Business relations and reputation

- A study on the impact of negative reputation in a buyer-supplier relationship

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"It takes 20 years to build a reputation and only five minutes to ruin it. If you think about that, you will do things differently." – Warren Buffett
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Best regards

___________________________           _____________________________
Carolina Jönsson                    Sofoklis Lamprou
Abstract

**Research gap:** Reputation is seen as an important asset for companies and can create competitive advantages. Within business-to-business the reputation of the company is argued to affect the relationship between buyers and suppliers and although the area is stressed to be important, it is still under-researched. Previous literature is not aligning when it comes to the importance of reputation and the duration of the relationship and it also states trust to have impact on important parts of the relationship, such as affective commitment and the willingness to invest.

**Purpose:** The purpose of the thesis was to measure to what extent the duration of a buyer-supplier relationship affects trust, and to what extent trust affects the affective commitment and willingness to invest, when the reputation of the supplier was negative as the outcome of adverse publicity.

**Hypothesis:**
H1a; H1b: The duration of buyer-supplier relationship has a positive impact on Trust (integrity or benevolence) if the reputation of the supplier is negative

H2a; H2b: Trust (integrity or benevolence) has a positive impact on affective Commitment, if the reputation of the supplier is negative

H3a; H3b: Trust (integrity or benevolence) has a positive impact on willingness to invest if the reputation of the supplier is negative

**Method:** The study had a quantitative approach and collected the data by a questionnaire sent to manufacturing business-to-business companies by email. 462 companies were contacted which resulted in 72 usable answers.

**Conclusion:** The buyer-supplier relationship was not to a significantly extent affected by negative reputation and the duration of the relationship was not differing to a substantially extent. The different trust increased the buyers’ affective commitment and willingness to invest which demonstrates the importance of trust in the relationship due to negative reputation.

**Key words of the thesis:** Reputation, Trust, Affective commitment, Willingness to invest
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1 Introduction

This chapter presents an introduction of the thesis with relevant background of the area investigated and explanations of the chosen concepts that will further be developed in chapter two. It starts off with an introduction to the concepts of relationship marketing, reputation, trust, affective commitment and willingness to invest. The chapter will continue by discussing problems surrounding the subject which will lead to a research gap and the purpose of the study. Finally, there will be clarifications about the delimitations made.

1.1 Relationship marketing

Relationship marketing within business-to-business companies can be a strong competitive advantage as it can help retain customers for a long time (Hougaard & Bjerre, 2002). The purpose of relationship marketing is to create, establish, maintain and develop competitive and profitable exchanges with selected customers to the benefit of both partners (Hougaard & Bjerre, 2002; Harker, 1999). The importance of relationship marketing has been increased as the market structure and condition has changed and the competition moved from an inter-firm rivalry to competition within the value chains (Hougaard & Bjerre, 2002). A strong relationship can help retaining the customers when something unfavorably occurs to a company (ibid). Within relationship marketing there are many parts that together create advantageous relationships (Theron & Terblanche, 2010). One important part of relationship marketing is the concept of trust which should be considered carefully along with other important aspects of the company (ibid), such as reputation (Grey & Balmer, 1998).

1.2 Reputation and Trust

Corporate reputation can be described as “the overall estimation and judgment of an organization that is held by its internal and external stakeholders based on the corporations past actions and expected future actions and behavior” (Gottschalk, 2011, p. 28). Corporate reputation is crucial for companies’ success since a negative reputation will make the profits
decline (Grey & Balmer, 1998) and adverse publicity is a factor that can turn positively perceived companies into being negatively perceived (Aula, 2010). A method to retain the reputation positively perceived is by delivering the message of the brand consistently to strengthen it (Dalton & Croft, 2003). Reputation is stated to be one of the factors of establishing customer loyalty which will help maintaining the customers of the company over a longer time (Weiwei, 2007).

Trust is established through an effective collaborative relationship and a higher level of satisfaction (Zineldin & Jonsson, 2000) which helps the relationship to take a higher profitable position for both parties involved (Zaheer et al. 1998). The importance and degree of trust is different from culture to culture and between nations, however, trust plays a significant role in the success of a closer collaboration between a buyer and supplier (Gummesson, 2008). According to Keh & Xie (2009) there is a strong relationship between corporate reputation and customer trust because corporate reputation influences trust positively.

Two antecedents of trust within a buyer-supplier relationship are affective commitment and willingness to invest (Suh & Houston, 2010). Affective commitment is one of the important parts of maintaining and stabilizing the relationship between the buyer and the supplier (Chang et al. 2012), because it is the personal connections between individuals in the companies that determine if there shall be a long-term relationship (Konovsky & Cropanzano, 1991). The willingness to invest in the relationship determines if the buyer is willing to put effort in a stronger relationship with the supplier (Suh & Houston, 2010).

Because business-to-business companies are pushed towards a closer relationship (Hougaard & Bjerre, 2002) they become more vulnerable because of, for example, the dependence of each other increase and moreover the risk of opportunistic behavior (Suh & Houston, 2010). Previous research has mainly focused on investigating reputation without the perspective of negative reputation, (Suh & Houston, 2010; Money et al. 2010; Grey & Balmer, 1998; Walker, 2010; Roberts & Dowling, 2002) which could be further investigated.

1.3 Problem discussion
As reputation has been recognized as an important intangible asset that creates competitive advantage for companies (Walker, 2010; Roberts & Dowling, 2002) it is crucial for the managers to focus on keeping it positively associated with the company (Keh & Xie, 2009). Negative reputation and adverse publicity can result in losses of revenue and market share which is devastating for a business (Ahluwalia et al. 2000; Grey & Balmer, 1998). The knowledge of how the buyers will react to negative publicity and reputation is limited as there is little research about the topic (Ahluwalia et al. 2000; Suh & Houston, 2010). Because reputation could be the reason the relationship started, one cannot overlook the importance of managing relationships that are built from a good reputation (Keh & Xie, 2009).

Reputation affects the financial outcome and management structures (Suh & Houston, 2010) and companies must focus on all their interest such as customers, investors and the general public to keep a good reputation (Keh & Xie, 2009). In contradiction to the importance of reputation during a relationship, results from Newman et al. (2005) indicated that reputation is only important in the beginning of the relationship, or until the first interactions have developed to a more consistent interaction.

Reputation, trust, affective commitment and willingness to invest are important parts in a buyer-supplier relationship (Suh & Houston, 2010). Money et al. (2010) suggested the benefits of a good reputation could be cooperation and trust, furthermore it could affect positive expectations and behavior in a supply chain. Trust in a business relationship is argued to be one of the most vital things for relationship success (Newman et al. 2005). If the supplier reputation or the trust is increased, the willingness to invest in future relationships is also increased (Suh & Houston, 2010). Trust has a strong impact on affective commitment, which should inspire managers to act more trustworthy to maintain a relationship (Cater & Cater, 2009). A negative reputation could damage or destroy an organization and will not protect a company during crisis because the trust could be decreased (Gibson et al. 2006).

Previous studies within the area focused on investigating reputation as neutral concept and not as perceived negatively (Suh & Houston, 2010; Money et al. 2010; Grey & Balmer, 1998; Walker, 2010; Roberts & Dowling, 2002). Therefore it can be argued that a new point of view is needed as it could provide knowledge of what could occur if the reputation turns negative and to what extent it affects important parts of the business relationship (e.g. trust, affective commitment and willingness to invest).
Since Newman et al. (2005) stated that reputation is only important in the beginning of a relationship; but is according to Keh and Xie (2009) always important during a business relationship and will keep existing relationships healthy (Money et al. 2010), it will be relevant to investigate if the duration of the relationship does have any effect on how the negative reputation affects a company, if there is any difference between newer relationships and more established ones. Keh and Xie (2009) also stated that corporate reputation influence customer trust positively if the reputation is positively perceived, how a negative reputation affects trust is not investigated.

Previous studies within the area of reputation, trust and business relationships has been conducted in China (Keh & Xie, 2009), among randomly selected companies in Europe (Hansen et al. 2006), United States of America (Suh & Houston, 2010; Roberts & Dowling, 2002) or by doing a literature review (Grey & Balmer, 1998; Walker, 2010; Money et al. 2010).

Although there are a number of researches within the area of reputation and trust, there is not enough (Suh & Houston, 2010) in addition to its importance (Grey & Balmer, 1998; Suh & Houston, 2010; Money et al. 2010) and the authors could not find any studies of negative reputation in business relations which motivates this study to investigate further within this area. Furthermore the authors could not find any research conducted in Sweden which makes it relevant to investigate among business-to-business companies in Sweden because trust according to Gummesson (2008) can vary among cultures and nations.

1.4 Purpose

The purpose of the thesis is to measure to what extent the duration of a buyer-supplier relationship affects trust, and to what extent trust affects the affective commitment and willingness to invest, when the reputation of the supplier is negative as the outcome of adverse publicity.

1.5 Delimitations
This study was delimited to only investigate the concepts of relationship marketing, trust, reputation, affective commitment and willingness to invest and to what extent the buyer-supplier relationship will be affected if the supplier experiences negative reputation as an outcome of adverse publicity. Other concepts within the area of buyer-supplier relationships was not investigated due to limited time and resources and the article by Suh and Houston (2010), which this thesis was based on, did only investigate these chosen concepts. The authors assumed a negative reputation as a starting point for the investigation.

This thesis was also delimited to only investigate business-to-business companies in industrials since business relationships are of great importance within that area (Keh & Xie, 2009). Due to time and resource restraints the thesis chose the respondents with assistance from the site Allabolag.se (2013) which has a register of all business-to-business companies in Sweden. The thesis was delimited to industrial manufacturing firms within the county of Kronoberg in Sweden in order to narrow down the population to a manageable number. The thesis is conducted from the buyers’ perspective of the buyer-supplier relationship since the time was limited to be able to investigate from the suppliers’ perspective as well.

1.6 Outline of thesis

Table 1 presents the structure of each chapter in the thesis and contains a short summary of the content of the chapters.

<table>
<thead>
<tr>
<th>Chapter 1</th>
<th>Introduction</th>
</tr>
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<tbody>
<tr>
<td>This chapter was an introduction to the subject, which introduced the reader to the concepts of relationship marketing, trust, reputation, affective commitment and willingness to invest. It explains the importance of the concepts in a business relationship and brings information about adverse publicity to life. The problem discussion ended with a research gap the authors could fill with this thesis, which lead to the purpose. The end of the chapter discussed the delimitations.</td>
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<table>
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<tr>
<th>Chapter 2</th>
<th>Literature review</th>
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<tbody>
<tr>
<td>Presents a literature review about the concepts and other researcher’s findings within the area, ending with a more developed discussion of the research gap.</td>
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<th>Chapter 3</th>
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### Table 1 – Outline of thesis

<table>
<thead>
<tr>
<th>Research hypotheses, models and operationalization</th>
<th>this thesis. The chapter also displays how the concepts from the literature review were operationalized.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Chapter 4 Methodology</td>
<td>Explains the methodology chosen for this thesis and how to analyze the data collected.</td>
</tr>
<tr>
<td>Chapter 5 Data analysis</td>
<td>Presents the statistical analysis of the data gathered.</td>
</tr>
<tr>
<td>Chapter 6 Conclusion and implications</td>
<td>Determines the conclusions of the thesis and discusses the implications of the study. It also discusses limitations and suggestions for future research.</td>
</tr>
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2 Literature review

The concepts relationship marketing, reputation, trust, affective commitment and willingness to invest were chosen to be included in the literature review due to their importance to the results of the thesis. Relationship marketing was presented in the theory chapter because it created a broad understanding of business relationships. The theory of reputation was chosen since it represents the perception the customers have to and about the company, positively or negatively. Trust, affective commitment and willingness to invest are important parts of business relationships and effect future outcomes for the companies.

2.1 Relationship marketing

Relationship marketing is a concept that has been growing because of the changing requirements of being able to achieve and sustain competitive success (Morgan & Hunt, 1994; Hougaard & Bjerre, 2002). It has been recognized that firms have to build strong relationships to stay competitive in the business-to-business markets (Grönroos, 1994; Hougaard & Bjerre, 2002) and this movement toward building relationships within marketing has been a more accepted part of the marketing management (Ballantyne et al. 2003). Modern companies of today have started to understand the value of a long lasting relationship, as evidence exists that profit can be obtained from a strong relationship (Barry et al. 2008) especially with selected customers (Martin et al. 2002). Previous studies by Fichman and Levinthal (1991) shows that the duration of the relationship is a determinant for relation specific assets. The relationship becomes more resistant to interruption as the duration of the relationship increases (ibid).Relationship marketing involves establishing, maintaining and developing profitable customer relationships (Hougaard & Bjerre, 2002), which is conducted through marketing activities (Morgan & Hunt, 1994). Examples from studies shows that companies with a longer established relationship are better able to share technology knowledge which is beneficial for both companies (Kotabe et al. 2003). The relationships should be beneficial for both parties (Hougaard & Bjerre, 2002) as the core of a successful relationship is the two-way-flow of value (Martin et al. 2002), which is built by the whole behavior of the company, not just the marketing department (Hougaard & Bjerre, 2002). Depending if the relationship is new or established, firms interact differently with each other (Squire et al. 2009), because
what is important in an established relationship may not be important new relationship (Fichman & Levinthal, 1991). The difference between relationship marketing and a regular relationship is that the relationship marketing’s aim is to move the customer from the perspective of good relationships to special relationships; it is not just about maintaining customers (Tinsley, 2002). Ravald and Grönroos (1996) argued that the creation of the buyers’ loyalty is the main idea of relationship marketing because it in turn leads to more stable, mutually profitable and long-term relationships.

