

Engaging suppliers in CRM: The role of justice in buyer–supplier relationships

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ABSTRACT

Given the crucial role of suppliers in collaborative supply chains, it is surprising that little attention has been paid to the nature and management of supplier relationships in the implementation of a retailer's Customer Relationship Management (CRM) strategy. To address this gap in the extant literature, the theory of organizational justice is used to explore the extent to which perceived fairness in buyer–supplier relationships supports or inhibits supplier engagement with the CRM process. The rationale is that suppliers who feel fairly treated by key retail customers are more likely to invest resources in the acquisition and use of data central to the retailer's CRM strategy. By empirically testing a conceptual model linking downstream CRM to upstream SRM, the results provide evidence to indicate that customer data use is significantly influenced by perceptions of fairness, particularly with respect to the distribution of rewards, and the transparency of decision-making processes. As a key criticism of CRM centers upon the failure of organizations to exploit the full potential of customer data, the results highlight the usefulness of understanding the relational linkages between buyers and suppliers and the consequential behavior of suppliers in terms of engagement with customer data vital to the success of retailers' CRM strategies.

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1. Introduction

Customer Relationship Management (CRM) suggests that firms must not only develop a knowledge base, but also develop capabilities in knowledge management to allow modified responses to customers on a continual basis (Campbell, 2003; Garrido-Morreno & Padilla-Meléndez, 2011). Customer loyalty data is one such source of customer-specific insight, and if utilized, can result in increased competitiveness, improved customer satisfaction and retention (Leenheer & Bijmolt, 2007). Grocery retailers, in particular, collect and utilize customer loyalty card data to tailor product categories according to customer wants and needs. However, this requires the engagement of suppliers, whose knowledge of design and manufacturing should be utilized in order to facilitate superior value and competitive supply chain advantage (Barrett & Barrett, 2011; Tseng, 2009).

Notwithstanding this, little is known regarding the role suppliers play in the CRM implementation by retailers, and specifically the extent to which buyer–supplier relationships support or inhibit

supplier engagement. In particular, there is a lack of empirical research (Chen & Huang, 2007) into the role of social interaction amongst individuals in intra-firm knowledge management, resulting in calls for research to utilize theoretical knowledge from other fields, such as psychology, in order to understand the behavioral aspects of supplier innovativeness within collaborative relationships (Schiele, Veldman, & Huttinger, 2011). The primary purpose of this paper, is therefore to empirically investigate how behavior by buying organizations, at both the individual and the organizational level, impacts upon the use of CRM data by suppliers within close, collaborative relationships. The main contribution of this research is the finding that suppliers are significantly influenced in their use of customer data by how fairly they perceive they have been treated by the retailer.

The paper begins by linking the literature on CRM and Supplier Relationship Management (SRM), and providing a conceptual framework using the theory of organizational justice to explain the relational linkages between buyers and suppliers, and the consequential behavior of suppliers in terms of use of loyalty card and other customer data. The paper then presents empirical evidence of the level of knowledge and engagement exhibited by suppliers of the CRM policies of Supermarket A, and the importance of SRM as a barrier or enabler to supplier engagement in the CRM process. Thereafter, a discussion of the contribution of this study to the field of CRM is presented in the concluding section of the paper.

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2. Linking CRM and SRM

Supplier relationship management involves the management of upstream and downstream relationships to create enhanced value in the marketplace (Christopher, 1998; Rinehart, Eckert, Handfield, Page, & Atkin, 2004). The importance of external linkages between downstream customers and upstream suppliers by retailers is highlighted by Barrett and Barrett (2011) who found that if business processes are integrated and managed effectively across the supply chain, retailers will accrue benefits such as improved responsiveness, improved planning and replenishment capabilities and improved decision-making. Specifically, SRM is defined as “the mirror image of Customer Relationship Management” (Croxtan, Garcia-Dastugue, Lambert, & Rogers, 2001, p. 24); whereby CRM involves the structure for how the relationship with the customer is developed and maintained, and SRM defines how a company interacts with its suppliers.

