**A GROUNDED THEORY OF VALUE DISSONANCE IN STRATEGIC RELATIONSHIPS**

**INTRODUCTION**

Value creation from business-to-business (B2B) relationships is a crucial source of competitive advantage ([Anderson and Narus, 1998](#_ENREF_3); [Lindgreen and Wynstra, 2005](#_ENREF_57)). The value derived is heightened as organisations rationalise their supply bases and outsource to deliver innovation ([Cheung, Myers and Mentzer, 2010](#_ENREF_16)), creating smaller numbers of larger, strategically significant relationships. Strategic relationships are used as a term in this study to denote long-term, high-spend, contractually based B2B relationships that are actively and directly managed.  At the heart of these strategic relationships is the expectation that suppliers will create value that can be converted to competitive advantage through innovation, reduced operational costs and improved service ([Chen, Paulraj and Lado, 2004](#_ENREF_15); [Cheung et al., 2010](#_ENREF_16)). Although the importance of value is widely accepted, it is a complex and incompletely understood concept. Value from B2B relationships continues to attract broad scholarly interest including themes of relational value ([Haas, Snehota and Corsaro, 2012](#_ENREF_39)), value measurement ([Keränen and Jalkala, 2013](#_ENREF_46)), value appropriation between partners ([Pinnington and Scanlon, 2009](#_ENREF_68); [Pérez and Cambra-Fierro, 2015](#_ENREF_67)) and service value ([Vargo and Lusch, 2004](#_ENREF_77); [Grönroos, 2011](#_ENREF_38); [Hawkins, Gravier, Berkowitz and Muir, 2015](#_ENREF_42)). Central issues still persist surrounding the nature, creation and assessment of value in the contract delivery period. These gaps have been identified as key research priorities for the evolving academic B2B value agenda ([Lindgreen, Hingley, Grant and Morgan, 2012](#_ENREF_56)), particularly in complex service systems where value propositions invite, shape, and potentially transform stakeholders’ engagement and experience ([Chandler and Lusch, 2015](#_ENREF_12)).

At the heart of the persistent issues in value research is a recognition that value is contextual, temporally bound and perceptual ([Day and Crask, 2000](#_ENREF_22)), dimensions that all increase the difficulty in its objective assessment. The inability to consistently assess the value of B2B relationships through the longer-term contract delivery phase creates tension and conflict. Failure to manage conflicts in value perceptions can ultimately lead to relationship failure ([Aarikka-Stenroos and Jaakola, 2012](#_ENREF_1)) exposing organisations to material risk in commercial performance. Value perceptions are especially critical in strategic relationships as they are delicately balanced and can have vulnerabilities that can render one of the parties’ value contributions obsolete ([Ellram and Krause, 2014](#_ENREF_26)).

Strategic relationships are characterised by complex social interactions, founded on tacit understandings that develop during the course of a long-term association. This Grounded Theory (GT) study develops the theory of Internal Value Perception Dissonance (IVPD) to explain how buyer and supplier-side relationship managers perceive and manage value in their strategic relationships. Participants (N=25) were senior stakeholders in buyer or supplier-side roles, with a minimum of five years’ experience of managing strategic, long-term supply chain relationships worth £5M-£750M per annum across a range of industries. GT is adopted in this context because of its suitability for studying how individuals interpret reality ([Suddaby, 2006](#_ENREF_74)), or each other’s behaviour ([Kaufmann and Denk, 2011](#_ENREF_45)). In this study, GT enables the development of new and deeper theoretical insights into value perception formation from buyers’ and suppliers’ perspectives. An unexpected phenomenon emerged from the early data generated; notably recurrent issues with value perception formation within buying organisations were found to be compromising relational success. The concept of Internal Value Perception Dissonance (IVPD) was eventually adopted as a central GT category and subsequently elaborated into a substantive theory of value dissonance. IVPD portrays a complex, dynamic, social system where differences in value cognition, perceptions, expectations and priorities are extended or contracted by prevailing internal discursive[[1]](#footnote-1) processes. Positive value perceptions and relationship success require alignment across the B2B dyad, but crucially, alignment can only be established where first the phenomenon of buyer-side dissonance is resolved. IVPD highlights the importance of internal relationship management as a precursor to value delivery and thus challenges the dominant assumption in the B2B literature that the inter-organisational interface is the primary focus for concern and alignment.