To establish relationship marketing in a company one cannot relate it as a new part of the traditional marketing approach, it must be considered to be the basis for marketing management (Gummesson, 2002). The evaluation of the activities connected to relationship marketing is finally evaluated on the basis of the company’s overall profitability, which in turn is influenced by different variables (Hennig-Thurau et al. 2002). One possible factor that relationship marketing will create is buyer satisfaction (ibid). Both satisfaction and commitment have impacts on the link between relational benefits and relationship marketing outcomes (ibid).

In relationship marketing the individual is in focus instead of the masses due to the consideration that long-term relationships are more profitable than single transactions (Gummesson, 2002). This results in the focus of marketing to place emphasis on relationship and service values (ibid) and to maximize the lifetime value for the buyer (Martin et al. 2002). It involves taking care of the customers and to see them as a remaining source for the company (Ravald & Grönroos, 1996) and to be able to create and sustain mutually beneficial relationships (Martin et al. 2002). The recognized importance of relationships within the buyer-supplier environment continues to develop (Revilla et al. 2013) and is common in many large organizations (Adams et al. 2012).

2.2 Reputation

The term reputation is according to Gibson et al. (2006) an intangible asset that represents the companies’ previous and present performance. It also indicates that the company has the ability to deliver expected and desirable result to the customers (ibid). Reputation is the one asset of an organization that is valued the most since there is a relationship between reputation and organizational success (ibid) and also between reputation and financial performance.
(Roberts & Dowling, 2002). When a company attempts to improve the profitability, it will also strengthen the reputation (ibid). Suh and Houston (2010, p. 744) described reputation as a “central, enduring and distinctive corporate associations held by individuals outside of an organization”. Gottschalk (2011, p. 28) described it as “the overall estimation and judgment of an organization that is held by its internal and external stakeholders based on the corporations past actions and expected future actions and behavior”. More specifically for this subject, supplier reputation is the beliefs that people and firms within an industry hold about the supplier's characteristics and abilities as a trading partner (Doney & Cannon, 1997). A good reputation creates competitive advantage and sustains or increases corporate worth that results in ability to achieve goals more easily (Walker, 2010).

A negative reputation can damage or destroy individuals and organizations and will not protect companies during crisis, which a positive reputation could do (Gibson et al. 2006). Negative reputation is a liability and barrier to organizational success (ibid), reputation takes long time to build and is easily dismantled (Keh & Xie, 2009). A negative reputation could make it hard for the companies to build the brand equity, furthermore a good reputation is no guarantee for a strong brand (ibid), but it is a key factor for the growth of a brand (Dalton & Croft, 2003). The reputation is sometimes defined as owned by the public and not shaped through advertisement, which image could be (Gibson et al. 2006).

The advantages with corporate reputation being an intangible asset is that it is hard to replicate (Roberts & Dowling, 2002) and imitate (Keh & Xie, 2009; Gottschalk, 2011) for the competitors, which makes it an important strategic asset along with the positive relation with profitability (Roberts & Dowling, 2002). The corporate reputation affects both customer trust and customer identification positively (Keh & Xie, 2009) and is built within the organization during a long-term perspective (Dalton & Croft, 2003). A strong corporate reputation is not only important for attracting new customers, but also for delivering value and keeping existing relationships healthy which makes weak bonds grow stronger (Money et al. 2010).

Keh and Xie, 2009 found it advantageous to build trust and identification among customers if having a favorable reputation. Customers seem to be more willing to associate themselves with the company if it has a favorable reputation and they believe high-regarded companies are more important and honest (ibid). Furthermore, it is important to manage reputation in industrial firms since the business relationships are of great importance (ibid). Within the
industrial firms there are not only one purchase manager, it could be groups of individuals that could hold different opinions and attitudes towards a company (ibid). The reputation can be a competitive advantage if the offerings are similar and hard to differentiate (Hansen et al. 2006).

Sometimes companies partner up to improve reputation which is called partnership reputation. This type of collaboration is often successful within different segments. There can be conflicts or negative emotions and the partners must trust each other to make it work. One example of partnership reputation was Bill Hewlett and David Packard, which together created an iconic international reputation (Money et al. 2010).

Reputation is connected with the concept of trust (Smeltzer, 1997) that will be explained below.

2.3 Trust

Trust has many definitions; Malhotra and Lumineau (2011, p.982) define trust “as the willingness of a party to be vulnerable to the actions of another party based on positive expectations regarding the other party’s motivation and/or behavior”. Another definition of trust is “a result of effective collaborative relationship and higher level of customer satisfaction” (Zineldin & Jonsson 2000, p. 249). Trust is formed, reinforced and could be decreased by relational activities and monetary exchange (Suh & Houston, 2010). The level of trust usually starts on a low level and then develops gradually over time as parties gather experience and knowledge from previous business with each other (Ring & Van de Ven, 1992). Trust is an example of means that parties use to minimize risk in exchange relationships (Poppo & Zenger, 2002), furthermore it suggest that together with contracts, relationship is strengthened. Opportunistic behavior in a business relationship could violate values, principles and standard that has been developed by parties from an exchange (Barney & Hansen, 1994). Zaheer and Venkatraman (1995) argue that trust on the other hand reduces the need of formal contracts, and reduces or eliminates opportunistic behavior, furthermore these arguments could be incentives for the trusting party in a relationship as the trusting party must realize the risk involved in the relationship (Kee & Knox, 1970).
Trust is operationalized into benevolence and integrity from research article by Suh and Houston (2010) that this research is based upon. Benevolence is described as the extent to which a trustee is believed to do well to the trustor, further it is described that the trustee has a level of attachment to the trustor (Mayer et al. 1995). The relationship between trust and integrity is defined as trustors perception that the trustee follows important principles that the trustor believes are important, furthermore if the important principles are not considered acceptable by the trustor, the trustee is not regarded to have integrity (ibid). Trust can therefore be separated from the underlying dimensions of trust judgments, which involve other party’s trustworthiness on relevant characteristics as integrity (Malhotra & Lumineau, 2011). Furthermore Malhotra & Lumineau (2011) motivate these relevant characteristics as the source for the trustee to accept a vulnerable position in a relationship.

Integrity which is described as the belief that the partner fulfills its promises, being consistent, reliable and responsible is argued to vary less within relationships compared to benevolence, hence these variations of trust are conceptually different, and their consequences do not differentiate (Suh & Houston, 2010). Results from Mayer et al. (1995) shows that benevolence and integrity are important in relationships, benevolence triggered companies to reconsider their level of trust, and if the supplier observed violations of benevolence it affected integrity in the end. Depending on the level of trust, business partners could have different levels of vulnerability in the business relationship (Barney & Hansen, 1994). A strong level of trust emerges when partners facing significant exchange vulnerabilities independent of whether or not there is social and economic governance prevent opportunistic behavior (ibid.)

2.4 Affective commitment

Affective commitment is the customers’ willingness to maintain a positive long-term relationship based on personal connections (Konovsky & Cropanzano, 1991). Since it is important to maintain the relationship in mature business-to-business relationships the companies must satisfy the customer in each interaction (ibid). Affective commitment is one of the important parts of maintaining and stabilizes the relationship between buyer and seller (Chang et al. 2012). Suh and Houston (2010) found that trust was a significant and positive antecedent to a buyer’s affective commitment and affective commitment can be established
by affirmation and attachment (Chang et al. 2012). Frequent positive interactions and satisfied customer expectations will lead to affirmation and attachment (ibid).

Lövblad et al. 2012 argued the affective relationship commitment is a psychological state of the individuals of the company. It is important for companies to understand affective commitment as it can affect several relationship outcomes (ibid). Customers that have a higher level of affective commitment are more willing to maintain a positive relationship with the supplier (Chang et al. 2012). Cater and Cater (2009) found that affective commitment could save a relationship from ending by having a personal friendship toward the supplier. They also found trust to have a strong influence on affective commitment and suggested managers to invest in being trustworthy in the eyes of the customer (ibid).

As one can see here, trust is argued to have a positive impact on affective commitment, trust is also argued to have a positive impact on the willingness to invest (Suh & Houston, 2010) and this concept will be explained below.

2.5 Willingness to invest

The willingness to invest refers to the willingness of the buyer to invest in the relationship with the supplier according to Suh and Houston (2010). It determines if the buyer is willing to put more effort in building business and making further investment with the partner (ibid). A similar character is the willingness to pay which refers to the maximum amount of money a buyer is willing to pay for a product (Homburg et al. 2005). Homburg et al. (2005) found strong evidence for a positive relationship between a customer’s satisfaction and the willingness to pay, if the customer is satisfied, it is more willing to pay a higher price. Suh and Houston (2010) found that trust (the buyers trust toward the supplier) was a significant and positive antecedent to a buyer’s willingness to invest in the future of the relationship. They also found that increased supplier reputation increases the partners’ willingness to invest (Suh & Houston, 2010; Junyean & Surinder, 2003). A study made by Junyean and Surinder (2003) who investigated the suppliers willingness to invest in manufacturer opposed to the subject of this thesis found the willingness to invest to be determined by three factors; expectation of continuity of the relationship, reputation and trust. The article further argued that if the manufacturer clearly argues their intention of having a long-term relationship the willingness to invest by the supplier can be enhanced (ibid). How strong the relationships is
does not matter if the relationship is not believed to be continuous (ibid). Trust operationalized as benevolence and the concept of dependence was investigated as a determinant of the willingness to invest, but was rejected (ibid).

2.6 Research Gap

The literature has shown that reputation is an under-researched area (Suh & Houston, 2010) even though it is argued to be of much importance (Grey & Balmer, 1998; Suh & Houston, 2010; Money et al. 2010). The advantages of reputation is argued to be; beneficial (Keh & Xie, 2009), increasing willingness to invest (Suh & Houston, 2010), possibility for weak bonds to grow stronger (Money et al. 2010; Barney & Hansen, 1994), organizational success (Gibson et al. 2006) difficult to replicate (Robert & Dowling, 2002) and imitate (Keh & Xie, 2009; Gottschalk, 2011). Suh and Houston (2010) suggested the reason for fewer researches about reputation is because the concept is considered to be fuzzy and hard to measure. For this research, negative reputation was the precondition to help the understanding of the concept more clearly in what direction it was pointing at. Instead of describing the concept as neutral for the respondent to interpret freely, the reputation was assumed to be negative which made the respondents to have approximately the same starting point in their minds.

As trust affects the willingness of a party to be vulnerable to the actions of another party, the authors will study how negative reputation affects trust because Suh and Houston (2010) motivate that it needs to be a separation between trust and reputation. Since trust is described as an example of mean that parties use to minimize the risk in a relationship (Poppo & Zenger, 2002), and are the same time a risk for the parties in a relationship (Kee & Knox, 1970), this motivates to investigating how important trust is in a relationship when the reputation of the supplier is negative as it makes companies vulnerable.

Since previous studies have focused on only investigating reputation as a concept instead of negatively perceived (Suh & Houston, 2010; Money et al. 2010; Grey & Balmer, 1998; Walker, 2010; Robert & Dowling, 2002) this research would try to some extent fill that research gap. The authors of this study believed the effects of reputation to be more visible when it is compared to trust if reputation was perceived negative, compared to perceived neutral or positive. The reason for this investigation was that Suh and Houston (2010) found reputation to possibly have stronger impact on important attitudes and intentions than trust.
which previously not had been found. In this thesis the authors will further investigate on how trust is affected by negative reputation. Willingness to invest and affective commitment will also be investigated since they relate to trust as dependent variables (Suh & Houston, 2010).

In the literature review the authors found different opinions about reputation and at what time in a relationship it was important (Newman et al. 2005; Keh & Xie, 2008; Money et al. 2010). Newman et al. (2005) stated that reputation is only important in the beginning of a relationship in contradiction to findings by Keh and Xie (2008) which stated that reputation was important during the whole relationship and would according to Money et al. (2010) keep existing relationships healthy, the authors found it relevant to investigate if the duration of the relationship mattered, if there was any difference between newer relationships and more established ones. Due to the fact that reputation represents the companies’ previous and present performance (Gibson et al. 2006) the duration is assumed to matter because it is based on both previous and present reputation.
3 Research hypotheses, models and operationalization

This chapter includes an operationalization of the concepts to demonstrate how they are defined in the thesis. It continues by stating the hypothesis found in the research gap to be able to answer the purpose of the study. An explanation of each hypothesis is presented and finishes with the two proposed research models which show the relations between the hypotheses in figure.

3.1 Operationalization

After writing the literature review the definition of the concepts, reputation, trust (benevolence and integrity), willingness to invest and affective commitment was determined. Determination of concepts was necessary as there are many similar or slightly different definitions in the literature and the authors needed to choose what direction to aim at. The operationalization can be found in Table 2. Table 2 includes a conceptual definition of the concepts which is the clarification of the concepts found in the literature review and the operational definition presents how the concept is measured in the thesis.