In examining the nature of buyer–supplier relationships, a well-established stream of literature identifies a continuum ranging from discrete to relational behavior (Dwyer et al., 1987; Siguaw, Simpson, & Baker, 1998). However, firms are struggling to develop and sustain collaborative initiatives towards the end of the relational continuum (Spekman & Carraway, 2006) as many buyers continue to abuse their position of power and strangle suppliers with short term, cost-driven decisions (Rossetti & Choi, 2005), particularly with regards to retailer–supplier relationships (Corsten & Kumar, 2005). Ultimately Giunipero and Eltantawy (2004) warn that this is detrimental to long term competitiveness given that the full capabilities of a supplier, necessary to effectively implement CRM, will be undermined. Therefore, effective collaboration requires more than just co-ordination at the operational level of the relationship, but intent on the part of boundary spanners in buyer organizations to build strong relationships, whereby attitudes such as trust and commitment can exist. This positive behavioral intent is critical to developing and sustaining collaborative initiatives such as CRM, as it encourages partners to dedicate assets on behalf of others in the chain, thus creating economic value (Spekman & Davis, 2004).

One important dimension affecting an individual’s actions and reactions is how fairly they perceive treatment by the other, often more powerful party. The theory of organizational justice (or fairness) has been used extensively in the intra organizational literature, where the traditional focus has been on the role of fairness in the workplace. The assumption is that employees’ perceptions of fairness will impact upon their behavior, and therefore on organizational outcomes and performance (Colquitt, 2001; Konovsky, 2000; Masterson, Lewis, Goldman, & Taylor, 2000; Thibaut & Walker, 1975). Employees who perceive they are treated fairly contribute to performance through positive behaviors, such as long term commitment or discretionary behaviors. Likewise, for those employees who feel they are being treated unfairly, resultant damaging retaliatory behaviors will negatively impact upon organizational performance (LePine, Erez, & Johnson, 2002; Podsakoff, MacKenzie, Paine, & Bachrach, 2000).

In the context of this study, the theory of organizational justice is applied to inter-organizational relationships. It is proposed that the concept of fairness, or justice, will influence the strength of buyer–supplier relationships and in particular, supplier engagement with a CRM strategy. The conceptual framework assumes an unequal power relationship between buyers and suppliers, and we therefore locate our empirical investigation in a context that is characterized by a small number of monopolistic, powerful buying organizations, and a fragmented supply base consisting of smaller organizations, namely the UK supermarket industry. The literature on power in supply chains is extensive, but in this research, the integrated model of power is adopted (Meehan & Wright,

2011), whereby power is a complex synthesis of organizational context, individual personal characteristics of buyers and sellers, and relationship interactions. The theory of organizational justice also accommodates an integrated view of power, by examining fairness at the contextual level, at the individual level and at the relationship level. In particular, we posit that engagement of suppliers in the process of CRM implementation is contingent upon the nature of the relationship between the custodian of the CRM strategy, in this case, Supermarket A and their suppliers. The rationale is that suppliers who feel fairly treated by Supermarket A are more likely to engage in their CRM strategy and invest in the acquisition and use of their loyalty card and other data than those who perceive their relationship with Supermarket A to be unfair.

3. Theoretical framework

The theoretical framework for measuring the management of supplier relationships draws primarily from the work of Greenberg (1993) and Colquitt (2001) who propose that fairness can be conceptualized according to four distinct components: the fairness of outcome distributions (known as Distributive Justice), the fairness of the processes that led to such outcomes (known as Procedural Justice), the fairness of the interactions between individuals (known as Interpersonal Justice), and the fairness in the exposure of evidence or reasoning for decisions taken (known as Informational Justice).

