Industrial Marketing and Purchasing Group) interaction model in which relationship quality represents an overall evaluation on the nature of the relationship where short-term exchanges are not sufficient but long-term relationship behaviors are clearly relevant to the

conceptualization of relationship quality to develop a framework for relationship quality in supply chains. Communication, trust, institutionalization/cooperation, adaptation, and atmosphere are found to be the dimensions of supply chain relationship quality. Woo and Ennew (2004) have also conceptualized relationship quality in business-to-business context based on IMP interaction model and they defined the construct of relationship quality as a higher-order construct representing cooperation, adaptation, and atmosphere. Rauyruen and Miller (2007) also propose relationship quality as a higher construct comprising trust, commitment, satisfaction and service quality and study relationship quality on two levels, relationship quality with the employees (employee/interpersonal level) and relationship quality with the supplier itself (organizational/interfirm level).

The relationship quality dimensions within business-to-business context that are revealed by different scholars in various studies are summarized in table 1. As can be seen from the table, trust, satisfaction and commitment are the most frequent three factors that are found to be the dimensions of relationship quality in most of the studies. However, there are also distinct dimensions like specific assets and ethical profile that are explored in different studies which may be specific to the industry, type of relationship or product type. Besides, Huntley (2006) in his study finds distinct dimensions of relationship quality in business to business context which are technical dimension (quality of product solutions), social dimension (quality of service solutions, economic dimension (value for price), partnership dimension, and time dimension. Similar to Huntley's (2006) findings, Holmlund (2008) asserts that there are three main dimensions of relationship quality which are technical dimension concerning the offering at the core in the relationship consisting of tangibles and intangibles; social dimension concerning the social interaction on the individual and company level and economic dimension regarding economic benefits and costs of the relationship.

3. METHODOLOGY

For the purposes of this research a qualitative research framework was considered to be the most appropriate. In this paper, case study is used as a tool of research strategy. Supply chain relationship quality within managed, monitored and not managed process links is investigated within its real-life context; as the boundaries between phenomenon and context are not clearly evident (Yin, 1984). As

the relationship quality in different types of process links of the supply chain has no clear, single set of outcomes (Yin, 2003) in the literature, exploratory case study is used to explore the dimensions within each three process links.

The focal firm, Newtec System, is a "system integrator" company, operating in Marche Region in Italy. It assembles technologies, solutions, modules to make a specific product for the clients' needs. The firm has got four business areas: production/energy self production, optimization, sustainability and service. The rationale behind choosing this firm as a case study is that energy demand is growing and use of resources naturally available to man is the answer for achieving sustainable development to ensure that future generations can have a certain level of welfare, social, economic, institutional, etc.

The production/energy self production which is a business area that realize single and integrated solutions of energy plants to the energy rational use and customer's energy saving is focused in this study considering that they produce specialty products like cogeneration and trigeneration systems, solar photovoltaic systems, geothermal systems, systems for the enhancement of biomass and micro-generation systems (micro-cogeneration, small wind turbines). However, this study only focuses on photovoltaic systems.

Semi-structured interviews are the main sources of data collection and besides, documents like letter, memoranda, written reports, etc. regarding the relationship between focal company and its suppliers are required during the interviews in order to use multiple sources of evidence to obtain construct validity.

First of all, the interview with the key informant who is the managing director of the focal firm is done and then the second interview is realized with the head of purchase department. In this interview, the informant was asked to draw the main structure of the supply chain regarding the production/energy self production. Then, he was given the information about the types of process links and he was asked to classify their suppliers according to these process links. In order to better understand the relationship quality within each process links, the informant was required to identify the suppliers that they have the best and the worst relationship. Besides, he was asked to describe the reasons behind these identifications and attributes of relationship quality. Moreover, his thoughts about ways of increasing the level of relationship quality with these suppliers in each category are obtained.