**CONCEPTUAL BACKGROUND**

GT studies pursue a process of evolving theoretical sensitivity in preference to ex-ante conceptual model development to minimise the risk of preconceptions compromising theoretical insights ([Glaser, 1978](#_ENREF_35)). Accordingly, the following sections are presented as a post-hoc synthesis of literature from the study’s departure point of inter-organisational value development in strategic relationships. Inductively indicated conceptual themes cover complexity, subjectivity and context, and the role of perception in value assessment.

**Value in strategic relationships**

The value literature has evolved from a predominantly short-term focus on transactional exchanges toward a longer-term relational perspective of value ([Lindgreen and Wynstra, 2005](#_ENREF_57)), including partnership relationships that embed collaboration, mutuality and long-term commitment ([Spekman and Carraway, 2006](#_ENREF_71)). The size and scope of strategic supply chain relationships provide opportunities to deliver competitive advantage ([Dyer and Singh, 1998](#_ENREF_23)) through access to partners’ resources, initiatives and innovation ([Håkansson and Ford, 2002](#_ENREF_40); [Barney, 2012](#_ENREF_4)). A common theme in the supply relationship literature is the need to align and manage inter-organisational interfaces to achieve value and competitive outcomes ([Schurr, Hedaa and Geersbro, 2008](#_ENREF_70); [Ambrose, Marshall and Lynch, 2010](#_ENREF_2); [Prior, 2012](#_ENREF_69)).

The importance of value creation is heightened in strategic B2B relationships ([Whipple, Lynch and Nyaga, 2010](#_ENREF_82)) which are long-term and continuous rather than episodic business exchanges. The relationships themselves become valuable for the enhancement of brand reputation, inter-organisational learning, demand stability, and inter-personal social capital ([Lawson, Tyler and Cousins, 2008](#_ENREF_54)) yet the scale, diversity, complexity and politics of contractual commitments can make the future assessment of value difficult ([Corvellec and Hultman, 2014](#_ENREF_19)). Collaborative strategic relationships are still poorly understood and are difficult to manage in practice ([Touboulic and Walker, 2015](#_ENREF_75)). Consequently, these relationships are not developed to their full potential ([Meehan and Wright, 2013](#_ENREF_64)), and the failure rate is high ([Fang, Chang and Peng, 2011](#_ENREF_28)). Collaborative strategic relationships are particularly susceptible to failure owing to wider organisational and behavioural issues ([Emberson and Storey, 2006](#_ENREF_27)), highlighting the role of individuals’ actions and perceptions.

Contemporary value research recognises the increasing complexity of strategic relationships and shifts the emphasis towards the importance of both inter- and intra-organisational landscapes to derive value ([Makkonen and Vuori, 2014](#_ENREF_61)). The need to consider dynamic interactions, particularly in services ([Lacoste and Johnsen, 2015](#_ENREF_50)) is acknowledged as service contracts rarely involve a single actor or a single point-in-time ([Chandler and Lusch, 2015](#_ENREF_12)). An interactive view of B2B service conceptually moves the value landscape from what a supplier provides to a customer, to what is received (and perceived) by all counterparts within, and through, the service interaction ([Ford and Mouzas, 2013](#_ENREF_32)). The extension of the context in which value is considered poses new considerations for scholars as value is temporal, conditioned by social settings, and is idiosyncratic involving sensemaking by a range of stakeholders ([Corvellec and Hultman, 2014](#_ENREF_19)).

**Value perceptions**

For managers looking to realise the value-creating potential of strategic relationships it is important that differences between buyer and supplier perceptions are understood, along with differences in each party’s approach to the capture and management of value. Value perceptions are complex ([Helkkula and Kelleher, 2010](#_ENREF_44)) as they simultaneously possess enduring features conditioned by roles, behaviours, and information received ([Lambert and Enz, 2012](#_ENREF_51)), and dynamic features influenced by social forces between individuals ([Edvardsson, Tronvoll and Gruber, 2011](#_ENREF_24)). The perceived value of goods and services constitutes an economic assessment of the utility of tangible and intangible technical, service, economic, or social benefits embodied in the offering. In contrast, the value of supply chain relationships stretch beyond explicit exchanges to include latent benefits arising from enhanced reputation, market-access and innovation potential. Relational value is enhanced through inter-personal socialisation that provides shared knowledge, contacts and reputational enhancement ([Cousins, Handfield, Lawson and Petersen, 2006](#_ENREF_20)). Social and cognitive processes are important in value creation ([Haas et al., 2012](#_ENREF_39)), as are behaviours conditioned by past experience and personal preference ([Biggemann and Buttle, 2012](#_ENREF_5)). Despite these individual dimensions of value perceptions, inter-organisational communication is still often considered to occur between organisational rather than social entities ([Gligor and Autry, 2012](#_ENREF_37)), and there are gaps in our understanding of the role of peoples’ actions and perceptions in collaborative relationships ([Touboulic and Walker, 2015](#_ENREF_75)).