To date, research on inter-organizational justice remains limited with most studies combining different justice dimensions into a single variable (i.e. Kumar, Scheer, & Steenkamp, 1995; Suh, 2004; Yilmaz, Sezen, & Kabaday, 2004) or focusing only on the consequences of a limited number of justice components (Brown, Cobb, & Lusch, 2006; Griffith & Lusch, 2000). Therefore a gap remains in the inter-organizational literature for an empirical study that specifically investigates the consequences of all four dimensions of justice on behavioral or performance based outcomes.

Of particular interest to the role of fairness in the management of supplier relationships, are the positive organizational outcomes of commitment and citizenship behaviors. In an inter-organizational context, commitment is the willingness of suppliers to commit to the relationship in the long term, whereas citizenship behaviors are those actions that are over and above that which is formally expected within the terms of supply (Hornibrook, Fearn, & Lazzarin, 2009). One manifestation of such positive behavioral outcomes would be the willingness of suppliers to invest in the acquisition and use of customer data to inform and support the development of innovative new products that could be offered to the retailer in accordance with a CRM strategy.

In the case of retail customer Supermarket A, which is the largest supermarket in the UK and the third largest in the world, downstream data to support their CRM strategy is collected from a panel of 14 million UK supermarket shoppers. At the upstream level, suppliers may purchase this data. Suppliers are also able to freely access operational data via the Supermarket A Link, a web based information portal.

Fig. 1 shows the relationship between the management of supplier relationships and consequential supplier engagement with data critical for the sustainable development of a retailer’s CRM strategy.

3.1. Components of inter-organizational justice

Distributive justice refers to the perceived fairness of the outcomes received (Griffith, Harvey, & Lusch, 2006; Kumar, 1996) and is most commonly defined in terms of the equity rule, which

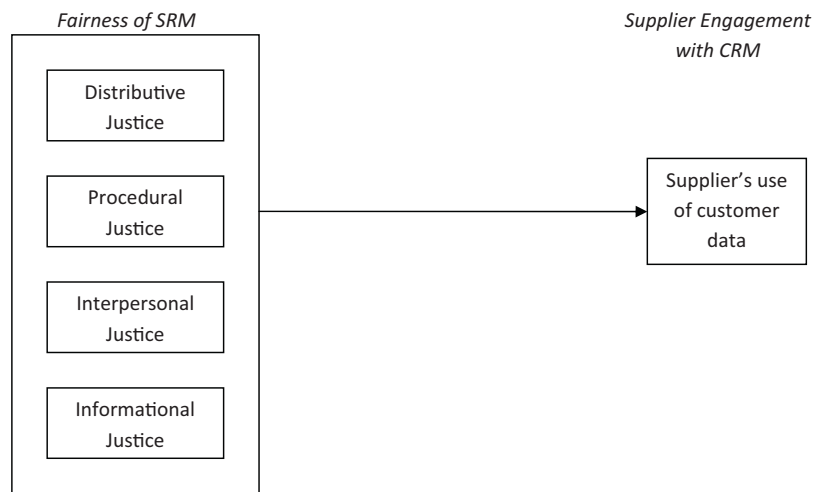


Fig. 1. Conceptual model of SRM and CRM integration.

dictates that rewards and outcomes received should be proportional to respective inputs and contributions (Colquitt, 2001; Leventhal, 1980). In the context of buyer–supplier relationships, *distributive justice* relates to the weaker party's perceptions of the fairness of the division of benefits and burdens that it receives from its relationship with the other, more powerful, partner (Brown et al., 2006; Scheer, Kumar, & Steenkamp, 2003; Yilmaz et al., 2004). Kumar (1996) also refers to this as the fairness of the economic price or outcomes actually achieved. When the outcome is deemed fair and the distribution of rewards over time is acceptable, exchange partners view the relationship as beneficial and reciprocate via additional inputs (Griffith et al., 2006). Conversely, suppliers who feel they are being treated unfairly in terms of the actual outcome or input/output ratio may attempt to redress the balance by decreasing outputs, altering outcomes or withdrawing from the relationship.