<table>
<thead>
<tr>
<th>Concept</th>
<th>Conceptual Definition</th>
<th>Operational Definition</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Reputation</strong></td>
<td>“Central, enduring and distinctive corporate associations held by individuals outside of an organization” (Suh &amp; Houston, 2010 p. 744). <strong>Supplier reputation</strong>: the beliefs that people and firms within an industry hold about the supplier's characteristics and abilities as a trading partner (Doney &amp; Cannon, 1997).</td>
<td>A measure that reflects how external variables affect the relationship.</td>
</tr>
<tr>
<td><strong>Trust (Benevolence)</strong></td>
<td>“Benevolence is the perception of a positive orientation of the trustee toward the trustor”. (Mayer et al. 1995 p. 718).</td>
<td>A measure that reflects the company’s beliefs in the suppliers’ intention of doing good.</td>
</tr>
<tr>
<td><strong>Trust (Integrity)</strong></td>
<td>The belief that the partner fulfills its promises, being consistent, reliable and responsible (Morgan &amp; Hunt, 1994).</td>
<td>A measure that reflects the company’s beliefs in the suppliers’ ability to be consistent and honest.</td>
</tr>
<tr>
<td><strong>Willingness to invest</strong></td>
<td>Refers to the willingness to invest in the future of a relationship (Suh &amp; Houston, 2010).</td>
<td>A measure that reflects the buyers’ intention to invest in the supplier.</td>
</tr>
<tr>
<td><strong>Affective commitment</strong></td>
<td>The customers’ willingness to maintain a positive long-term relationship based on personal connections (Konovsky &amp; Cropanzano, 1991).</td>
<td>A measure that reflects the buyers’ personal feelings towards the supplier.</td>
</tr>
</tbody>
</table>

Table 2 - Operationalization
3.2 Stating hypotheses

As a result of the literature review, the authors found existing research gaps in terms of investigating relationships where the reputation is perceived negatively and if the duration of relationships affects the effects of negative reputation. To be able to complete this investigation, hypothesis was required.

Hypothesis main purpose is to; position in relation to theories, help to develop a clear and logical argument for the concepts relation and to create a sense of coherence in the relationships among the variables in the proposed model (Sparrowe & Mayer, 2011). In this thesis, six hypotheses were stated concerning the relationship between the concepts that was previously explained in chapter 2.

3.2.1 Hypothesis H1a and H1b

Reputation is argued to be important only in the beginning of a business relationship, nevertheless also during the relationship. The first hypothesis investigates if the duration of the buyer-supplier relationship has a positive impact on trust (integrity or benevolence). The precondition is supplier reputation being negative as an outcome of adverse publicity.

**H1a:** The duration of buyer-supplier relationship has a positive impact on trust (integrity) if the reputation of the supplier is negative

**H1b:** The duration of buyer-supplier relationship has a positive impact on trust (benevolence) if the reputation of the supplier is negative

3.2.2 Hypothesis H2a and H2b

Since trust is argued to impact on affective commitment the second hypothesis will investigate if the negative reputation affects the relationship between trust (integrity or benevolence) and the affective commitment.

**H2a:** Trust (integrity) has a positive impact on affective commitment, if the reputation of the supplier is negative
**H2b:** Trust (benevolence) has a positive impact on affective commitment, if the reputation of the supplier is negative

### 3.2.3 Hypothesis H3a and H3b

In the literature review trust is argued to impact on the willingness to invest, the third hypothesis will investigate if the negative reputation affects the relationship between trust (integrity or benevolence) and the willingness to invest.

**H3a:** Trust (integrity) has a positive impact on willingness to invest if the reputation of the supplier is negative

**H3b:** Trust (benevolence) has a positive impact on willingness to invest if the reputation of the supplier is negative

### 3.3 Proposed research model

#### 3.3.1 Model A

The model assumes the reputation of the supplier to be negative because of adverse publicity.

*Figure 1 – Model A*
3.3.2 Model B

The model assumes the reputation of the supplier to be negative because of adverse publicity.

*Figure 2 – Model B*
4 Methodology

This chapter explains the methodology path that was followed in order to collect the right type of data. It presents different research approaches and data collection methods possible to use and are then justifying why certain methods were chosen for this research. Data analyzing methods were presented and quality criteria of validity and reliability was described and what the implications that were performed to reach the requirements.

4.1 Research approach

4.1.1 Inductive versus deductive research

Researchers can choose between two different approaches when conducting a research, these are inductive and deductive research (Bryman & Bell 2007). With an inductive method, theory is the outcome of the research (ibid). Researchers carry out observations and gather information, and from these findings theories are created (ibid). Deductive research, on the other hand, is based on existing theories, where theories are tested to find out if the theory is applicable to specific cases (Hyde, 2000). For this study deductive research method was used because the purpose is not to create a theory from the result, but rather to use existing theories to assist the analysis of the collected material.

4.1.2 Qualitative versus quantitative research

After selecting which type of inductive and deductive research to use in the thesis, the next step was to choose if the thesis should be measured by a quantitative research or a qualitative research.

Quantitative research and qualitative research have some differences (Bryman & Bell, 2005) that will be explained in this chapter. The focus regarding what role theory should play in relation to the research is different between the two methods (ibid). Quantitative research is primary focused on deductive research in addition to qualitative research that has its primary focus on inductive research, however both qualitative and quantitative research can be inductive or deductive (ibid).
The gathering of data is carried out differently when having a quantitative approach or a qualitative (Bryman & Bell, 2005). The quantitative approach often includes surveys, which are sent to a large population while qualitative data often is gathered by interviews where the respondents can discuss with the questioner (ibid). The results of a quantitative research, in addition to qualitative, can be generalized if there has been an investigation of a sample that is representative for the population (Bryman & Bell, 2007). The conclusions of a qualitative research cannot be quantified since it is based on attitudes and beliefs (ibid). Qualitative research is seen to be a more open research strategy due to that fact that it has room for discussion and emotions (Bryman & Bell, 2005). Qualitative research is often seen as a method that places emphasis on words instead of the quantification (ibid). It puts weight into how the individual perceives and interprets their social reality (ibid). However, it is important to remember that qualitative and quantitative researches are not incompatible just because there are differences (ibid)

This thesis, which had a deductive approach, could be both quantitative and qualitative and the meaning of the thesis was to be able to generalize among the population which made the choice of method to be quantitative. This thesis also did not want to search for underlying reasons for attitudes and beliefs which a qualitative study does, but to search for differences among a larger group of respondents which also motivated this study to take a quantitative approach.

4.2 Research design

When conducting a research there are different ways to design it, which researchers need to consider depending on the type of research being conducted (Zikmund et al. 2010; Bryman & Bell, 2005). Exploratory, descriptive and casual are three different research designs (Bryman & Bell, 2007). Zikmund et al. (2010) motivates that exploratory research design should be used in the beginning of a research as this model helps the researchers to understand the research problem and the aim of the research.

Zikmund et al. (2010) argued that exploratory research design should be used in the beginning of a research as this model helps the researchers to understand the research problem and the aim of the research. Exploratory research design helps researchers to find out what is happening and to seek new insight of a problem, this could be very helpful when researchers
want to get a broader understanding of a problem (Saunders et al. 2009). This research design is flexible and adaptable to change as this is possible if new data is available (ibid).

Descriptive research design focuses on answering questions like who, what, when, where and how and the purpose of the answer is to help researchers to describe a situation (Zikmund et al. 2010). However it does not answer to the question of “why” and is commonly used when conducting a survey (Burns & Bush, 2003). Descriptive design fits researches where there is a problem defined and when the time and means are limited, it also develop patterns stated in hypothesis (Yin, 2009)

Causal research design examines if a variable causes or determines the value of another variable (Bryman & Bell, 2007). This design focuses on studying a situation or a problem to be able to explain the relationship between affected variables (Saunders et al. 2009). A common method to find information about causal relationships is by experiments (Burns & Bush, 2003)

Depending if researchers will conduct a causal research or a descriptive research design, the two different designs can be specified even further to longitudinal design and cross-sectional design (Bryman & Bell, 2011). Longitudinal research design is mostly used to describe and monitor changes in variables during a long time (ibid). Researchers need to conduct their research on at least two separate occasions to be able to identify any changes in the variables (ibid). Cross sectional design describes in comparison to longitudinal a sample at a specific time, this research design is less costly and easier to conduct as no follow up is required (Neuman, 2003). Cross sectional research design can further be divided into single cross-sectional design and multiple cross sectional design (Yin, 2009). When using a single cross-sectional design, researchers collect data from only one sample at one occasion compared to when using multiple cross sectional design where multiple samples are used (ibid).

When selecting design for this thesis exploratory research design was excluded as a method because there was adequate existing information in the literature. A causal research design was also excluded since the purpose was not to explain how a variable causes or determines another variable, but to find the answer to defined hypothesis. Therefore a descriptive research design and further a single cross-sectional design was selected because the purpose for this study was to examine the relationship between buyers and suppliers in more than one company with one sample. As time and resources were limited for this research longitudinal
research design was not selected, the research would only focus on gathering data from a specific time from multiple companies.

### 4.3 Data sources

When collecting data the researcher can choose between primary data, secondary data or a combination of both (Bryman & Bell, 2007). Primary data is data collected for the first time by the researchers, directly from the source of information (ibid). Advantages with primary data are that it is tailor made for the purpose of the study to fit the research questions (Jacobsen, 2002) and are up-to-date (Bryman & Bell, 2007). The researcher also has, to some extent, control over possible reasons that could affect the outcome and the knowledge of what could have affected the result (Jacobsen, 2002). The disadvantages with primary data are that it is time-consuming to collect, it could be costly and there are no guarantees for success (Bryman & Bell, 2007).

Secondary data is data collected from others researches, which originally has been collected for another purpose (Jacobsen, 2002). Since this is the case, it is important to be critical regarding the sources of the content (ibid). Secondary data can be both qualitative in form of texts and quantitative in form of existing statistics, annual reports and more (ibid). The advantages of secondary data are that it creates a good base for comparison with primary data, it could be easy to access and could result in unforeseen discoveries (Saunders et al. 2009). The disadvantages are that it could be difficult or expensive to get access to, it may be collected for a purpose that does not match your need and it could be unsuitable (ibid). Because previous research in the area of reputation was not exactly what the authors would want to investigate, this thesis was based on primary data to be able to gain relevant and up-to-date information. The authors could also be in charge of the data being collected properly and for the correct purpose.

### 4.4 Research strategy

When choosing which type of research strategy for data collection there are five different types that represent different methods of collecting and analyzing empirical material (Yin, 2009). The research strategies are experimental, survey, archival analysis, history and case study (ibid). The decision of which type to use is of great importance since the strategy must
fit with the research approach (ibid). What to consider when choosing strategy is which type of research question you have, the extent of control you have over behavioral events and whether the focuses is of temporary events, the different options for each strategy is presented in table 3 (ibid).

<table>
<thead>
<tr>
<th>Research strategy</th>
<th>Form of research question</th>
<th>Requires control over behavioral events</th>
<th>Focuses on temporary events</th>
</tr>
</thead>
<tbody>
<tr>
<td>Experimental</td>
<td>How, Why</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td>Survey</td>
<td>Who, what, where, how many, how much</td>
<td>No</td>
<td>Yes</td>
</tr>
<tr>
<td>Archival analysis</td>
<td>Who, what, where, how many, how much</td>
<td>No</td>
<td>Yes/No</td>
</tr>
<tr>
<td>History</td>
<td>How, Why</td>
<td>No</td>
<td>No</td>
</tr>
<tr>
<td>Case study</td>
<td>How, Why</td>
<td>No</td>
<td>Yes</td>
</tr>
</tbody>
</table>

Table 3 – Research strategy. Adapted from Yin 2009, p. 8

A description of the five research strategies are written below:

*Experimental* strategy is mainly connected to natural sciences and study’s causal links, if a change in one independent variable affects the second dependent variable or more (Saunders et al. 2009). This strategy is often used in explanatory research and can answer the questions of how and why (ibid).

*Survey* as a research design is commonly used in business and management research and has a deductive approach (Saunders et al. 2009). It tends to be used for exploratory and descriptive research due to the fact that it can answer questions of who, what, where, how many and how much (ibid). Surveys are a possibility of collecting a great deal of data from a population, are perceived to be easy to understand (ibid) and the researcher can make statistical conclusions about it (Yin, 2009).

*Archival analysis* is an observational method that collects data in form of administrative records and documents as the main source (Saunders et al. 2009). It answers the questions of who, what, where, how, many and how much (Yin, 2009). It can focus on both old and recent documents (Saunders et al. 2009).
History as a research strategy has its focus on analysis of historical documents and does not focus on recent events (Yin, 2009). This strategy can be chosen when there is no possibility to study relevant situations directly and answers the question of how and why (ibid).

Case study is a research strategy, which focuses on making an empirical study of a current phenomenon in their real context, for example an individual, a group or event (Yin, 2009). This research design answers the question of how and why (ibid).

Experimental strategy was rejected as this study was not of a causal design and answering questions as how and why. This study was focused on primary data and therefore the research strategy of history and archival analysis was rejected. A case study was no option since the authors did not investigate an individual, group or event. Because this study was a deductive, quantitative study, which investigated a large sample of respondents to be able to make statistical inferences, the best strategy fit was a survey.