Value perceptions form against previously established expectations ([Woodall, 2003](#_ENREF_83); [Faroughian, Kalafatis, Ledden, Samouel and Tsogas, 2012](#_ENREF_29)). Experientially grounded expectations vary between individuals and crucially can change over time, creating a moving target against which current performance is judged. A consistent picture of value is particularly difficult to establish where customers’ value expectations change rapidly or extensively ([Flint, Woodruff and Gardial, 2002](#_ENREF_31)). The importance of understanding how value perceptions form and vary between stakeholders increases in light of these social, behavioural and experiential effects on perceptions, as value concept shifts from a relatively simple transactional exchange to a complex multidimensional concept in strategic relationships ([Blocker, 2011](#_ENREF_8)).

In the context of strategic long-term relationships, partners not only have expectations of the value their organisation should receive, but also consider the fairness in value appropriation arising from efficiency improvements ([Pinnington and Scanlon, 2009](#_ENREF_68)). The implication here is that an organisation may otherwise be content with its absolute level of value, but will not remain satisfied where distributive injustice is perceived with respect to its supply chain partner ([Gassenheimer, Houston and Davis, 1998](#_ENREF_33)). The need to consider both parties’ value perceptions is important ([O'Cass and Sok, 2013](#_ENREF_66)), not least because buyers and suppliers judge value differently ([Walter and Ritter, 2003](#_ENREF_79)).

**Managing value**

An important consideration in B2B relationship management is where, and to whom, value accrues. Value perceptions are formed through trade-off judgements, where value is considered to represent benefits received minus the sacrifices endured in obtaining those benefits ([Walter, Ritter and Germünden, 2001](#_ENREF_80); [Flint et al., 2002](#_ENREF_31)). Benefits include quantifiable tangible benefits and intangible benefits that are difficult to quantify. The term sacrifice is preferred to cost in recognition of the intangible costs an organisation may incur, in addition to more readily measured operational, logistical, purchasing and maintenance costs ([Blois, 2004](#_ENREF_9)). Value equations tend to be customer oriented, but are of equal importance to suppliers, to whom tangible revenue benefits and intangible strategic access, reference and knowledge benefits may accrue ([Walter et al., 2001](#_ENREF_80); [Walter and Ritter, 2003](#_ENREF_79)). In a partnership context equations propose a way of encouraging managers to focus on mutual collective value creation ([Pinnington and Scanlon, 2009](#_ENREF_68)), centred on relationships rather than individual companies ([Hammervoll, 2012](#_ENREF_41)). Summing both parties’ benefits and subtracting their sacrifices creates the total net dyadic value. On summation the charges components (in supplier benefits and buyer sacrifices) cancel out, indicating that charges are not a component of relationship value. The suggestion is not that charges are unimportant, but that charges play a role only in value distribution rather than dyadic value generation ([Pinnington and Scanlon, 2009](#_ENREF_68)). Mutual benefit and competitive advantage are possible through relationship centred value management ([Dyer and Singh, 1998](#_ENREF_23)), where reductions to either party’s sacrifices, or by improvements to either party’s benefits which exceed the cost of delivery, enhances value ([Pinnington and Scanlon, 2009](#_ENREF_68)).