Given that the more powerful party to a buying firm and supplying firm relationship is in a position to determine and enact the procedures and processes through which outcomes are determined, supplying firms will be concerned with *procedural justice* (Griffith et al., 2006; Kumar et al., 1995) which focuses on perceptions about the fairness of formal procedures governing how decisions are implemented (Boyd et al., 2007; Leventhal, 1980; Masterson et al., 2000; Thibaut & Walker, 1975).

In particular, procedural justice is concerned with the structural elements of the decision-making process, defined by Thibaut and Walker (1975) as process control (i.e. ability to voice one's views and arguments during a procedure) and decision control (i.e. ability to influence the actual outcome). These structural elements, encompassing both the directionality of communication together with opportunity for voice lead to greater perceptions of fairness as channel members have a degree of control over the development and administration of channel policies, and are able to protect their interests within the relationship (Boyd et al., 2007; Griffith & Lusch, 2000; Kumar et al., 1995).

This is important in collaborative strategic supply chain partnerships, as the actions of one party influence the ability of the other to compete effectively. As such there is an increasing need for joint involvement in setting goals, long term planning and jointly managing expectations and responsibility (Claro, Hagelaar, & Omta, 2003; Mohr & Spekman, 1994) to help ensure a mutually satisfying solution may be reached for every contingency (Claro et al., 2003; Rokkan & Haugland, 2002). Specifically, Brown et al. (2006) state that perceptions of procedural justice can help mitigate distributive

disappointment and can play an important role in commitment to the channel relationship.

Interpersonal justice is conceptualized as the degree to which individuals are treated with politeness, dignity, courtesy and respect by those involved in executing procedures or determining outcomes (Colquitt, 2001). This is an important component of fairness as interpersonal treatment received during the enactment of decision procedures impacts upon an individual's reactions to decision outcomes (Bies & Moag, 1986). In particular, Greenberg (1993) suggests that interpersonal aspects of justice alter reactions to decision outcomes, as the manner in which people are treated could make them feel better or worse about unfavorable outcomes.

This aspect of justice is particularly relevant to the management of buyer–supplier relationships, as relationships incorporate many social elements that may affect attitudinal and behavioral responses (Bendoly, Donohue, & Schultz, 2006; Cousins, Lawson, & Squire, 2008; Cousins & Menguc, 2006; Lawson, Tyler, & Cousins, 2008; Yee, Yeung, & Cheng, 2008), particularly where retail buyers are in a position of power, as some buyers use power well, while others behave 'outrageously' (Duffy, Fearne, & Hornibrook, 2003; Ramsay & Wagner, 2009).

Informational justice also impacts upon reactions to decisions and procedures (Greenberg, 1990, 1993) and is concerned with perceptions of explanation adequacy (Konovsky, 2000). It is therefore conceptualized as providing explanations or accounts for decisions made, with decisions or procedures deemed fair if the basis for the decision can be explained and justified in a candid and truthful way (Bies & Moag, 1986; Colquitt, 2001). In the context of buyer–supplier relationships, informational justice would be seen to exist if the more powerful partner is able to provide a coherent rationale for its channel decisions and policies, as decisions are more likely to be viewed as fair if the logic behind them is revealed (Duffy et al., 2003; Kumar, 1996).

In summary, perceptions of fair treatment at both the organizational and individual level of interaction are posited to result in increased positive behavioral outcomes. In the context of CRM implementation, it is argued that a supplier, who perceives unfairness at the organizational level in terms of the distribution of benefits and the fairness of procedures for making decisions that concern them, will be less likely to invest in the acquisition of loyalty card data and the resources necessary to analyze it, let alone to act on it in support of Supermarket A's CRM strategy. At the social level, the perceived lack of inter-personal

justice and lack of explanations in the decision-making processes regarding marketing, merchandising and new product development (informational justice) could also deter some suppliers from engaging with CRM and the activities designed to support it, including the acquisition, analysis and use of customer data.