Appointment for the interviews with the suppliers who have worst and best relationships with the

focal company within each category of process links are taken with the help of the focal company. The interviews were conducted with the salespeople who specifically interact with Newtec System and 6 in-depth interviews with 6 suppliers of the focal firm are carried out. All suppliers are asked to rate their level of relationship with the focal company and they were asked to explain the reasons of this rating. Moreover, they were demanded to identify the attributes of relationship quality with the focal firm.

4. FINDINGS

The head of purchase department of the focal firm Newtec System identified three categories of materials that constitute their process links. They supply strategic materials where they manage the process, critical materials that they monitor the process and subsidiary materials where they don't manage the process with the suppliers. In general Newtec Company has 150 suppliers including technological systems and the renewable energy however, only 60 of them provide components and materials for the production of photovoltaic systems.

According to Newtec System, the quality of the relationship can be traced to some salient features that are essential in the relationship between company and the supplier. They identified the most important elements of relationship quality as: the quality of the products, quality certification for the standards required, flexible and timely services, availability of the salesperson and being able to cooperate with the salesperson, speed response time to requests of the company, willingness to review the economic conditions with a view of future relationships (more advantageous both in terms of improvements in economic time for payment), the terms of delivery, a wide range of materials available in stock. In general, the company thinks that in order to enhance the relationship quality with suppliers, it is necessary to plan regular meetings to analyze the critical points and strengths.

Managed Process Link

In the managed process link category, there are the suppliers which Newtec System is in direct contact with which have the larger projects that go beyond the simple supply relationship. Newtec System supplies the strategic materials and develops long-term projects and partnership within this category of suppliers. The focal company has managed process links with three suppliers.

The head of the purchasing department has identified the suppliers which they have the best and the worst relationships in this category. The relationship attributes of the supplier x which Newtec System has the best relationship are identified as: availability of the salesperson of the supplier x who always interacts with Newtec System, flexible

economic conditions like being able to make special discounts, extended payment terms, timeliness of delivery and quality of products.

The results of the interview conducted with supplier x validate that there is a good relationship between this supplier and the focal firm. The relationship with Newtec System is defined as excellent since they work together consistently, achieve excellent performance in the services offered by the supplier and identify a growing convergence of strategies.

Supplier x defines relationship quality as "there is a quality relationship if there is communication, information sharing and constant updates between companies" and asserts that the aspect of relationship quality can be increased by increasing the projects in partnership with Newtec System.

Newtec System identified supplier y as having the worst relationship within managed process link category. The main reasons of identifying this relationship as the worst are delivery delays, long response times, lack of flexibility in payment terms. On the other hand, it is interesting to find out that the rating of the relationship with the focal firm by supplier y is excellent. They define their relationship as excellent because they think that Newtec System is loyal and the company benefits from access to particular data, participation in training courses for Newtec System. Besides, efficiency, quality certification of the product at the European level are the most important characteristics of relationship quality which can be increased by developing the purchase plans more efficiently, which ensure a greater availability of products and on time delivery.

Monitored Process Link

Newtec System has monitored process links with suppliers from which the company supplies critical materials and whose service is crucial. Within monitored process link classification, there are seven suppliers. Newtec System identifies supplier z as having the best and supplier k as having the worst relationships within this category. Newtec System states that speed of response to requests, offering timely delivery, high availability of the salesperson, wide assortment of merchandise in stock, deferred payment terms are the attributes of good relationship with supplier z.

Supplier z also defines their relationship with the focal firm as good and states that there is a constant cooperation. Besides, they define relationship quality as working together, developing sales volume and to find a meeting point in the negotiations. According to supplier z, the relationship quality can be increased through constant dialogue and increased information flow.

On the other hand, delays in the deliveries and some errors during the order confirmation are the aspects which cause Newtec to evaluate supplier k as having the worst relationship in this category. Supplier k define their relationship with the focal company as profitable, as Newtec System and supplier k exchange their professionalism and Newtec System has a good working method, which allows a professional relationship and exchange of expertise. According to supplier k, the most important aspects of relationship quality are the ongoing dialogue, information exchange and speed in information flow about the market and the product. Besides, relationship quality can be increased by continuously meeting the needs of the focal company, greater flexibility in cases of delays, increasing the flow of knowledge.