Mutuality is at the heart of the partnership agenda where managing the interaction between buyer and supplier becomes the driver of value, particularly for intangible services ([Lusch and Nambisan, 2015](#_ENREF_60)). Strategic relationships typically comprise a significant service element within the contract and suppliers seek to provide holistic, extended services that couple customer and supplier processes ([Grönroos, 2011](#_ENREF_38)). Through extended services, customers derive value in the near-term from improvements in operational practices, and in the longer-term through improvements in business effectiveness. In this Service Dominant logic (S-D logic), the concept of value changes from one founded on an exchange of goods enhanced by services, to one based on the exchange of intangibles, specialised skills and knowledge, and processes ([Vargo and Lusch, 2004](#_ENREF_77); [Vargo and Lusch, 2008](#_ENREF_78)). S-D logic recognises that rather than value being largely embedded in products and added through operand resources during production, that instead value is co-created by buyer and supplier through a value-in-use process in which operant supplier resources provide utility to buyer organisations. Value is not obtained through economic exchange but through the use of services within a specific context ([Lusch, Vargo and Tanniru, 2010](#_ENREF_59)). Customer benefits from service interactions are typically manifest at the point of delivery, and where payment and delivery are proximate, both supplier and customer receive benefits at a similar time. Contrastingly, when a product purchase is considered using value-in-use logic, benefits accrue gradually as the product is utilised. Under S-D logic, value is customer-centred and is “uniquely and phenomenologically determined by the beneficiary” ([Vargo and Lusch, 2008, p7](#_ENREF_78)) creating a risk that supplier value is inadequately prioritised.

In common with a simple exchange perspective of value, value-in-use is deficient in the treatment of relationship value ([Biggemann and Buttle, 2012](#_ENREF_5)). Many benefits are intangible and inherently difficult to quantify, whilst relationship value is future oriented and particularly difficult to predict ([Möller, 2006](#_ENREF_65)). S-D logic suggests that users of the same supplier offering may derive different value. This complexity compromises objective measurement and renders value as a predominantly subjectively perceived and difficult to manage concept.

The B2B value literature is typically focused on organisational entities, potentially masking the effects of a diverse set of individuals and teams involved in larger, more complex relationship interactions ([Gligor and Autry, 2012](#_ENREF_37); [Corvellec and Hultman, 2014](#_ENREF_19)). Those few studies exploring the inter-personal dynamics (see, [Flint et al., 2002](#_ENREF_31); [Biggemann and Buttle, 2012](#_ENREF_5)) are set in contexts where value is at its most tangible, minimising the impacts of subjective perception formation. Given the material impact of strategic relationships, and the risks inherent in their failure, more empirical research is needed, especially where conflicting value perceptions may have critical implications for relationship persistence ([Aarikka-Stenroos and Jaakola, 2012](#_ENREF_1)). Greater depth and nuance is needed to develop theories of how perceptions form and change, how they vary between stakeholders and organisations, and the implications for relationship persistence.

**METHODOLOGY**

This study explores how buyer and supplier-side relationship managers perceive and manage value in strategic relationships. In a novel approach for purchasing and supply chain research, the study employs focus groups for initial data gathering within the *constructivist* version of GT ([Charmaz, 2006](#_ENREF_13)). GT is utilised for its ability to provide new theoretical insights and explanations on researched phenomena, and for its suitability in interactive contexts where individuals interpret each other’s behaviour ([Kaufmann and Denk, 2011](#_ENREF_45)).

GT is also particularly relevant where the objectives include advancement of theory. The constructivist version of GT ([Charmaz, 2006](#_ENREF_13)) is utilised for its additional advantages when exploring social experiences and socially constructed meanings ([Charmaz, 2006](#_ENREF_13)).

Despite the acknowledged potential of GT in a supply chain context ([Kaufmann and Denk, 2011](#_ENREF_45)) its use is still relatively rare. A systematic search of articles published over the last 10 years, in ten leading purchasing, operations, marketing and supply chain journals, revealed only 62 that utilise GT (Table 1), an average of less than one per journal, per year, supporting similar findings from a review of GT in operations management ([Binder and Edwards, 2010](#_ENREF_6)). Of these 62, none use constructivist GT, despite its popular adoption by the leading contemporary GT authorities ([Locke, 2007](#_ENREF_58); [Corbin, 2009](#_ENREF_18); [Stern, 2009](#_ENREF_72)).

|  |  |  |  |
| --- | --- | --- | --- |
| **Journal** | **GT** | **Constructivist GT** | **GT with focus groups** |
| Journal of Purchasing and Supply Management | 0 | 0 | 0 |
| Journal of Supply Chain Management | 12 | 0 | 1 |
| International Journal of Operations & Production Management | 7 | 0 | 2 |
| Journal of Operations Management | 5 | 0 | 0 |
| Supply Chain Management: An International Journal | 1 | 0 | 0 |
| European Journal of Marketing | 15 | 0 | 1 |
| Journal of Business Research | 11 | 0 | 0 |
| Industrial Marketing Management | 7 | 0 | 0 |
| Journal of Marketing | 1 | 0 | 0 |
| Journal of Business and Industrial Marketing | 3 | 0 | 0 |
| **Total** | 62 | 0 | 4 |

Search results via the search engine Discover, searching for “grounded theory” in title, abstract or keywords. The results exclude a large number of false positives from case study research citing GT coding methods.