Therefore, we propose that perceptions of justice capture the nature of supplier relationship management in practice and thus hypothesize as follows.

H1. Supplier's perceptions of fairness will positively influence supplier engagement with CRM initiatives as demonstrated through the use and perceived usefulness of customer data.

4. Methodology

4.1. Sample and data collection

Data was collected during the summer of 2011 via a survey of Supermarket A's suppliers participating in a series of regional supplier workshops conducted in England (York, Cambridge, Manchester), Scotland (Edinburgh), Wales (Cardiff) and Northern Ireland (Belfast). Senior members of staff from 250 suppliers attended (owner managers in the case of smaller suppliers, and marketing or account managers for the larger suppliers), representing artisanal manufacturers of niche speciality products with limited distribution, to large manufacturers of mainstream nationally distributed products.

All the suppliers marketed and merchandised some or all of their products under the Supermarket A 'Local' banner and the majority (93%) of respondents regarded the supermarket as a key customer. A total of 73 questionnaires were completed, representing a response rate of 29%. The profile of respondents (see Appendix A) was not significantly different from non-respondents, in terms of their size (number of employees, turnover) sector (fresh meat and vegetables, dairy, ambient grocery or beverages) or years trading with Supermarket A. Therefore the sample is representative of all but the largest branded manufacturers who supply the retailer in the UK.

4.2. Measurement of variables

To ensure content validity, all constructs were measured following recommendations from Churchill (1979), in that all constructs are measured using multiple item scales and scale items generated to capture the domain of the construct as conceptualised and defined in the study. Distributive justice was measured using 4 items designed to capture the fairness of the outcomes received and the division of benefits and burdens in the relationship as captured by the equity rule central to definitions of distributive justice (Kumar, 1996). Procedural justice was measured using 3 items capturing the structural elements of the decision-making process identified by Colquitt (2001) as process control (i.e. ability to voice one's views and arguments during a procedure) and decision control (i.e. ability to influence the actual outcome). Informational justice was operationalized using 3 items to capture the willingness and extent to which the customer provides valid and truthful explanations for decisions and enactment of procedures (Colquitt, 2001; Griffith & Lusch, 2000).

These items were developed by drawing on inter-organizational studies that have focused on *explanation* as a key component of procedural justice (i.e. Griffith & Lusch, 2000; Yilmaz et al., 2004). Interpersonal justice was measured using 3 items that capture how a supplier is treated during the enactment of procedures concerning issues of respect, dignity, politeness and courtesy

Table 1
Reliability measures.

Construct measure	Cronbach alpha
Distributive justice	0.823
Procedural justice	0.850
Informational justice	0.907
Inter-personal justice	0.940
Engagement with customer data	0.788

drawing primarily on scale items from Colquitt (2001). Finally, supplier's engagement with CRM was measured using 4 items that captured the suppliers' use of customer information essential to Supermarket A's CRM strategy, namely Supermarket A's loyalty card data, and operational data via Supermarket A Link, as well as their views on the usefulness of both forms of customer information (Appendix B).

4.3. Validation and reliability of measures

After data collection all measures were purified and tested for their reliability and validity in line with recommendations by Churchill (1979). As the multiple item scales in this study were not drawn in their entirety from previous studies, exploratory factor analysis was used to assess the validity of the measurement scales in terms of their convergent and discriminant validity and to confirm the conceptualisation of the constructs (Caniels & Gelderman, 2007; Churchill, 1979; Holden & O'Toole, 2004). Scale reliability was assessed in terms of its internal consistency using Cronbach's alpha (Churchill, 1979).