4.5 Data collection method

For collecting data from quantitative or qualitative methods researchers can choose between many further approaches. According to Bryman and Bell (2011) there are several ways to collect data from a quantitative research method, surveys, experiments and observations are three examples.

When performing experimental research, participants of the study are subjects for a specific situation and the outcome of the respondents’ reaction becomes the data for the study (Bryman & Bell, 2011). To conduct this method, researchers need to have control over a minimum of one variable to see how this variable is affected in the experiment (ibid). Since this study was to investigate a large number of respondents by a survey and was not investigating reactions and a specific situation, this method was not used.

When an observation research is conducted, behavior of participants or objects is observed and recorded for a precise amount of time and from an observation schedule (Bryman & Bell, 2011). However this type of method is argued to have reliability, validity and the ability to be generalized issues which has derived from for example the researchers inability of studying the environment in a correct way (ibid). As this study was not supposed to observe a company
and the amount of time and resources needed to reach satisfied collection of data was limited, this method was not considered.

To collect data from a survey there are two methods for researchers to select between, structured interviews and questionnaires, when conducting a survey through a structured interview, researchers create a predesigned question framework (Bryman & Bell, 2011). Similar to structured interviews, questionnaires consist of a predesigned framework of questions to gather data, as opposed to structured interviews a personal interviewer is not needed (ibid). Except the benefit of not being required to actually meet each respondent for interview, questionnaires are easier to administrate (ibid). The questions presented to the respondent are well constructed and the risk for the interviewer to affect respondent is reduced (ibid). Further advantages of questionnaires are the possibilities to reach respondents on different locations compared to interviews were the interviewer has to meet the respondent (ibid). Disadvantages are that there cannot be any certainty that the right person is answering the questionnaire and the respondent does not have the possibility to ask questions if respondent becomes uncertain (ibid).

The method chosen for this research was a survey because a survey was more suitable for a quantitative approach which made it easier to make generalized conclusions of the gathered material. Furthermore the choice of making a questionnaire was made since the authors did not have time to visit the large amount of companies which a structured interview would have required.

4.6 Data collection instrument

4.6.1 Operationalization and measurement of variables

To be able to construct an instrument of data collection, in this case a questionnaire, the central variables and concepts must be translated to be able to gather information (Patel & Davidson, 2011). The method of translating a theoretical concept to a question is called operationalization (ibid). It is important to be clear of what the concepts refer to in the thesis and the concepts need to be defined in a clear and unambiguous manner (Eliasson, 2010). Operationalization is also about making the concepts measureable since it then can be investigated (ibid). If the researches cannot manage this, the respondent would not understand the question or interpret it in the wrong way (ibid).
The operationalization includes two main parts, which is clarification of the concepts according to theory, and how you are going to measure the concepts (Eliasson, 2010). The definition of a concept must be understandable by others than the writer and it must also be relevant for the purpose (ibid). The theoretical concepts must be broken down into smaller pieces to create questions that can be measurable (Jacobsen, 2002). The amount of work done for this is based on the complexity of the concept, e.g., life quality is far more complex concept than age (ibid). When measuring complex concepts it is preferable to use many questions since only one or two are too few due to the complexity (ibid). Good advice when creating questions is to use previous research to find information about how to concretize the concepts (ibid). Below the operationalization of the concepts are presented in table 4. The table presents the concepts and the conceptual definition found in the literature. The conceptual definition is the clarification of the concepts and the operational definition explains how the concepts are measured. The column “measure” shows the concepts broken down into smaller pieces to be able to create questions. The questions which are referred in the last column can be found in appendix 4.

<table>
<thead>
<tr>
<th>Concept</th>
<th>Conceptual Definition</th>
<th>Operational Definition</th>
<th>Measure</th>
<th>Questions (Appendix 4)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Reputation</td>
<td>“Central, enduring and distinctive corporate associations held by individuals outside of an organization” (Suh &amp; Houston, 2010 p. 744). Supplier reputation: the beliefs that people and firms within an industry hold about the supplier's characteristics and abilities as a trading partner (Doney &amp; Cannon, 1997).</td>
<td>A measure that reflects how external variables affect the relationship.</td>
<td>- Perceived on the market (Suh &amp; Houston, 2010).</td>
<td>1.1, 1.2</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>- Credibility (Suh &amp; Houston, 2010; Shih-Ping, 2011).</td>
<td>1.3, 1.4</td>
</tr>
<tr>
<td>Trust (Benevolence)</td>
<td>“Benevolence is the perception of a positive orientation of the trustee toward the trustor”. (Mayer et al. 1995 p. 718).</td>
<td>A measure that reflects the company’s beliefs in the suppliers’ intention of doing good.</td>
<td>- Protection (Suh &amp; Houston, 2010).</td>
<td>2.1, 2.2, 2.4</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>- Welfare (Suh &amp; Houston, 2010).</td>
<td>2.1, 2.2, 2.3, 2.4</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>- Support (Suh &amp; Houston, 2010).</td>
<td>2.3, 2.5</td>
</tr>
<tr>
<td>Trust (Integrity)</td>
<td>The belief that the partner fulfills its promises, being consistent, reliable and responsible (Morgan &amp; Hunt,</td>
<td>A measure that reflects the company’s beliefs</td>
<td>- Consistent (Suh &amp; Houston, 2010).</td>
<td>3.1, 3.3</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>- Reliable (Suh &amp; Houston, 2010).</td>
<td>3.1, 3.2, 3.3, 3.5</td>
</tr>
<tr>
<td>Willingness to invest</td>
<td>Refers to the willingness to invest in the future of a relationship (Suh &amp; Houston, 2010).</td>
<td>A measure that reflects the buyers’ intention to invest in the supplier.</td>
<td>- Invest (Homburg et al. 2005; He et al. 2013).</td>
<td>- Future of relationship (Suh &amp; Houston, 2010).</td>
</tr>
<tr>
<td>-----------------------</td>
<td>-------------------------------------------------------------------------------------------------</td>
<td>-------------------------------------------------------------------------------</td>
<td>------------------------------------------------</td>
<td>------------------------------------------------</td>
</tr>
<tr>
<td>Affective commitment</td>
<td>The customers’ willingness to maintain a positive long-term relationship based on personal connections (Konovsky &amp; Cropanzano, 1991).</td>
<td>A measure that reflects the buyers’ personal feelings towards the supplier.</td>
<td>- Affirmation (Chang et al. 2012; Cater &amp; Zabkar, 2009).</td>
<td>- Attachment (Suh &amp; Houston, 2010; Chang et al. 2012).</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>- Positive relationship (Chang et al. 2012; Cater &amp; Zabkar, 2009).</td>
<td></td>
</tr>
</tbody>
</table>

Table 4 – Operationalization scheme for the questionnaire

### 4.6.2 Questionnaire design

When constructing a questionnaire it is important to explain for the respondents why it is important that the questionnaire should be filled in, furthermore it should be described if the researchers get any economic benefits from a company or if the result is conducted for a company’s purpose (Bryman & Bell, 2011). The respondents should also be informed that their answers are being handled with confidentiality and that the respondents are anonymous, this information in the beginning of the questionnaire should reduce the risk of respondents not participating (ibid). Saunders et al. (2009) motivates that a good response from Internet questionnaire requires a good covering email and design, because the survey might look different depending on each respondent’s computer setting. Furthermore it is recommended to contact respondents before sending out the questionnaire to increase the response rate and also follow up with an email were early respondents are thanked and non-respondents are reminded (ibid).

There are different ways to ask questions in a questionnaire, according to Saunders et al. (2009) a questionnaire can consist of open and closed questions. Open questions are often
used in in-depth and semi-structured interviews, in questionnaires they are useful if researchers require a detailed answer as for example in exploratory research (ibid). Collection and coding a large number of responses from a quantitative survey are time consuming (ibid), for this reason open questions were not selected for this research, also the purpose was not to receive detailed answers which made closed questions more appropriate.

Closed questions improve the comparability between answers, which make it easier to display the relationship between variables and to make comparisons between respondents (Bryman & Bell, 2011). Answers from the closed questions are relevant as the respondent answers questions that are constructed by the researchers themselves (Eliasson, 2010). The answers from a closed questionnaire are easy to process (Bryman & Bell, 2011). Closed questions take away the possibility for respondents to give spontaneous answers that can explain their underlying reason for their answers, this can be adjusted through offering an open question (ibid). The risk of using open questions in online questionnaires is that respondents abandon the questionnaire when open questions are presented, therefore few open questions are advised (ibid).

There are different types of questions depending on what answers are needed for the research, questions about attitudes are very common in self-completion questionnaires (Bryman & Bell, 2011). The Likert scale is one of the most used ways of rating and measuring attitudes, respondents are asked how strongly he or she agrees or disagree with a statement in a degree of one to seven point rating scale (Saunders et al. 2009). The questions are written as statements where the respondents decide what their attitudes are related towards the questions, they should also be easy to understand and the layout should be easy to understand (ibid). When questions are designed, researchers can either adopt, adapt or develop own questions, adopting or adapting could be necessary if researchers want to replicate or compare findings with other studies, furthermore this can allow reliability to be assessed and is more efficient than developing own questions if required data can be collected (ibid). For this research a combination of adoption, adapting and own questions was used due to the fit of the purpose.

There are different ways to carry out a questionnaire, Saunders et al. (2009) mentions postal, - telephone, and internet-mediated questionnaires. Postal method is usually sent by mail to the respondent, telephone is a questionnaire conducted by telephone were the respondents are asked each question, and internet questionnaire is through email by internet or over an online website (ibid).
In this study, an Internet questionnaire was used since this required fewer resources and was less time consuming compared to postal and telephone questionnaires. A questionnaire was developed in Google Docs as this website offers free online questionnaires and the results can be exported into an Excel file and then easily imported in SPSS for statistical analysis. The questionnaire distributed the chosen sample by email, the respondents were contacted and asked to participate in the questionnaire both through email and telephone depending on their response of email.

4.6.3 The questionnaire

The questionnaire that was sent to the respondents started off with an introduction letter that introduced the respondent to the authors and the subject. The introduction letter can be found both in Swedish and English in Appendix 2. It also explained how important the respondents’ answers were for the thesis. The introduction letter explained that negative reputation was assumed when answering questions. The questionnaire began with describing how the relationship between a company and its supplier will be affected if the supplier’s reputation decline as the outcome of negative publicity, to give the respondents the right condition to answer the questions. The duration of the relationship was measured using a single-item were the respondents were asked to fill in the length of relationship with their most important supplier. This was made to group the respondents into two different groups: new relationship containing respondents that have been in a relationship up to 10 years and established relationship containing respondents that had been in a relationship between 11 and 50 years. At the end of the questionnaire, the respondents were thanked for the participation and could choose to fill out their email address to be able to get the final results of the thesis. The questionnaire the respondents received was in Swedish language because it was the native language of the respondents. A complete list of the questions sent to the respondents can be found in English in Appendix 1 and in Swedish in Appendix 3.

4.6.4 Pretesting

Pretesting, also known as “pilot testing”, is vital to conduct before sending out the questionnaire (Saunders et al. 2009). This because the test will reveal if there are any problems for the respondents to understand the questions or if there is any problems recording
the data (ibid). The pilot tests provide the researcher with undiscovered weaknesses, which can be eliminated to get a more accurate result (Eliasson, 2010). The respondents in the pilot test cannot be persons that will be a part of the primary research (ibid). If not having time and money to conduct a pilot test within the target group the researcher can carry out this by using friends and family (Saunders et al. 2009). It is better to do this kind of test than not at all since it shows whether the questions make sense or not for respondents (ibid). The pilot test of this study was made with help of Associate Professor of marketing at Linnaeus University and two professors both with an expertise within the area of marketing. Furthermore the questionnaire was distributed to 10 students also writing their bachelor thesis which was to control the grammar in the questionnaire.

4.7 Sampling

When conducting a research the authors need to define the population of the study (Bryman and Bell, 2011). The population is according to Bryman and Bell (2011, p. 176) “the universe of units from which the sample is to be selected”. Due to the time and resource constraint the population became limited to Sweden and the area of Småland and the county of Kronoberg, to be able to get a manageable population from which the authors could collect a representative sample. The population of the study was chosen to be limited to manufacturing industries since the authors believed them to have relationships with suppliers due to the findings of Keh & Xie (2009) who stated business relationships to be of great importance within that area.

When collecting data from a population by using a survey, there are two approaches to consider, sampling survey and census survey (Saunders et al. 2009). A census survey investigates every possible case or groups of the population while sample survey is when the researcher investigates a sample of the population to be able to draw a conclusion about the whole population (ibid).

It is important to consider that a census survey may not provide more useful data than a sample survey that could represent the population (Saunders et al. 2009). A sample survey can be used when, it is impractical to investigate the whole population, there is not enough money to investigate the whole population and when there is not enough time (ibid).
Since this study was limited both by time and resources a sample survey was chosen as the method of gathering data from the population.

4.7.1 Sampling frame

The sampling frame is according to Bryman and Bell (2011, p.176) “the listing of all units in the population from which the sample will be selected”. To be able to generalize the results the sampling of the population must be representative, it must reflect the population accurately (Bryman & Bell, 2011).

The criteria for selecting respondents for this thesis were based on three preconditions to determine that the respondent shared the same characteristics.