Table 1: Grounded Theory studies 2006-2015 in B2B journals

Constructivism rejects the dualist ontological assumption that researcher and study domain exist independently and that the former may passively observe the latter. Instead, constructivism considers the researcher to be an active participant in the field, and recognises data as being actively constructed between researcher and participants ([Charmaz, 2009](#_ENREF_14)). Constructivism is profoundly interactive and empowers GT researchers to explore issues in greater depth through a more active discourse, and is thus more compatible than objectivist versions, with research in an established arena, such as value in B2B relationships.

**Focus groups**

Although rarely employed in GT studies, focus groups are appropriate for use at any stage in a GT study ([Birks and Mills, 2015](#_ENREF_7)). Focus groups have been used in the later stages of data gathering to add validity to grounded theory (e.g. [Malshe and Sohi, 2009](#_ENREF_62); [Ketchen, Wowak and Craighead, 2014](#_ENREF_47)) and have even been used as the sole collection method ([Law, Wong and Yip, 2012](#_ENREF_53)). Focus groups were chosen for the initial data gathering, to enable interactive exploration of the complexities of B2B relationships ([Meehan and Wright, 2012](#_ENREF_63)) and peoples’ varying experiences ([Lambert and Loiselle, 2008](#_ENREF_52)). Participants’ interaction within focus groups increases the depth and richness of data by prompting recollections, promoting new lines of thought, challenging contentious or poorly reasoned views ([Bryman, 2012](#_ENREF_10)) and providing insights which would not otherwise be forthcoming ([Collis and Hussey, 2009](#_ENREF_17)). Focus groups provided a means of generating an initial rich dataset from two contrasting groups (one buyer group, one seller group), which enabled early establishment of a category structure that was then explored through theoretically sampled interviews. Although unusual, this approach is fully congruent with the constructivist GT methodology and was effective in generating early valuable insights, which ensured that subsequent interviews were productive and targeted.

Focus group participants were purposively selected through existing professional networks of the research team and represented a broad range of sectors to enhance theory development through exploration from multiple perspectives ([Eisenhardt and Graebner, 2007](#_ENREF_25)). Participants were senior stakeholders in buyer or supplier-side roles, with a minimum of five years’ experience of managing strategic, long-term supply chain relationships worth over £5M per annum.

Two extensive half-day focus groups were held at a specialised facilitation suite with seven buyer-side participants and five supplier-side participants. The aim was to understand how relationship managers perceive and manage value. Separate buyer and supplier sessions minimised risks associated with confidentiality and openness of discussion ([Kitzinger, 1994](#_ENREF_48)). Participants took part in a discursive group activity designed to reveal the lived experiences of individuals with respect to value in strategic relationships. Interactive discussion was the objective rather than consensus. Large pre-printed 2x2 matrices were placed on tables representing two dimensions: value impact and value creation. The axes were chosen to encourage participants to consider their relationships from both party’s perspectives, and to consider value destroying, as well as value creating behaviour. The horizontal axis was anchored at each end by buyer impacts and supplier impacts with the middle point representing impacts to both parties. The vertical axis was anchored at each end by value creation and value destruction with the middle point representing the status quo. Participants discussed their B2B value experiences then identified and positioned the impact of these activities on the matrix. To capture the data, experiences discussed were summarised by participants on cards, which were then placed on the matrix to prompt a traditional focus-group style discussion on their value experiences. The sessions were filmed and audio recorded to allow for full transcription and analysis.

**Interviews, Coding and Analysis**

Thirteen subsequent open-ended, unstructured interviews were undertaken in accordance with GT theoretical sampling principles, with senior relationship managers on both buyer and supplier sides. Each audio-recorded interview lasted 1-2 hours and investigated firstly the emerging core categories’ dimensions and properties from the data generated in the focus groups, and subsequently elaborated the central category at which point theoretical saturation was achieved ([Strauss and Corbin, 1998](#_ENREF_73)). The final sample consisted of 25 senior personnel managing strategically important relationships worth between £5M-£750M per annum. The sample total is comparable to other GT studies in the field (e.g. [Carter and Dresner, 2001](#_ENREF_11); [Flint et al., 2002](#_ENREF_31); [He and Balmer, 2013](#_ENREF_43)). Table 1 details the sample.