Not Managed Process Link

The focal company Newtec System draws the boundaries of not managed process links as the category in which there are suppliers that supply providers' accessory materials, easily replaceable, which Newtec System has simple relationships with. There are 50 suppliers present in not managed process link category.

Supplier m is identified as the supplier having the best relationship with the focal company in not

managed process link because this supplier has a wide availability of products in stock, daily delivery of the ordered materials, granting extended payment terms. Supplier m also identifies their relationship with Newtec System as good, as there is a good dialogue and few conflicts. According to supplier m, relationship quality attributes are exchange of information, quick responses and payments on time moreover, the relationship quality can be increased by increase in orders, fulfilling special requests, greater involvement and efficient plan for orders from the focal company.

According to Newtec, supplier t is the supplier within not managed category which has the worst relationship with them since they have higher prices in the market. Supplier t defines this relationship as good but adds that Newtec System acquires only part of the products it needs from them. From the supplier t's point of view there is a relationship quality when the focal company buys several product lines and when there is a direct dialogue with the supplier. They state that the most important attribute of relationship quality is payment and to increase the relationship quality, the focal company should increase its purchases with supplier t.

Table 2: Relationship Quality Dimensions from Different Aspects

Process Link Type	Dimensions of Relationship Quality Focal Company View	Dimensions of Relationship Quality Supplier View
Managed Process Link	Service Quality <ul style="list-style-type: none"> • availability of the salesperson • on time delivery • short response time 	Service Quality <ul style="list-style-type: none"> • excellent performance in services • on time delivery
	Economic <ul style="list-style-type: none"> • deferred payment terms • discounts 	Economic <ul style="list-style-type: none"> • cost control
	Technical <ul style="list-style-type: none"> • quality of products 	Technical <ul style="list-style-type: none"> • quality of products
	Social <ul style="list-style-type: none"> • trust • communication 	Social <ul style="list-style-type: none"> • cooperation • communication • information sharing
Monitored Process Link	Service Quality <ul style="list-style-type: none"> • availability of the salesperson • on time delivery • short response time 	Service Quality <ul style="list-style-type: none"> • quick response
	Economic <ul style="list-style-type: none"> • deferred payment terms 	Economic <ul style="list-style-type: none"> • higher sales volume
	Technical <ul style="list-style-type: none"> • wide assortment of stock 	Social <ul style="list-style-type: none"> • cooperation • communication • sharing of knowledge • satisfaction
Not Managed Process Link	Service Quality <ul style="list-style-type: none"> • on time delivery 	Service Quality <ul style="list-style-type: none"> • quick response
	Technical <ul style="list-style-type: none"> • availability of products in stock 	Economic <ul style="list-style-type: none"> • higher sales volume • timely payment • cost control
	Economic <ul style="list-style-type: none"> • deferred payment terms 	Social <ul style="list-style-type: none"> • cooperation • communication

The findings of the interviews are sorted and combined to determine broader categories of relationship quality. One of the most frequent characteristics belongs to service performances like availability of the salesperson, on time delivery, short response time. Service quality can be considered as a necessary condition for maintaining relationship quality (Crosby, et al., 1990) besides, Huntley (2006) proposes service quality as a dimension of relationship quality. Consequently, in this study, service quality is found to be a dimension of relationship quality.

Huntley (2006) states that relationship quality conceptualizations have been dominated by relational factors and the economic roots of these relationships have been neglected. However, in this study, findings like deferred payment terms, discounts, cost control, higher sales volume point out that there is an economic dimension of relationship quality. This finding corresponds to the findings of Holmlund (2008) and Huntley (2006). Walter et al., (2003) also propose cost reduction, quality and volume as the elements of direct functions that are found to be an antecedent of relationship quality. Besides, Fang et al. (2011) verify that volume within direct functions has a positive relationship with relationship quality.