- The company must have a relationship with the supplier
- The company must be able to choose between more than one supplier
- The company must be a limited manufacturing company

These preconditions were chosen since the thesis investigated relationships which made the first precondition important. The second precondition was important because if the respondents could not switch supplier, the negative reputation from adverse publicity is believed to have less or any effect as the company cannot change its supplier anyway. The third condition was important to make sure the companies were in the same industry.

4.7.2 Sample selection and data collection procedure

When selecting a sample there are two techniques to use, probability sample and non-probability sample (Saunders et al. 2009). In a probability sample each case has usually equal chance of being collected for the study (ibid). In a non-probability sample the probability for the respondent to be chosen can be predicted (ibid). For this thesis a probability approach was chosen since all of the respondents in the population were selected to answer the questionnaire.

The population of this thesis was to be limited manufacturing companies within the county of
The reason for dividing the companies in this manner was due to the availability of resources, the site Allabolag.se (2013) was the main source of information of the companies and the search engine of Allabolag.se (2013) could divide the companies into different counties. Since the thesis had limited resources and time, the population could not be too large because the sample received would then not be enough for generalizing among the population. The authors therefore decided to decrease the population from manufacturing companies in Sweden (1249 companies) to a part of Sweden. The next limitation was chosen because of the availability, a sample of the companies with a turnover less than 1000 000 SEK turned out to be difficult to reach because the lack of email or company website and as this questionnaire was distributed by email these respondents could not participate. The companies that were selected for this questionnaire had a turnover between 1000 000 and > 499 999 999 SEK which was 565 companies. Out of these, 103 companies did not have any contact information and was therefore also excluded. This gave a final sample selection of 462 companies that were contacted through email or by phone.

The data collection was conducted within a timeframe of two weeks. After the first week a follow up email was sent out to the respondents, were the respondents who answered the questionnaire by email was thanked for their participation, the others was reminded to respond within one week. After the timeframe for data collection was ended the authors closed the questionnaire.

### 4.8 Data analysis method

After gathering data from the questionnaire, the phase of data entry and selection of analysis methods were made. According to Saunders et al. (2009) the purpose and objectives should guide the choice of statistics. There are three different types, descriptive statistics, correlation analysis and regression analysis (ibid).

#### 4.8.1 Data Coding & data entry

The first step for researchers of a quantitative study is to code the collected data, this to make the collected information measurable and possible to compare in a statistical way (Bryman & Bell, 2005). In this study the majority of questions were coded with numbers, a Likert scale
between 1-7 made it possible for the respondents to grade their answers from “Strongly disagree” to “Strongly agree” which made it possible to calculate the mean, mode and median of the questions (ibid).

There is a risk that respondents could misunderstand the questions, are unwilling to answer questions or to make simple mistakes when conducting a questionnaire, to be able to use the data when there is missing data, the gap of missing data needs to be filled in (Bryman & Bell, 2005). The mean from other respondents could be used as answers if the other respondents are not differentiating significantly from other respondents, number 0 can also be replaced by the empty field in a questionnaire (ibid). After the data was collected and coded, all data was entered into SPSS and the missing numbers where filled in after calculating the mean of the other answers.

4.8.2 Factor analysis

When analyzing the answers of a questionnaire in SPSS there can be many items for each concept (Howitt & Cramer, 2005). A factor analysis is used to reduce the amount of variables used for a specific concept into a smaller set of factors or components (Pallant, 2010) and is proven to be especially useful when using data from questionnaires (Howitt & Cramer, 2005). The analyses examine the pattern of correlations between the variables/questions and from that calculate new variables to be used (ibid). For this thesis a factor analysis will be used to determine whether all of the questions are needed for analyzing the gathered data in SPSS.

4.8.3 Descriptive statistics

Descriptive statistics makes it possible for the researcher to describe and compare variables numerically (Saunders et al. 2009). The statistics for describing a variable focus on two aspects, the central tendency and the dispersion (ibid). The central tendency is divided into three different measures, mode, median and mean (ibid). The mode represents the value that occurs most frequently which can be more than one value and the calculation is often used when there are a large number of categories (ibid). The median represents the middle value of the data that has been ranked and is advantageous since it is not affected by extreme values
The mean represents the average and is the most commonly used measure of central tendency (ibid). It includes all data values in the calculation and is most favorably practiced when using numerical data, the downside is that these measures are affected by extreme values (ibid). The dispersion is divided into two sections, difference within the middle 50 percent of values, inter-quartile range, and the extent to which values differ from the mean, standard deviation (ibid). This is suitable for numerical data but can be used for categorical data if the data is numerically coded (ibid).

4.8.4 Correlation analysis

A correlation analysis presents the correlation coefficient, the coefficient displays how much variance two variables have in common (Howitt & Cramer, 2005). Pearson’s R is used to examining the relationship between variables, the coefficient can be between -1 and 1 (Bryman & Bell, 2011). A Pearson’s correlation coefficient close to 1 shows a positive correlation which explains that if one variable increase, the other value will also increase (ibid). In reverse a coefficient close to -1 explains that if a variable increase, the other variable will decrease, the closer the coefficient is to 0 the weaker the relationship is between variables (ibid). A correlation over 0.75 is not acceptable for analysis because there is a risk that the values measure the same area (Zikmund et al. 2010). To be able to trust the results of the analysis, the p-value has to be within an accepted range of significance. Malhotra (2011) states that significance within economics and business should be at least 95% which is equal as value of 0.05. The result of a correlation analysis is important for business decisions as it helps to see the relations between variables (Zikmund et al. 2010). For this research correlation analysis was performed using SPSS to analyze the relationship between independent variables, duration of relationship and dependent variable trust (integrity and benevolence). Trust was also perceived as independent when measured against dependent variables affective commitment and willingness to invest.

4.8.5 Regression analysis

Regression analysis is used when testing the hypothesis of a research (Nolan & Heinzen, 2008) to identify if there is a relationship between variables (Bryman & Bell, 2011). It reveals
whether there is a relationship between a dependent variable and one or more independent variables (Saunders et al. 2009), and measures the linear relationship between these variables (Zikmund et al. 2010). When conducting a regression analysis the results present different types of values, for this thesis significance value, R-square value and β-value (Beta) (ibid) is interpreted to be able to support or reject the hypothesis made (Nolan & Heinzen, 2008).

For a hypothesis to be accepted it must be statistically significant (Hair et al. 2009), if the significance level is set to 0.05 it shows the value of R-square can be trusted to 95 percent (Bryman & Bell, 2011). A higher number than 0.05 is a risk of being wrong and a lower number increase the chance of the results to be correct (Hair et al. 2009), which makes the results able to generalize the whole population and not only the sample itself (Christensen et al. 2001). Therefore if the significance value is higher than 0.05, the hypothesis in this thesis will be rejected.

The R-square measures the amount of variance in a dependent variable that is explained by the independent variable (Nolan & Heinzen, 2008). If the value of R-square is high, the relationship between the independent and dependent variable is strong (ibid). For example, if the R-square between a dependent variable (affective commitment) and an independent variable (trust integrity) is .88 it means that trust (integrity) is affecting the affective commitment to 88%, the remaining 12% is explained by other variables.

The β-value tells researchers how much an increase of one unit of the independent variable can affect the dependent variable (Bryman & Bell, 2011). A high β-value between variables shows a strong relationship between them, a negative β-value indicates that there is a negative relationship between the variables (ibid).

4.9 Quality Criteria

Quality of the result of a research needs to be measured to confirm its strength and trustworthiness, this is done by measuring the validity and reliability (Yin, 2009). Validity refers to if a construct or questions are formulated to measure what it is intended to measure (Bryman & Bell, 2011). Validity can be measured in different ways, content, construct and criterion validity (ibid).
4.9.1 Content validity

Content validity refers to if items is measuring the content of the concepts, this to identify if measures are valid (Bryman & Bell, 2011). Experts with knowledge within the field could be asked to determine if there is a connection between the measurements and concepts for a study (ibid). Marketing professors from Linnaeus University and associate professor of marketing that can be regarded as experts in the field of Marketing and pre-tested the questionnaire to confirm that the concepts that were selected was described in a correct way.

4.9.2 Construct validity

Construct validity exist when a measure reliably is measuring and truthfully represents a unique concept (Zikmund et al. 2010). Bryman and Bell (2011) writes that researchers are encouraged to deduce hypothesis from existing theory that is perceived relevant to the concept. To be able to determine construct validity, convergent and discriminant validity need to be determined (Zikmund et al. 2010). Convergent validity is determined by comparing measure to measures of the same concepts through other methods (Bryman & Bell, 2010), and that concepts that should be related to one another actually are related (Zikmund et al. 2010). The measure should however not have too strong correlations as this mean that two concepts actually are one concept, this can be verified if the correlation is above 0.75, otherwise discriminant validity may be questioned (ibid). For this research correlation analysis will show if there is a strong relation between trust (integrity and benevolence), affective commitment, willingness to invest and buyer-supplier relationship as these constructs is stated to correlate.

4.9.3 Criterion validity

Criterion validity determines if the measure will work in practice and is determined through concurrent or predictive validity depending on the time sequence in which the new measurement scale and the criterion measure are correlated (Zikmund et al. 2010). Researchers use criterion on cases that are known to differ and relevant to the concept in mind (Bryman & Bell, 2010). If the result shows the new measure that was taken at the same time
as the criterion measure is shown to be valid, there is concurrent validity (Zikmund et al. 2010). Predictive validity means that researchers use a future criterion measure instead of a current measure as in concurrent validity (Bryman & Bell, 2010), predictive validity has similar characteristics to concurrent validity and does only differ of the basis of time dimensions (Zikmund et al. 2010). This research used hypothesis for future prediction of how the duration of a relationship between groups affect the level of trust, and how trust affects affective commitment and willingness to invest which means the predictive validity can be supported but not confirmed. This because the result of this study was not used as a base for future research for the authors themselves, other researchers could replicate this study to achieve predictive validity. Regression analysis can be seen as an approved method for measuring concurrent validity as it measures the connection between the variables (Nolan and Heinzen, 2008), as this study used regression analysis, concurrent validity can be seen as fulfilled.

4.9.4 Reliability

The reason for measuring the reliability of a research is to determine if future researchers can imitate the same procedure and construction of the study as previous researchers and have the same result and conclusions (Yin, 2009). When confirming if a measurement instrument is reliable, researchers have to consider two main factors, stability and internal reliability (Bryman & Bell, 2011). Stability refers to the consistency over a longer perspective, this can be possible to determine by conducting the research again and identify if respondents answer similarly (Zikmund et al. 2010). Evaluation of internal reliability is the second way to establishing the reliability of a measurement instrument (Bryman & Bell, 2011). This can be described as how well the questions in the questionnaire correlate with the operationalized indicators of the concept they are supposed to measure (ibid). Cronbach’s alpha is a tool to identify and determine the internal reliability, Cronbach’s alpha should be over 0.7 to be reliable (ibid). Furthermore, Bryman and Bell (2011) motivate researchers to have at least three questions for each variable, for this research at least three questions for each variable of reputation, trust (integrity and benevolence), affective commitment and willingness to invest were used.
4.10 Our path of methodology

Many choices were made during this chapter, to simplify the path the authors chose, a model which summarized the path was made. The model presents the steps toward establishing a base for further progress in analyzing the data (see Figure 3).
Figure 3. The methodology path, authors own construction
5 Data Analysis

This chapter consists of the empirical findings of the questionnaire and a statistical analysis of the gathered data. The chapter is divided into different tests and analyzes that were performed namely, factor analysis, descriptive statistics, reliability analysis, correlation analysis, and regression analysis.

5.1 Descriptive statistics

Out of 462 contacted companies 81 completed the questionnaire which resulted in a response rate of 17.5 %. According to Jin (2011) a typical response rate from an Internet questionnaire is between 6-15 percent. Of these 81 respondents, 9 respondents were excluded as they did not have the possibility to change supplier, so the ending amount of respondents was 72. This amount of respondents is accordingly to Hogg & Tanis (2010) sufficient to be able to make statistical inferences about a population as 30 respondents is argued to be the minimum amount. Before performing descriptive statistics, the questions was evaluated in SPSS Factor analysis to reduce the amount of variables used for a specific concept into a smaller set of items. The first and second questions measuring trust (integrity) was removed after performing the factor analysis. From looking at the results, 52.8 percent of the respondents reported a relationship with the supplier between 11-50 years, which in this research was regarded as a long term relationship while a short term relationship was decided between 0-10 years. The respondents were majority of male gender, 89 percent which is a very high number and the mean length of employment at the company was 13 years (see Table 5).