Factor analysis¹ was conducted on the independent variables using the principal components method with the initial extraction of factors determined by the latent root criteria. Factors were interpreted from the rotated component matrix following a Varimax rotation. This resulted in the identification of four independent variables as conceptualised. Table 1 illustrates that the scales measuring each factor had alpha values ranging from 0.788 to 0.940. With reliability measures above 0.7 used as the common standard all scales exhibit good scale reliability (Golicic & Mentzer, 2006; Hair et al., 1998). An analysis of the loadings and cross loadings of the factor analysis (Appendix C) indicates that all scales show adequate levels of convergent validity.

4.4. Control and context measures

A series of control and context measures were included to see if differences in supplier engagement with data supplied by Supermarket A could be attributable to factors other than those in the framework. At the firm level, data was collected regarding number of employees to give a measure of firm size. At the relationship level, information was collected regarding number of years trading with Supermarket A. Potential barriers to use of data, such as cost of access and IT capabilities of staff, were also investigated. However, none of these factors had any significant influence on data use at the 5% level of significance.

5. Results

Given the relatively small sample size, the hypothesis was tested using multiple regression, as used in similar recent studies (Claro et al., 2003; Corsten & Kumar, 2005; Nevins & Money, 2008; Rokkan & Haugland, 2002). The regression model was

¹ Scale items and loadings are shown in Appendix C.

Table 2
Total variance in CRM engagement accounted for by SRM.

Model	Variables entered into model	R square	Adjusted R square	Standard error of the estimate	F statistic	Sig.
1	Distributive justice, Procedural justice, Informational justice, Inter-personal justice	0.217	0.156	0.97260	3.593	0.012*

* Sig. at 0.05.

Table 3
Impact on supplier engagement with CRM data of SRM.

Model	Variables entered into model	Standardized	T statistic	Sig.
1	Constant		5.117	0.000**
	Distributive justice	0.529	3.376	0.001**
	Procedural justice	-0.413	-2.718	0.009**
	Informational justice	0.041	0.242	0.810
	Inter-personal justice	0.024	0.160	0.874

** Sig. at 0.01

estimated using the four components of justice identified in Figure 1. Table 2 illustrates that the model is significant in explaining some of the variance in supplier engagement in data essential to Supermarket A's CRM strategy. Although the reported R^2 is quite low, the results are comparable with recent published research, where adjusted R^2 's between 0.04 and 0.42 are reported (i.e. Claro et al., 2003; Leuthesser & Kohli, 1995; Nevins & Money, 2008; Wang, Siu, & Barnes, 2008). Therefore, the results provide some significant support for the assertion that justice perceptions of the SRM process have a bearing on engagement with data essential to CRM implementation and provide support for H1.

Table 3 demonstrates that of the four justice components entered into the model, it is distributive justice and procedural justice that are significant predictors when the variables are considered simultaneously.

The significant positive relationship between distributive justice and engagement with CRM data supports the theory that Supermarket A's suppliers who feel they are being adequately and fairly rewarded in terms of their input into the relationship are more likely to be engaged with their customer's CRM strategy. However the negative relationship between procedural justice and engagement with CRM data is counterintuitive and runs contrary to assertions from the literature as it suggests that suppliers who feel that they have little influence, input or control over the supermarket's decision-making procedures are more likely to use retailer data, than those who do have input into decisions taken regarding the relationship. Possible explanations for this finding are discussed in the next sections.

6. Discussion

It is widely recognized that Supermarket A has a strong, if not unassailable, lead in their knowledge of shopper behavior, through the insights that the loyalty card data provide. However, given that the buying teams do not have direct access to the loyalty card data, their CRM strategy is fundamentally dependent on the willingness and ability of suppliers to access and exploit the consumer insight that the data provides. The results of this study indicate that suppliers are more engaged with accessing the operational data and focusing on day to day activities, rather than using the loyalty card data to support the successful implementation of Supermarket A's CRM strategy.