Besides service quality and economic factors, the attributes about product and product quality are also considered as another dimension of relationship quality. Quality of the products, wide assortment stock, availability of products in stock are categorized under technical dimension. This finding is also consistent with the findings of Holmlund (2008), Huntley (2006) and Walter et al., (2003).

Last but not least, the items having the social interaction and relational characteristics constitute the last dimension of this study which is named as social dimension. This dimension comprises trust, cooperation, communication, information sharing, satisfaction and sharing of knowledge as the elements which are parallel with the dimensions present in literature.

The findings of this study are summarized in table 2 where the relationship quality is examined according to three types of process links with the suppliers from both the focal company and the supplier view. As depicted in table 2, both focal company and the suppliers regard on time delivery and quick response as relevant aspects of service quality that is one of the dimensions of relationship quality. From the focal company perspective it is seen that economic dimension is very important for all three process

link types. Social dimension is considered only in managed process link by the focal company as no social dimensions are declared in monitored and not managed process link categories. However from the suppliers point of view, social dimension is found to be a dimension of relationship quality within each process link types. Trust and communication are the elements of social dimension for the focal company whereas, cooperation and communication are the common elements of social dimension for all process link types from the suppliers point of view. Besides, it is seen that in not managed process link category, only the availability of products, on time delivery and deferred payment terms are mentioned by the focal firm.

5. CONCLUSION

Relationship quality within business to business context has been explored by various researchers and different scales have been developed to measure the relationship quality however, the studies in the literature focus generally on only one side of the dyad in the supply chain which is either supplier or the customer. In this study, dyad perspective is considered, the relationship quality is analyzed from both focal company and the supplier perspectives. On the other hand, most of the studies in literature assume that all supplier-customer relationships within supply chains are homogeneous and have the same importance or characteristics. The second originality of this paper is that it categorizes the suppliers according to the process link types they have with their focal company which are managed, monitored and not managed process links (Lambert et al., 1998). Examining relationship quality for each process link types and from both supplier and focal company perspective provides us with some different findings.

Particularly, economic dimension is conceptualized with different approaches by the focal company and the suppliers. The focal company focuses its attention on the deferred payment terms nevertheless, the suppliers view to have relationship quality is to increase the sales volume with the focal firm. This finding points out that suppliers tend to have more transaction approach in their relationships. Considering the period of economic crisis affecting Italy, the influence of economic elements on perceptions of both focal company and suppliers on relationships is reasonable. However, when the social dimension is analyzed, it is seen that suppliers deem cooperation and communication as elements in all three process link categories. It gives the clues that

leaning merely on transaction approach is not valid for suppliers and they somehow embrace the relationship marketing approach. However, it should be noted that the contact with suppliers has been supported by the focal company which may result in the tendency of suppliers to be less objective.

On the other hand, focal company considers social aspects of relationship quality only in managed process link category. The rationale behind this finding may be that the nature of the relationship characteristics between the focal company and the suppliers differ according to different types of supply chain relationships. This issue should be also empirically tested in further studies. Another interesting finding of this study is that focal company considers the quality of products as an element of relationship quality only for managed process link category because the materials that are supplied in this category are vital for the focal company. In this way, trust is considered as an important element

of relationship quality in this category. Besides, in monitored and not managed process link categories, the materials provided are critical and subsidiary respectively, therefore, the quality is not so important for the focal company instead, the availability of the materials on time is crucial to have relationship quality.

Case study as a research strategy is being criticized as offering a poor basis for generalization of the findings due to external validity problem. Therefore, this study should be replicated in other supply chain settings. Besides, the characteristics and dynamics of sectors can be a factor shaping the process links and dimensions of relationship quality within supply chains. Hence, it is suggested that multi case approach could be used in order to compare the differences of relationship quality within different types of process links of different supply chains. Also, in further researches, the dimensions emerged in this study should be tested and verified.

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