<table>
<thead>
<tr>
<th>Gender</th>
<th>Frequency</th>
<th>Percent</th>
<th>Mean</th>
<th>Std. Deviation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Male</td>
<td>64</td>
<td>89 %</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Female</td>
<td>8</td>
<td>11 %</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>72</td>
<td>100 %</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Duration of relationship 0-10 years</td>
<td>34</td>
<td>47.2 %</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Duration of relationship 11-50 years</td>
<td>38</td>
<td>52.8 %</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Length of employment (years)</td>
<td>13</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Variables</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Commitment</td>
<td>4.232</td>
<td>1.156</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Mean</td>
<td>Standard Deviation</td>
<td></td>
<td></td>
</tr>
<tr>
<td>----------------</td>
<td>------</td>
<td>--------------------</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Reputation</td>
<td>4.740</td>
<td>0.923</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Trust (benevolence)</td>
<td>5.111</td>
<td>1.101</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Trust (integrity)</td>
<td>4.523</td>
<td>1.180</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Willingness to invest</td>
<td>3.611</td>
<td>1.272</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

*Table 5. Descriptive statistics*

### 5.2 Reliability analysis

To be able to measure the reliability of the concepts, reputation, trust (benevolence), trust (integrity), willingness to invest and affective commitment, the Cronbach’s alpha was calculated for each variable. The concepts were broken down into items for the questionnaire, the items were then combined back into concepts and Cronbach’s alpha was calculated to measure reliability of the items. The Cronbach’s alpha value should according to Bryman & Bell (2011) be above 0.7 to be regarded as reliable. All variables had a higher value than 0.7, willingness to invest was on the margin of acceptable level with 0.78. All five variables had a minimum of three items. From the result it could be excluded that there is a connection between the amount of items and Cronbach’s alpa value. Trust (integrity) with the minimum of 3 items is 0.826 and reputation with 4 items only 0.73 Cronbach’s alpha. All variables had an accepted Cronbach’s alpha and therefore the variables are reliable (see Table 6).

### 5.3 Correlation analysis

Correlation between trust (integrity) and trust (benevolence) had the highest correlation value of .692, this means that none of the variables measure the same concept despite their similarity and construct validity can be confirmed. The correlations were significant at 0.01 and 0.05 which can be seen in Table 6. The correlation between the duration of the relationship and trust is only significant when trust is operationalized as integrity with a score of .288 compared to benevolence with a score of .152 that do not show any correlation.

Furthermore, the correlation between trust (integrity) and affective commitment is significant with a score of .653, and between trust (integrity) and willingness to invest of .640. The correlation between trust (benevolence) and affective commitment and willingness to invest was also significant but with a slightly lower score of .557 and .487.
<table>
<thead>
<tr>
<th>Duration of relationship</th>
<th>LR</th>
<th>AC</th>
<th>TrBen</th>
<th>TrInt</th>
<th>WTI</th>
</tr>
</thead>
<tbody>
<tr>
<td>Affective commitment</td>
<td>.344**</td>
<td>1</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Trust (Benevolence)</td>
<td>.152</td>
<td>.557**</td>
<td>1</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Trust (Integrity)</td>
<td>.288*</td>
<td>.653**</td>
<td>.692**</td>
<td>1</td>
<td></td>
</tr>
<tr>
<td>Willingness to invest</td>
<td>.421**</td>
<td>.675**</td>
<td>.487**</td>
<td>.640**</td>
<td>1</td>
</tr>
<tr>
<td>Cronbach’s Alpha</td>
<td>.88</td>
<td>.91</td>
<td>.826</td>
<td>.78</td>
<td></td>
</tr>
<tr>
<td>Numbers of items</td>
<td>6</td>
<td>5</td>
<td>3</td>
<td>3</td>
<td></td>
</tr>
</tbody>
</table>

**. Correlation is significant at the 0.01 level (2-tailed).
*. Correlation is significant at the 0.05 level (2-tailed).

Table 6 – Correlation and reliability analysis

5.4 Regression analysis

A regression analysis was conducted to test the hypothesis stated in chapter three. Trust was tested both as independent and dependent variable due to the structure of the research model and hypothesis. Trust was operationalized as integrity stated as TRI and benevolence stated as TRB. In the regression analysis the results show how the independent variables affect the dependent variables and how much of the dependent variable that can be explained by the independent variable (Saunders et al. 2009). R-square was calculated to identify how much of the variable trust that was explained by the duration of the relationship. Further it shows how much affective commitment stated as AC and willingness to invest stated as WTI is explained by trust. The hypothesis H1a and H1b compare how strong trust is according to the respondents in two groups, based on their existing duration of relationship. Group 0 consists of respondents with a relationship between 0 to 10 years, and group 1 between 11-50 years, the duration of buyer supplier relationship is stated as BSR. The mean value of trust TRI and TRB is compared to whether the respondent belong to group 0 or group 1 to identify if the duration of relationship affect the level of trust with a precondition of negative reputation. Beta value of H1a and H1b present how much higher respondents in group 1 answer, measured in mean, compared to group 0. In theory, if a relationship proceeds from group 0 to group 1 the mean will increase with the beta value. The presented beta value in the other hypothesis explains how many units the dependent variable will increase if the independent
variable increases with one unit (Bryman & Bell, 2011). To show how reliable the results of hypothesis are, statistical significance is of high importance. If the significance level is set to 0.05 it shows the value of R-square can be trusted to 95 percent, if the significance is above 0.05 the hypothesis is rejected.

5.4.1 Hypothesis H1a

H1a: The duration of buyer-supplier relationship has a positive impact on trust (integrity) if the reputation of the supplier is negative

Table 7 presents an R square of .083 which means that buyer-supplier relationship, stated as BSR, explains TRI to 8.3%, the remaining 91.7% is explained by other variables. TRI was perceived more important by respondents in a long-term relationship compared to respondents with a new relationship explained by a .675 higher mean value. The result supports the hypothesis but as the significance score is .014 the result is weak, as the significance level is p < .05.

5.4.2 Hypothesis H2a

H2a: Trust (integrity) has a positive impact on affective commitment, if the reputation of the supplier is negative.

Table 7 presents an R square of .426 which means TRI explains AC, to 42.6%, the remaining 57.4% is explained by other variables. Beta value of .653 indicates that if the level of TRI increases with one unit, the level of AC will increase with .653 units. The result support the hypothesis as the significance score is .000 as the significance level is p < .05.

5.4.3 Hypothesis H3a

H3a: Trust (integrity) has a positive impact on willingness to invest if the reputation of the supplier is negative

Table 7 presents an R square of .410 which means TRI explains WTI, to 41%, the remaining 59% is explained by other variables. Beta value of .640 indicates that if the level of TRI increases with one unit, the level of WTI will increase with .640 units. The result support the hypothesis as the significance score is .000 as the significance level is p < .05.
5.4.4 Hypothesis H1b

H1b: The duration of buyer-supplier relationship has a positive impact on trust (benevolence) if the reputation of the supplier is negative.

Table 7 presents an R square of .023 which means that BSR, explains TRB to 2.3%, the remaining 97.7% is explained by other variables. TRB was perceived more important by respondents in a long-term relationship compared to respondents with a new relationship explained by a .333 higher mean value. The hypothesis is rejected because of significance score of .202 as the significance level is p < .05.

5.4.5 Hypothesis H2b

H2b: Trust (benevolence) has a positive impact on affective commitment, if the reputation of the supplier is negative.

Table 7 presents an R square of .310 which means TRB, explains AC to 31%, the remaining 69% is explained by other variables. Beta value of .557 indicates that if the level of TRB increases with one unit, the level of AC will increase with .557 units. The result support the hypothesis as the significance score is .000 as the significance level is p < .05.

5.4.6 Hypothesis H3b

H3b: Trust (benevolence) has a positive impact on willingness to invest if the reputation of the supplier is negative.

Table 7 presents an R square of .237 which means TRB explains WTI to 23.7%, the remaining 76.3% is explained by other variables. Beta value of .487 indicates that if the level of TRB increases with one unit, the level of WTI will increase with .487 units. The result support the hypothesis as the significance score is .000 as the significance level is p < .05.

<table>
<thead>
<tr>
<th>Hypothesis</th>
<th>Relationship</th>
<th>R-square</th>
<th>B</th>
<th>P-value(Sig)</th>
<th>Testing</th>
<th>Mean TRI(s.d)</th>
<th>Mean TRB(s.d)</th>
</tr>
</thead>
<tbody>
<tr>
<td>H1a</td>
<td>BSR &gt; TRI</td>
<td>0.083</td>
<td>0.675</td>
<td>0.014</td>
<td>Supported</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Hypothesis</td>
<td>Comparison</td>
<td>t-value</td>
<td>p-value</td>
<td>Support</td>
<td></td>
<td></td>
</tr>
<tr>
<td>---</td>
<td>------------</td>
<td>------------</td>
<td>---------</td>
<td>---------</td>
<td>-----------</td>
<td></td>
<td></td>
</tr>
<tr>
<td>H2a</td>
<td>TRI &gt; AC</td>
<td>0.426</td>
<td>0.653</td>
<td>0.000</td>
<td>Supported</td>
<td></td>
<td></td>
</tr>
<tr>
<td>H3a</td>
<td>TRI &gt; WTI</td>
<td>0.410</td>
<td>0.640</td>
<td>0.000</td>
<td>Supported</td>
<td></td>
<td></td>
</tr>
<tr>
<td>H1b</td>
<td>BSR &gt; TRB</td>
<td>0.023</td>
<td>0.333</td>
<td>0.202</td>
<td>Rejected</td>
<td></td>
<td></td>
</tr>
<tr>
<td>H2b</td>
<td>TRB &gt; AC</td>
<td>0.310</td>
<td>0.557</td>
<td>0.000</td>
<td>Supported</td>
<td></td>
<td></td>
</tr>
<tr>
<td>H3b</td>
<td>TRB &gt; WTI</td>
<td>0.237</td>
<td>0.487</td>
<td>0.000</td>
<td>Supported</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Group</th>
<th>Age Group</th>
<th>t-value</th>
<th>p-value</th>
<th>Support</th>
</tr>
</thead>
<tbody>
<tr>
<td>Group 0</td>
<td>0-10 years</td>
<td>4.167</td>
<td>(1.198)</td>
<td>4.935</td>
</tr>
<tr>
<td>Group 1</td>
<td>11-50 years</td>
<td>4.842</td>
<td>(1.081)</td>
<td>5.268</td>
</tr>
</tbody>
</table>

*Table 7 - Regression analysis*
6 Conclusions and implications

This chapter demonstrates the findings of the study. The purpose was to measure to what extent the duration of a buyer-supplier relationship affects trust, and to what extent trust affects the affective commitment and willingness to invest, when the reputation of the supplier was negative as the outcome of adverse publicity. The result from the analysis of the responses was previously demonstrated in the analysis chapter, this section continues with a discussion of the results and the conclusions made. Theoretical and managerial implications, limitations and suggestions for future research will also be discussed.

6.1 Discussion

6.1.1 The duration of a relationship and its positive impact on trust

The result of hypothesis H1a shows that the hypothesis is supported but the relationship between duration of the existing relationship and trust operationalized as integrity is weak. The result cannot be fully trusted because of the relatively high significance level (.014). The duration of a relationship does not affect the level of trust to the extent the researchers assumed when developing the hypothesis out of the literature review and identified the research gaps. The result from the regression analysis shows that the duration of the relationship explains the level of trust (integrity) up to 8.3%, which also means that 91.7% is explained by other factors. Reason for this could be because the respondents had their most important supplier in mind and their existing level of trust towards their supplier was already strong. Additional motives for the weak relationship could be that buyer’s believe that the supplier will continue to fulfill its promises, being reliable and responsible despite of the negative reputation (Morgan and Hunt, 1994) which can explain the other 91.7%. Beta value indicates that respondents belonging to group 1 where the long-term relationship is set as a relationship between 11-50 years had a higher trust towards their supplier when assuming negative reputation compared to respondents belonging to group 0. Findings from the result shows that if a relationship goes from a new relationship set as relationship between 0-10 years towards a long-term relation, the mean of trust integrity will increase with .675 in theory, as the duration of the relationship contains of group variables this increase will not be immediate and is therefore not applicable in reality but can be seen as an indication. The mean
value of group 0 was 4.167 which could be perceived as value that is neither perceived as a strong or weak mean value of trust with a scale between 1 and 7. Mean value of group 1 was 4.842 shows a slightly higher level of trust but are still not perceived as a strong value and not a strong increasing level of trust between the groups.

Hypothesis H1b was rejected which could be explained similarly to assumptions from hypothesis H1a that respondents had their most important supplier in mind. Their existing level of trust was strong which prevent buyers from believing that the suppliers suddenly become untrustworthy because of negative reputation. Trust was in hypothesis H1b operationalized as benevolence and are operational defined as the companies’ beliefs in the supplier’s intention of doing good to them (Mayer et al.1995). The result from H1b could confirm the previous assumptions of H1a as both criterion variables are trust but with different operationalization. The correlation analysis does then again not show strong correlation value that could question the discriminant validity. Accordingly to Suh & Houston (2010) benevolence varies more compared to integrity which could explain why hypothesis with integrity was accepted and benevolence was rejected as companies might perceive benevolence questions differently. The result of H2a could also be perceived as buyers would not believe their supplier to intentionally try to damage their company or their business even if negative reputation emerged from adverse publicity, buyers feel confident with their most important supplier. The beta value of .333 in hypothesis H1b similarly to hypothesis H1a indicates that respondents of a long-term relationship have a higher trust towards their supplier compared to respondents in a new relationship when assuming negative reputation. Mean value of group 0 was 4.935 compared to mean value of 5.268 with the increased beta value of .333 which shows a marginally higher level of trust. Despite the rejected hypothesis a relationship could be identified between the duration of a relationship and trust.

The mean value of group 0 was 4.167 which could be perceived as value that is neither perceived as a strong or weak mean value of trust with scale between 1 and 7. Mean value of group 1 was 4.842 shows a marginally higher level of trust but are still not perceived as a strong value and not a strong increasing level of trust between the groups.