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| Role | Sector | Org Scope | Exp | B/S | Role Category |
| Contract Manager | Public | Local Gov. | 2 | B | Del |
| Transformation Consultant | Banking | Global | 2 | B | Exec |
| Head of Supplier Relationships | Public | UK Gov. | 2 | B | Exec |
| Head of Procurement | Chemicals | Global | 1 | B | Comm |
| Relationship Manager | Banking | Global | 2 | B | Comm |
| Procurement Manager | Pharmaceuticals | Global | 1 | B | Comm |
| Procurement Manager | Pharmaceuticals | Global | 1 | B | Comm |
| Managing Director | Consultancy | National | 1 | S | Exec |
| Account Manager | Energy | National | 1 | S | Comm |
| Account Manager | ICT | Global | 1 | S | Comm |
| Operations Manager | ICT | Global | 1 | S | Del |
| Client Director | ICT | Global | 2 | S | Exec |
| Executive | Financial Services | Global | 2 | S | Exec |
| Relationship Manager | Pharmaceuticals | Global | 2 | B | Del |
| Head of Procurement | Engineering | Global | 1 | B | Comm |
| Group Sales Director | Manufacturing | National | 2 | S | Comm |
| Managing Consultant | Outsourcer | Global | 1 | S | Comm |
| Programme Manager | Transport Infrastructure | National | 1 | B | Del |
| Sales director | Outsourcer | Global | 2 | S | Del |
| Director of Procurement | Aerospace | National | 2 | B | Exec |
| Category Manager | Global technology | Global | 1 | B | Comm |
| Senior Category Manager | Global technology | Global | 1 | B | Comm |
| Alliance CEO | Automotive | Regional | 2 | S | Exec |
| Commercial Manager | Health | Regional | 2 | B | Comm |
| CEO | Commodities | Global | 2 | S | Exec |

*Key: Experience category: 1 = 10 to 25 years; 2 = >25 years*

*Role categories: Comm=Commercial; Del=Service Delivery/Operations; Exec=Executive*

*Supply chain categories: B = Buyer; S = Supplier*

Table 1: Profile of Participants

Data generation and analysis activities in GT studies proceed in parallel. Constructivist GT studies follow three coding phases: initial, focused and theoretical coding ([Birks and Mills, 2015](#_ENREF_7)) that closely parallel the open, axial and selective phases defined by Strauss and Corbin ([1998](#_ENREF_73)). Initial coding is a fully inductive process in which codes are generated from a line-by-line analysis of texts and gradually related into a category structure through a process of constant comparison. The subsequent conceptualisation stages are abductive ([Birks and Mills, 2015](#_ENREF_7)) and led to the abduction of the IVPD central category, as the core categories were integrated into a composite explanatory framework (see Figure 1).

|  |  |  |
| --- | --- | --- |
| **1. Initial / open codes**  **(examples)** | **2. Focused coding / Categories and properties** | |
| Individual priorities  Communication  Blame redirection | **Value Perceptions**  Locus  Temporality  Channels / sources  Comparators | Different ways perceptions form and develop  *“you know what value is at year 1 … [much changed by] … year 6”*  *“then it’s just word of mouth”*  *“it’s very easy to blame the suppliers”* |
| Value assessment  Value awareness  Value destruction  Supplier cost awareness | **Cognition**  Distinctiveness  Tangibility  Transferability | *“don’t think those companies fully understand the benefit”*  *“did not appreciate the intangible benefits”*  *“cannot express exactly what they want.“* |
|  | **Stakeholder Change**  Seniority effects  Impact of change  Continuity implications  Alignment | Impact of buyer-side stakeholder change …  *“[new] guy at the top … just decided it was not the deal he wanted”*  *“we make sure those people are ring-fenced”*  *“not previously had the right stakeholders”* |
| Buyer naivety  Margin  Value share  Fixed share  Supplier value  Suppler welfare  Measuring value share | **Stateful Relationships**  Timing  Impending indicators  Consequences | Relationship undergoes a state change  *“If only we had done that earlier …”*  *“I think the writing was on the wall …”*  *“nothing the supplier can do to change …”* |
| **Value Sharing / Mutuality**  Expectations  Supportive behaviours  Balance changing actions | *“There was a massive expectation … quality would increase and … cost would decrease”*  *“good value … for the supplier as well”*  *“They will take the kudos, we will get the cash”* |

|  |  |  |
| --- | --- | --- |
|  | **3. Theory generation / central category** | |
| **Core Categories**  Value Perceptions  Cognition  Stakeholder Change  Stateful Relationships  Value Sharing/Mutuality |  | **Value Perception Dissonance**  Locus  Subjectivity  Temporality  Expectations |