Our results show that suppliers who feel they are being adequately and fairly rewarded in terms of their input into the relationship (distributive justice) are more likely to use data essential to the implementation of Supermarket A's CRM strategy. This indicates that suppliers who are fairly treated in terms of distribution of financial and non-monetary benefits are more likely to invest in the relationship, reinforcing the view that successful implementation of a CRM strategy depends upon the nature of the relationship with suppliers. On the other hand, suppliers who feel they have not been adequately rewarded appear less likely to invest resources in using retailer data and may be more likely to engage in retaliatory or negative behaviors, such as taking technology innovations, enhanced service models, or new product designs, to other competing retailers.

A surprising finding was the negative relationship between procedural justice and the use and perceived usefulness of the customer data. While this may seem counterintuitive, it may be explained in part by the higher engagement with the data by suppliers that have less input and control over the decision-making process. These suppliers may view the data as an opportunity to gain a source of counter-veiling power in an industry where power lies firmly in the hands of the supermarkets. Therefore, suppliers may see the data as an opportunity to increase the level of interdependence in the relationship and thus gain more control over the decision-making process, as superior product and market knowledge is a source of value that is difficult for other firms to imitate (Batt & Purchase, 2004; Fearnle & Hughes, 1999; Ulaga & Eggert, 2006). Alternatively, the negative relationship could be explained by the fact that suppliers may have become accustomed or immune to a lack of involvement and participation in decisions or that they feel that the fairness of the distribution of benefits and rewards more than compensates for their lack of influence on the decisions taken by Supermarket A and so do not view this as a reason not to invest in the acquisition and use of customer data.

If these interpretations are correct, this has important implications for Supermarket A, the implementation of their CRM strategy, and the engagement of suppliers. Suppliers who feel they are fairly rewarded are more likely to commit to a collaborative relationship through investing and using retailer data. Equally, suppliers who are frustrated with their lack of influence over the decision-making procedures involving their business may consider using the loyalty card data as a defense mechanism. A worrying interpretation of this finding for Supermarket A would be that such suppliers are engaging and investing in the data not because they are committed to developing their relationship with the supermarket and their customers, but are possibly contemplating more negative, retaliatory actions, such as using the knowledge gained from the loyalty card data as a bargaining tool to reduce their relative dependence on Supermarket A. This could include for example, building relationships with alternative retailers. This would diminish Supermarket A's ability to use CRM as a key differentiator and strategic weapon, leaving them increasingly reliant on promotional activity to defend their market share.

7. Conclusions

With reference to the main objective of this study, it may be concluded that there is a relationship between how fairly suppliers feel they have been treated, and their willingness to engage with the implementation of their customers' CRM strategy. While suppliers are recognized as an important source of innovation, they need to be motivated to invest in their customers' requirement for new product and project developments. Suppliers will be more likely to invest in such activities if buying organizations both understand and offer value, as perceived by suppliers (Ramsay & Wagner, 2009). This reinforces the view that buyers need to make themselves attractive to suppliers, by offering value to suppliers not just in terms of financial benefits, but also in terms of strategically significant non-monetary rewards such as knowledge, competencies (Smals & Smits, 2012) and reputation (Schiele et al., 2011). Buyers also need to understand the sources of such value to suppliers, defined as various buyer behaviors and characteristics that suppliers regard as beneficial or desirable, and which may be specific to individual suppliers (Ramsay & Wagner, 2009). This study confirms that one such source of value is how fairly suppliers feel they are treated.

This finding therefore has a number of implications. For practitioners, a number of initiatives could contribute to positive collaborative organizational outcomes, for example recruiting, training and rewarding individual buyers and other functional managers to ensure suppliers are treated fairly both at the organizational level and individual personal relationship level. Joint training

with key own brand suppliers in marketing, merchandising and new product development could also support supplier engagement with the implementation of a buying organization's CRM strategy. This also has implications at the policy level, in particular in markets where there is a power imbalance. The adoption of a rigorous conceptual framework that measures fairness from the supplier perspective, and is administered by an independent party, would help inform both industry and policy makers. The study has also contributed to theory by adapting, testing and applying a conceptual model which draws from disciplines other than economics to include behavioral dimensions at both the organizational and individual level within collaborative buyer supplier relationships. In addition, it explores the relationship from the underexplored perspective of the supplier.