6.1.2 Trust has a positive impact on affective commitment, if the reputation of the supplier is negative

Findings from the study that inspired this research have showed trust to be a significant and positive antecedent to a buyer’s affective commitment. Hypothesis H2a and hypothesis H2b
who stated that trust operationalized as integrity and benevolence has a positive impact on affective commitment when the reputation of the supplier turned negative was supported in this study. The result from the regression analysis shows that trust (integrity) and trust (benevolence) affects the buyers affective commitment to 42.6% and 31% (see Table 7). Affective commitment is based on the willingness to maintain a long-term relationship based on personal connection (Konovsky & Cropanzano, 1991), in this research the respondents were answering to the questionnaire with their most important supplier in mind which could explain the relationship as an increase of trust leads to an increase of affective commitment. From this parallels can be drawn to that buyers today somewhat have personal connection with their supplier as the relationship might have developed from a pure business relationship towards a more personal relationship (Tinsley, 2002). From a long-term relationship with positive interactions between buyer-supplier and satisfied customer expectation affective commitment is established, this is something that is developed over time through trust, this result is further evidence of findings made by Chang et al (2012). Buyers have probably been satisfied with previous business with their suppliers into the extent they are sure on despite a negative reputation, they have a personal relationship that makes their suppliers trustworthy (Cater & Cater 2009). Prior affirmation and an attachment to the supplier could also be argued to be a reason for the supported hypothesis, as trust (benevolence) is the perception that the trustee (supplier) will do good to the trustor (buyer) (Mayer et al. 1995). The relationship between buyers and their most important supplier could be seen as a special relationship where the relationship goes further than a normal business relationship into an organizational exchange. Chang et al (2012) writes that affective commitments is one of the important parts of maintaining and stabilize the relationship between a buyer and seller. This can further explain the relationship to trust (integrity) as integrity motivates that the partner fulfills its promises, are reliable and responsible (Morgan & Hunt, 1994) which could be perceived as essentials for a stable relationship with minimal problems.

6.1.3 Trust has a positive impact on willingness to invest, if the reputation of the supplier is negative

Previous studies show that both trust and reputation was positive antecedents to the willingness to invest (Suh & Houston, 2010). In this research the hypothesis H3a and H3b which stated that trust (benevolence and integrity) has a positive impact on willingness to invest, even if the reputation of the supplier turned negative, was supported in the hypothesis testing. The result from the regression analysis shows that trust (integrity) and trust
(benevolence) affects the buyers willingness to invest to 41% and 23.7% (see Table 7). This can be explained by that the respondents could have a previous positive long-term experience with their most important supplier that has probably been developed out of trust towards the supplier. This is also found in research from Suh & Houston (2010) saying that trust was a significant and positive antecedent to the buyers’ willingness to invest in future relationship. Findings from Suh & Houston (2010) further shows an increasing level of trust also increases partners’ willingness to invest. This study confirms previous result as the beta value indicates that if trust (integrity) increases with 1 unit, willingness to invest will increase with .640 units, and if 1 unit of trust (benevolence) increase the willingness to invest with .487 units (see Table 7) despite the negative reputation of the supplier. The level of trust from the buyer to its supplier has probably developed out of satisfaction and that positive previous experience overcomes the negative reputation stated in this research. Trust operationalized as integrity showed a higher relationship with willingness to invest in the analysis compared to benevolence, this could indicate that previous positive experience have given the buyers a confirmation that the supplier will fulfill its promises, are reliable and responsible and will continue to do so (Morgan & Hunt, 1994) despite the negative reputation. This could also indicate that the buyers are interested to keep investing in the relationship as they trust that their supplier will continue to keep them satisfied, this result confirms the result of Suh & Houston (2010) regarding the connection between trust and investment in future of relationship.

6.2 Conclusion

From the discussion above, conclusions about the impact of negative reputation on a buyer-supplier relationship can be done including the investigated concepts; buyer-supplier relationship, trust (integrity and benevolence), affective commitment and willingness to invest in the buyer-supplier relationship. The main conclusions of the thesis, directly connected to the purpose, are presented below.

- The duration of relationships did not significantly differ from new to established relationships when examining the effect on trust when supplier reputation turned negative.
Trust has a positive effect on affective commitment even if the reputation of the supplier turned negative. A significant part of affective commitment can be explained by trust (integrity 42.6%, benevolence 31%).

Trust has a positive effect on willingness to invest even if the reputation of the supplier turned negative. A significant part of willingness to invest can be explained by trust (integrity, 41%) and a relatively significant part can be explained by trust (benevolence, 23.7%).

The different version of trust that has been tested shows that trust increases the buyers’ affective commitment and willingness to invest. This demonstrates the importance of trust in the relationship due to negative reputation.

The buyer-supplier relationship is not to a significantly extent affected by negative reputation.

6.3 Theoretical and managerial implications

6.3.1 Theoretical implications

This research has been focused on how different constructs of a relationship are affected by negative reputation as an outcome of adverse publicity. Previous research suggested that future researchers should account the impact of reputation before drawing conclusion regarding the impact of trust (Suh & Houston, 2010). The study contributes to the literature by its investigation with the reputation seen from a negative angle compared to previous studies only focusing on reputation with no angle of perception and how it affect trust.

Previous studies by Keh and Xie (2008) stated that reputation is always important during business relationship. Findings from this research contradict this statement and argue that negative reputation cannot be stated as important due to the relatively low difference between how new and established relationships perceive trust being affected by negative reputation. The investigation contributes to marketing research by presenting negative reputations low impact on buyer-supplier relationship, as reputation is shown not to have a strong influence on trust to decrease.

The investigation also contributes to the literature by showing the duration of a relationship barely does affect trust in a existing relationship when assuming negative reputation, trust is
explained by other variables than duration. Gibson et al (2006) stated that a negative reputation can destroy organizations. The findings from this study did not agree with this statement as buyers rely in previous positive experience. This investigation contributes to the research field as it is among the first researches with a negative reputation as a precondition conducted on business-to-business companies in Sweden.

6.3.2 Managerial implications

Even though the respondents for the thesis were buyers the result were more beneficial to use for suppliers, because it shows how buyers will respond to negative reputation, the authors still believed the research to be interesting for buyer-respondents. The reason is because industrial firms often are both buyers and suppliers because the buyers often in turn are suppliers to their customers after eventual refining of product or raw material e.g. The results showed that the duration of the relationship did not to a significantly extent affected the trust for the most important supplier when the reputation turned negative. This shows that even if a relationship has not been established for a long time, it can still be saved by other factors such as trust.

The result shows that a relationship with high trust is what companies should aim for to become successful and stay competitive in the business environment. Implication for managers is to build up a personal connection to their partner both as buyer and supplier, as buyers perceive their supplier to continue to be trustworthy despite a negative reputation, suppliers can feel secure that their customer will not end their existing business relationship that could lead to decreased market share because of negative reputation. The results show trust to have a strong positive impact on affective commitment which confirms that buyers value a personal relationship.

Trust should be regarded as a positive indicator for companies against negative reputation, documented positive experience is perceived as more trustworthy to a strong relationship than negative reputation. The result of this study shows that the willingness to invest despite a negative reputation is explained by trust to 41% when operationalized as integrity, showing how important trust is for building relationships with the supplier.
6.4 Limitations

During the time of writing the thesis the focus was on a certain part of Sweden and its manufacturing businesses. The results can be generalized among the chosen population and among companies with similar characteristics. Thus, the result and managerial implications cannot be generalized to Sweden as a whole. Because time and resources was limited, the research could have been larger resulting in the possibility of generalizing among an entire industry in Sweden instead of a chosen population. The authors could not choose all of the manufacturing business-to-business companies in Sweden as respondents because the amount of respondents to contact would have been too large within the timeframe. However, this should not interfere with the result according to Hogg and Tanis (2010) who proposed having a minimum sample size of 30 respondents to be able to make statistical inferences about a population.

Negative reputation was stated as a precondition for the respondents when answering the questions of the questionnaire, they should also have their most important supplier in mind. By having this precondition the authors believed reputation to be a more clear concept for the respondents, however because the negative reputation was assumed, there cannot be any certainties of them understanding it correct if they have not experienced it. Buyer-supplier relationship was only measured with one single item, time, and could therefore not asses internal reliability of the concept.

The respondents were individuals with different backgrounds, experience, and years of employment which also could have affected the results as their experience of having relationships with suppliers can vary a lot.

6.5 Suggestions for future research

Because reputation is a subject which is argued to be of much importance for the companies (Grey & Balmer, 1998; Suh & Houston, 2010; Money et al. 2010) more research within this field could be argued to be necessary as it can help companies achieve success. Through this thesis some questions have been raised which could be further investigated.

The research area only included companies in the region of Kronoberg, and not Sweden as a whole, which results in that the outcome cannot be generalized among Swedish manufacturing business-to-business companies. Therefore future researchers could include
respondents from all of the regions of Sweden to be able to generalize among the nation. The respondents who were limited manufacturing industries could also be changed to all business-to-business companies to accomplish a greater picture of how important Sweden’s business-to-business companies think reputation is.

Since the precondition was reputation of the supplier being negative, future researchers could conduct a research on companies who actually experienced a supplier’s reputation turning bad to achieve a higher reliability of the result. The authors of this study believe these companies better suited for this kind of research as negative reputation is the precondition and not neutral or strong positive reputation. Due to the complexity of finding companies who experienced negative reputation of a supplier and at the same time having limited time and resources, it was unfortunately not possible to find enough people to receive a reasonable number of respondents.
References


### Appendix 1 - The questionnaire

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<th>Question</th>
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<tbody>
<tr>
<td>1. For how many years have you had cooperation with the supplier? __</td>
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<tr>
<td>2. Could your company choose another supplier if the one you have could not satisfy your specific business needs? Yes/No</td>
</tr>
<tr>
<td>Based on the two first questions, assume the supplier experienced adverse publicity which resulted in a negative reputation on the market, then answer the questions from this assumption. When answering the questionnaire, have your most important supplier in mind.</td>
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<tr>
<td><strong>Reputation</strong></td>
</tr>
<tr>
<td>3. Although the supplier’s reputation worsened, we believe the supplier is positively perceived on the market</td>
</tr>
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<td>4. Although the supplier’s reputation worsened we believe the supplier is professional towards their customers</td>
</tr>
<tr>
<td>5. Although the supplier’s reputation worsened we believe the supplier is stable</td>
</tr>
<tr>
<td>6. Because the supplier’s reputation worsened, we believe the supplier is negatively perceived on the market</td>
</tr>
<tr>
<td><strong>Trust (benevolence)</strong></td>
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<tr>
<td>7. Although the supplier's reputation worsened (due to negative publicity), we feel that the supplier will continue provide assistance and support</td>
</tr>
<tr>
<td>8. Although the supplier's reputation worsened, we feel that the provider continues to care for our wellbeing when making key decisions</td>
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<tr>
<td>9. Although the supplier's reputation worsened, we feel that the supplier will continue being understanding when we share our problems with them</td>
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<tr>
<td>10. Although the supplier's reputation worsened, we can trust that the supplier will continue considering how its decisions and actions affect us</td>
</tr>
<tr>
<td>11. Although the supplier's reputation worsened, we feel that, when it comes to things that are important to us, we can trust that the supplier support us</td>
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<tr>
<td><strong>Trust (integrity)</strong></td>
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<tr>
<td>12. Even if the supplier gives us a rather unlikely explanation, we are confident that</td>
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they tell the truth

13. Even if the supplier has often provided us information that proved to be incorrect, we continue to rely on them

14. Although the supplier's reputation worsened, we feel that the supplier will continue to keep the promises that they have given our company

15. Although the supplier's reputation worsened, we find that when the supplier gives us advice on our business, we know that they share their best judgment.

16. Although the supplier's reputation worsened, we feel that we still can trust that the supplier is honest/sincere with us

Willingness to invest

17. Even if the supplier’s reputation has declined we are willing to put more effort and investment in building our business with the supplier.

18. Even if the supplier's reputation has declined, if the supplier request it, we would be willing to make further investment in the supplier.

19. If two product were equal in quality, one was from our main supplier and one was from other supplier with 10% lower price, we would still buy the product from our main supplier

Affective commitment

20. Despite the negative reputation, even if we could, we would not drop the supplier because we like being associated with them.

21. Despite the negative reputation, we want to remain a member of the partner’s network because we genuinely enjoy our relationship with them.

22. Despite the negative reputation, our positive feelings towards the supplier are a major reason we continue to work with them.

23. Although the negative reputation, it is pleasant working with the supplier, that's why we continue to work with them.

24. Although the negative reputation, our decision is to remain a client of this company is based on our attraction to the things the agency stands for as a company.

25. Despite the negative reputation, the supplier takes the best care of their customers.

Demographics

26. Gender ? Male /Female

27. Age? ___ years

28. Approximated company turnover 2012? ______________

29. For how long have you been working at the company? _____ years
Appendix 2 - Introduction letter in English and Swedish

Hello!

We are two marketing students at Linnaeus University in Växjö and are right now writing our bachelor thesis.

The thesis is about how the relationship between a company and its supplier will be affected if the suppliers’ reputation declines as the outcome of negative publicity.