Figure 1: Coding and Conceptualisation Process

**Quality Assurance**

The validity indicators for inductive theory-generating research differ fundamentally from the validity and reliability requirements of a theory testing study ([Glaser, 1978](#_ENREF_35)). Interpretative studies instead require four elements of process trustworthiness: credibility, transferability, dependability and confirmability ([Lincoln and Guba, 1985](#_ENREF_55)). Credibility in GT is demonstrated through accurate data representation, rather than its interpretation, where multiple researchers may glean different insights from the same data ([Glaser, 1978](#_ENREF_35)). In this study, focus groups and all interviews were recorded and transcribed verbatim to ensure that the context of coded fragments was maintained. All data, including annotations and memos, were stored using Nvivo10 software which enabled separation to be maintained at all stages between original data and interpretations ([Gephart, 2004](#_ENREF_34)). Transferability is a natural outcome of a GT study and is indicated by the contextual boundary of the resultant study. Dependability assurance was achieved through an independent researcher review of the analysis process and its outputs. Confirmability was ensured through a combination of reflexive memos used to minimise creativity risks resulting from researcher preconceptions ([Glaser, 1992](#_ENREF_36)), and through on-going searches during conceptualisation for disconfirming data examples. Multiple examples of coded fragments are presented, where plausible, to illustrate confirmability. Process credibility is particularly important in interpretive research ([Kaufmann and Denk, 2011](#_ENREF_45)) yet less than one quarter of published GT supply-chain related studies adhere fully to the GT process ([Binder and Edwards, 2010](#_ENREF_6)). Conformance in this study to the key GT tenets of constant comparison, iterative inter-dependent data gathering and analysis, theoretical sampling, theoretical saturation and theory generation ([Suddaby, 2006](#_ENREF_74)) increases the dependability and credibility of outputs.

**FINDINGS**

**Internal Value Perception Dissonance (IVPD)**

Despite strategic relationships being founded on highly structured contracts, this study suggests that value perceptions are dispersed, fluid, highly subjective and socially constructed. A key finding is the perceived disparity of perceived value between stakeholders from within the same organisation, most notably on the buying side. A second order construct is abstracted from the data. This central category describes the phenomenon and is termed Internal Value Perception Dissonance(IVPD). Four explanatory constructs; locus, subjectivity, temporality and expectations summarise the properties and dimensions of IVPD, illustrated in Figure 2. IVPD has many sources including contract breadth, the complexity of its business case, the timing of benefits accrual, benefit tangibility, servitisation, the primary or secondary nature of supply, and the rational-emotional spectrum of value assessment. IVPD is complex and the identified sources of dissonance collectively exemplify rather than exhaustively catalogue the influences.

Figure 2: Properties and dimensions of Internal Value Perception Dissonance (IVPD)

*Locus.* The locus of IVPD describes the size and organisational position of stakeholder groups within which distinct perceptions are socially negotiated. Constantly evolving differences are manifest horizontally across functional groups and vertically between hierarchical reporting levels. The findings show that in these strategic B2B relationships distinct perceptions are formed within social groups. Navigating the loci of value perceptions in buyer organisations can be difficult, corroborated by extracts from suppliers.

*[S Comm] “You have to cross five or six different levels of expectations in different parts of the business”*

*[S Del]* “...*so even though the buyers [purchasing function] were happy...the end user wasn’t”*

The diverse loci of strategic relationships create complex webs of opinion, informed by different functional objectives and different levels of performance experienced. Interpretations are socially constructed and normalised within localised groups. IVPD is much less prominent in supplier organisations and of lower significance to relationship effectiveness. Buyers generally perceive that suppliers *“sing a single tune”* in contract delivery and perceive greater supplier coordination in comparison to the diversity of stakeholders involved on the buyer side.