Although the study identifies the role of fairness in collaborative supply chain relationships, there are a number of limitations to the research. The research is restricted to Supermarket A and their relationship with a small number of regional suppliers, therefore generalizability to other contexts is limited. Additionally, the data results are weakened due to the small sample size, therefore further research may include additional data collection from other regional suppliers to Supermarket A. Further research could consider the relationships between other supermarkets and their suppliers, or other sectors where CRM is key to strategic success. The conceptual model opens up a number of rich research avenues, including the application to other contexts; identifying other positive and negative organisational outcomes, and exploring the role of individual dimensions of justice on performance outcomes in collaborative buyer–supplier relationships.

Appendix A. Sample profile

No. of employees		Sector		No. of years trading with Supermarket A	
Category	% of respondents	Category	% of respondents	Category	% of respondents
Less than 20	33%	Fresh meat	1%	Less than 1	4%
20–50	11%	Fresh fruit and vegetables	8%	1–2	4%
50–100	12%	Fresh fish	3%	2–3	7%
Over 100	44%	Dairy	8%	3–5	20%
		Beverages	6%	5–10	13%
		Ambient grocery	18%	Over 10	51%
		Processed meats	4%		
		Other	52%		

Appendix B. Scale items for measuring supplier's use of customer data

Scale items	Cronbach's alpha if item deleted
1. How often do you make use of the commercial and operational information that is available through Supermarket A link?	0.734
2. How useful have you found this information in the past?	0.704
3. How often do you make use of the information about your consumers (Supermarket A shoppers) and their purchasing behavior, available through (the systems provider) or the (References removed)?	0.778
4. How useful have you found this information in the past?	0.726

Appendix C. Rotated component matrix for inter-organisational justice

Scale items	Factor 1	Factor 2	Factor 3	Factor 4
Distributive justice				
1. Supermarket A staff never use threats to secure better terms of trade	0.774	0.170	0.021	0.129
2. Supermarket A staff recognise that both parties need to benefit from our relationship with them	0.797	0.053	0.355	0.235
3. The rewards we receive from our relationship with Supermarket A are fair given our contribution	0.783	0.078	0.192	0.270
4. Any investment required to improve the performance of our operations with Supermarket A is fairly distributed between ourselves and Supermarket A	0.724	0.254	0.307	0.056
Procedural justice				
1. We are given opportunities to express our views and offer input to decisions that affect our relationship with Supermarket A	0.386	0.120	0.742	0.269
2. We have some influence over the outcome of decisions taken by Supermarket A that affect our relationship with them	0.145	0.112	0.854	0.198
3. Supermarket A staff will occasionally alter their decisions in response to our suggestions or concerns	0.197	0.243	0.846	0.050
Informational justice				
1. Staff at Supermarket A are willing to discuss the reasons behind their decisions and actions	0.199	0.288	0.309	0.804
2. Staff at Supermarket A always present valid reasons for any changes they make to decisions or procedures that affect our business	0.167	0.250	0.089	0.856
3. Staff at Supermarket A are open and honest when explaining the reasons behind their decision and actions	0.319	0.333	0.176	0.768
Inter-personal justice				
1. Staff at Supermarket A treat us with dignity	0.122	0.910	0.117	0.249
2. Staff at Supermarket A treat us with respect	0.105	0.914	0.093	0.264
3. Staff at Supermarket A refrain from making improper remarks or insensitive comments when dealing with us	0.150	0.880	0.001	0.209
Eigenvalues	2.247	6.063	1.172	1.019

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