To be able to conduct this study and get a credible result we need your help and would be very grateful if you would answer this questionnaire.

The questionnaire will take five minutes to answer and the answers will of course be anonymously treated! We do not receive any monetary benefits from this research nor do we conduct this research for a company.

We appreciate your participation!

Best Regards

Carolina Jönsson och Sofoklis Lamprou

070-5345565 070-4175385

Linnaeus University
School of economics
Marketing programme
Växjö
Hej!

Vi är två marknadsföringsstudenter på Linnéuniversitetet i Växjö som just nu skriver vår kandidatuppsats.

Uppsatsen handlar om hur relationen mellan ett företag och dess leverantör påverkas om leverantörens anseende sjunker/minskar på grund av negativ publicitet.

För att kunna genomföra denna studie och få ett trovärdigt resultat behöver vi er hjälp och skulle vara väldigt tacksamma om ni ville svara på denna enkät. Vi får ingen ekonomisk ersättning för denna studie eller utför den åt något företag.

Enkäten tar fem minuter att besvara och svaren kommer naturligtvis att behandlas helt anonymt!

Vi uppskattar din medverkan!

Med vänlig hälsning

Carolina Jönsson och Sofoklis Lamprou

070-5345565 070-4175385

Linnéuniversitetet
Ekonomihögskolan
Marknadsföringsprogrammet
Växjö
Appendix 3 – Questionnaire in Swedish
Marknadsundersökning - Kandidat uppsats

Hej!

Vi är två marknadsföringsstudenter på Linnéuniversitetet i Växjö som just nu skriver vår kandidatuppsats.

Uppsatsern handlar om hur relationen mellan ett företag och dess leverantör påverkas om leverantörens anseende sjunker/minskar på grund av negativ publicitet.

För att kunna genomföra denna studie och få ett trovärdigt resultat behöver vi er hjälp och skulle vara väldigt tacksamma om ni ville svara på denna enkät.

Enkäten tar fem minuter att besvara och svaren kommer naturligtvis att behandlas helt anonymt!

Baserat på de två första frågorna, antag att leverantören har erfarit negativ publicitet, vilket resulterade i ett negativ rykte på marknaden, besvara sedan de frågor utifrån denna förutsättning.

När du svarar på enkäten, ha din viktigaste leverantör i åtanke.

Om du fyller i din e-post i slutet av undersökningen delar vi gärna med oss av resultatet av denna studie med dig!

Vi uppskattar din medverkan!

Med vänlig hälsning

Carolina Jönsson 070-5345565
Sofoklis Lamprou 070-4175365

Linnéuniversitetet
Ekonomihögskolan
Marknadsföringsprogrammet
Växjö

1. I hur många år har ni haft ett samarbete med leverantören?

2. Kan ditt företag välja en annan leverantör om den existerande leverantören inte kan tillfredsställa ext specifika affärsbehov?
   ○ Ja
   ○ Nej
   ○ Vet ej

Även om leverantörens rykte försämrats, tror vi att leverantören fortfarande uppfattas positivt på marknaden

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Även om leverantörens rykte försämrats, tror vi att leverantören fortfarande agerar professionellt gentemot sina kunder

1 2 3 4 5 6 7

Instämmer inte alls ○ ○ ○ ○ ○ ○ Instämmer helt

Även om leverantörens rykte försämrats, tror vi att leverantören fortfarande är stabil

1 2 3 4 5 6 7

Instämmer inte alls ○ ○ ○ ○ ○ ○ Instämmer helt
Eftersom leverantörens rykte försämrats, tror vi att leverantören uppfattas negativt på marknaden

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Även fast leverantörens rykte försämrats (på grund av negativ publicitet), anser vi att leverantören kommer att fortsätta ge oss hjälp och stöd

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Även fast leverantörens rykte försämrats, anser vi att leverantören kommer fortsätta bry sig om vårt välbehinande när de tar viktiga beslut

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Även fast leverantörens rykte försämrats, anser vi att leverantören kommer fortsätta vara förstående när vi delar våra problem med dem

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Även fast leverantörens rykte försämrats, kan vi lita på att leverantören kommer fortsätta ta hänsyn till hur deras beslut och handlingar påverkar oss

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Även fast leverantörens rykte försämrats, anser vi att när det gäller saker som är viktiga för oss, kan vi lita på att leverantören kommer att stödja oss

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Även om leverantören ger oss en ganska osannolik förklaring, är vi övertygade om att de talar sanning

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Även om leverantören ofta har givit oss information som visat sig vara felaktig, fortsätter vi att lita på dem

1 2 3 4 5 6 7

Instämmer inte alls ☐ ☐ ☐ ☐ ☐ ☐ Instämmer helt

Även om leverantörens rykte försämrats, anser vi att leverantören kommer att fortsätta hålla de löften som de har givit vårt företag

1 2 3 4 5 6 7

Instämmer inte alls ☐ ☐ ☐ ☐ ☐ ☐ Instämmer helt

Även om leverantörens rykte försämrats, tror vi att när leverantören ger oss råd om vår verksamhet, delar dem sitt bästa omdöme

1 2 3 4 5 6 7

Instämmer inte alls ☐ ☐ ☐ ☐ ☐ ☐ Instämmer helt

Även om leverantörens rykte försämrats, kan vi lita på att leverantören är ärlig och uppriktig mot oss

1 2 3 4 5 6 7

Instämmer inte alls ☐ ☐ ☐ ☐ ☐ ☐ Instämmer helt
Även om leverantören rykte har försämrats är vi villiga att satsa mer och investera för att utveckla vår verksamhet med leverantören

1 2 3 4 5 6 7

Instämmer inte alls ☐ ☐ ☐ ☐ ☐ ☐ Instämmer helt

Även om leverantörerens rykte har försämrats, skulle vi vara villiga att göra ytterligare investeringar i leverantören om leverantören efterfrågar det

1 2 3 4 5 6 7

Instämmer inte alls ☐ ☐ ☐ ☐ ☐ ☐ Instämmer helt

Om två produkter var utav likvärdig kvalitet, en från vår huvudleverantör och en från annan leverantör med 10% lägre pris, skulle vi fortfarande köpa produkten från vår huvudleverantör

1 2 3 4 5 6 7

Instämmer inte alls ☐ ☐ ☐ ☐ ☐ ☐ Instämmer helt

Trots det negativa ryktet skulle vi inte avsluta samarbetet med leverantören, även fast vi kunde, eftersom vi gillar att förknippas med dem

1 2 3 4 5 6 7

Instämmer inte alls ☐ ☐ ☐ ☐ ☐ ☐ Instämmer helt

Trots det negativa ryktet vill vi fortsätta vara en del av leverantörens nätverk eftersom vi verkligen uppskattar vår relation med dem

1 2 3 4 5 6 7

Instämmer inte alls ☐ ☐ ☐ ☐ ☐ ☐ Instämmer helt

Trots det negativa ryktet, är våra positiva upplevelser gentemot leverantören en viktig orsak till att vi fortsätter att arbeta med dem

1 2 3 4 5 6 7

Instämmer inte alls ☐ ☐ ☐ ☐ ☐ ☐ Instämmer helt

Trots det negativa ryktet, är det trevligt att arbeta med leverantören, det är därför vi fortsätter att arbeta med dem

1 2 3 4 5 6 7

Instämmer inte alls ☐ ☐ ☐ ☐ ☐ ☐ Instämmer helt
Trots det negativa ryktet, är det trevligt att arbeta med leverantören, det är därför vi fortsätter att arbeta med dem

1 2 3 4 5 6 7

Instämmer inte alls ○ ○ ○ ○ ○ ○ Instämmer helt

Trots det negativa ryktet, förblir vi en kund hos detta företag för att vi uppskattar de värderingar som leverantören står för som företag

1 2 3 4 5 6 7

Instämmer inte alls ○ ○ ○ ○ ○ ○ Instämmer helt

Trots det negativa ryktet tar leverantören hand om sina kunder på bästa sätt

1 2 3 4 5 6 7

Instämmer inte alls ○ ○ ○ ○ ○ ○ Instämmer helt

Kön
○ Man
○ Kvinna

Ålder

Ungefärlig årsomsättning år 2012

I hur många år har du arbetet på företaget?

Hur många anställda har företaget?

Vilken är din position på företaget?

Om du vill ta del av resultatet från denna studie, fyll i din e-post nedan.

## Appendix 4 – Operationalization of the questions

<p>| | |</p>
<table>
<thead>
<tr>
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</thead>
<tbody>
<tr>
<td><strong>1.1</strong> Although the supplier’s reputation worsened, we believe the supplier has a good reputation on the market</td>
<td>(Suh &amp; Houston, 2010) (Jeng, 2011)</td>
</tr>
<tr>
<td><strong>1.2</strong> Although the supplier’s reputation worsened, we believe the supplier is positively perceived on the market</td>
<td>(Suh &amp; Houston, 2010)</td>
</tr>
<tr>
<td><strong>1.3</strong> Because the supplier’s reputation worsened, we believe the supplier is negatively perceived on the market</td>
<td>(Suh &amp; Houston, 2010)</td>
</tr>
<tr>
<td><strong>1.4</strong> Although the suppliers reputation worsened we believe the supplier is professional towards their customers</td>
<td>(Shih-Ping, 2011)</td>
</tr>
<tr>
<td><strong>1.5</strong> Although the suppliers reputation worsened we believe the supplier is stable</td>
<td>(Shih-Ping, 2011)</td>
</tr>
<tr>
<td><strong>2.1</strong> Although the supplier's reputation worsened (due to negative publicity), we feel that the supplier will continue provide assistance and support</td>
<td>(Suh &amp; Houston, 2010)</td>
</tr>
<tr>
<td><strong>2.2</strong> Although the supplier's reputation worsened, we feel that the provider continues to care for our wellbeing when making key decisions</td>
<td>(Suh &amp; Houston, 2010)</td>
</tr>
<tr>
<td><strong>2.3</strong> Although the supplier's reputation worsened, we feel that the supplier will continue being understanding when we share our problems with them</td>
<td>(Suh &amp; Houston, 2010)</td>
</tr>
<tr>
<td><strong>2.4</strong> Although the supplier's reputation worsened, we can trust that the supplier will continue considering how its decisions and actions affect us</td>
<td>(Suh &amp; Houston, 2010)</td>
</tr>
<tr>
<td><strong>2.5</strong> Although the supplier's reputation worsened, we feel that, when it comes to things that are important to us, we can trust that the supplier support us</td>
<td>(Suh &amp; Houston, 2010)</td>
</tr>
<tr>
<td><strong>3.1</strong> Even if the supplier gives us a rather unlikely explanation, we are confident that they tell the truth</td>
<td>(Suh &amp; Houston, 2010)</td>
</tr>
<tr>
<td><strong>3.2</strong> Even if the supplier has often provided us information that proved to be incorrect, we rely on them</td>
<td>(Suh &amp; Houston, 2010)</td>
</tr>
<tr>
<td><strong>3.3</strong> Although the supplier's reputation worsened, we feel that the supplier will continue to keep the promises that they have given our company</td>
<td>(Suh &amp; Houston, 2010)</td>
</tr>
<tr>
<td><strong>3.4</strong> Although the supplier's reputation worsened, we find that when the supplier gives us advice on our business, we know</td>
<td>(Suh &amp; Houston, 2010)</td>
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<tr>
<td><strong>3.5</strong> Although the supplier's reputation worsened, we feel that we still can trust that the supplier is honest/sincere with us</td>
<td>(Suh &amp; Houston, 2010)</td>
</tr>
<tr>
<td><strong>4.1</strong> Even if the supplier’s reputation has declined we are willing to put more effort and investment in building our business with the supplier.</td>
<td>(Suh &amp; Houston, 2010)</td>
</tr>
<tr>
<td><strong>4.2</strong> Even if the supplier's reputation has declined, if the supplier requests it, we would be willing to make further investment in the supplier.</td>
<td>(Suh &amp; Houston, 2010)</td>
</tr>
<tr>
<td><strong>4.3</strong> If two products were equal in quality, one was from our main supplier and one was from other supplier with 10% lower price, we would still buy the product from our main supplier.</td>
<td>(He et al. 2013)</td>
</tr>
<tr>
<td><strong>5.1</strong> Despite the negative reputation, even if we could, we would not drop the supplier because we like being associated with them.</td>
<td>(Suh &amp; Houston, 2010; Chang et al. 2012)</td>
</tr>
<tr>
<td><strong>5.2</strong> Despite the negative reputation, we want to remain a member of the partner’s network because we genuinely enjoy our relationship with them.</td>
<td>(Suh &amp; Houston, 2010; Chang et al. 2012)</td>
</tr>
<tr>
<td><strong>5.3</strong> Despite the negative reputation, our positive feelings towards the supplier are a major reason we continue to work with them.</td>
<td>(Suh &amp; Houston, 2010)</td>
</tr>
<tr>
<td><strong>5.4</strong> Although the negative reputation, it is pleasant working with the supplier, that's why we continue to work with them.</td>
<td>(Cater &amp; Zabkar, 2009)</td>
</tr>
<tr>
<td><strong>5.5</strong> Although the negative reputation, our decision is to remain a client of this company is based on our attraction to the things the agency stands for as a company.</td>
<td>(Cater &amp; Zabkar, 2009)</td>
</tr>
</tbody>
</table>