The loci of value perceptions are neither static nor bounded. Discursive processes progressively distil value perceptions creating pockets of socially constructed truths across the buyer organisation. Participants frequently used the word “*truth”,* whichhas emotive power to entrench views and generate internal conflicts. Buyers challenge the validity of other divergent views within their own organisation whilst defending their own views: *“the ops guys are ops focused and they do not know one end of a force majeure from a liquid liability” [B Comm].* Buyer-side conflicts can compromise supplier performance. One supplier complained of the number of stakeholder groups they needed to *“win over”,* whilst another complained of the effects of buyer-side politics:

*[S Del] “Believe me, there's games played all over the place. And one of our biggest challenges is to actually try and work out who is on side and who isn't on side”.*

*Subjectivity.* IVPD stems partly from fundamental differences in how people assess value and from the validity ascribed to other peoples’ perceptions. Relationship managers, finance managers, and operations managers are more inclined to assess supplier performance objectively through business cases, quantified data and Service Level Agreements (SLAs), whilst others, including service users, make subjective judgements of their experience relative to localised expectations. Subjectivity increases for those groups concerned with intangible service-oriented benefits, or longer-term strategic value. One supplier referred to these intangibles as “… *the things you cannot put in a contract*”. Subjective value judgements were more prevalent on the buyer-side. Supplier value includes intangible elements, but is predominantly tangible and therefore more objectively assessable. The different approaches to value cognition on the buyer-side are illustrated by commercial relationship managers’ intolerance toward other groups’ subjectively formed opinions*:*

*[B Comm] “… I do feel sorry for them [the supplier] sometimes … because they [internal client] do make assumptions sometimes about the supplier without the facts … because it’s just word of mouth … and there’s nothing the supplier can do to change that around, and really it’s a false statement which is quite often made”*

*[B Del] “There’s something we call the ‘myth’. Never let facts get in the way of bashing the supplier”*

*[B Del] “Myths are created you know ... if you say it often enough it becomes the truth”.*

Through use of language such as *myth*, *false* and *fact,* relationship managers consider themselves privy to an objective truth that invalidates other groups’ more subjectively formed perceptions of value. Some stakeholders make subjective judgements even when objective data are available, especially when data does not match local experience. Strategic relationships are founded on extensive contracts with detailed pricing and performance schedules, yet paradoxically, the extent and complexity seem to increase the tendency toward subjective judgements; as stated by one buyer: *“...SLAs are often so detailed that you don’t actually know what’s going on” [B Exec].*

*Temporality.* The temporal dimension of IVPD reflects the long-term nature of major B2B relationships. People’s perceptions and expectations evolve continually through discursive and experiential processes, sometimes converging with other groups, sometimes diverging. Internal and external interactions help value understanding to evolve over time: *“If you don’t spend time talking to each other, then I don’t think you get value” [B Comm].*

Both buyers and suppliers highlight the extensive time needed for stakeholders to fully appreciate the value of any relationship, with *“years”* stated frequently as an appropriate timeframe. The temporal dimension of IVPD indicates a tacit nature to value perceptions and explains the importance ascribed to maintaining continuity of relationship personnel. One participant considered continuity to be so vital that they “*...make sure that all these people are ring-fenced ...and are there for years” [B Exec].* Changes in key personnel are deemed to destroy value:

*[B Del] “…if you lose the relationship person who understands the relationship ... that’s quite a negative for both parties”*

*[S Comm] “The breakdown in the relationship is because the person has moved...”*

Re-establishing tacit knowledge and social capital is time consuming and expensive: *“the handover could take you six months” [B Del].*

Significant watershed points occur in some relationships, after which, new value rules pertain. Following a watershed point, value achievements are perceived and responded to differently, *“...so that was an indication that <Buyer> had almost kind of like turned its back on them” [B Del].*  These finite state changes often follow an executive level personnel change or result from a groundswell of negative perception reaching a critical level across influential stakeholder groups. Participants identify examples where improvements in supplier performance no longer had the expected effect following these watershed points:

*[B Del] “I think the writing was on the wall at about that time”*

*[B Del] “if only we had done that earlier ... unfortunately it delivered them a little bit too late in the day, [pause] which is a great, great shame”*

*Expectations.* In complex B2B relationships, value expectations are often tacit and unexpressed in contracts but ultimately are the basis for value judgements and relationship persistence. The subjective assessments of value delivered by suppliers stem from expectations of how the supplier, and alternative competitors, might perform. Expectations can create on-going problems for suppliers in demonstrating value particularly when stakeholders’ expectations relate to their perceptions of a supplier, as these can drive internal politics and resistance:

*[S Del]* “*There could be varying reasons, you know, the individual you're working with, actually may not have wanted <Supplier> to get the contract in the first place”*

*[S Del] “…we're not giving you what you need because either we're not performing, or actually, there's people in your organisation … making it difficult for us actually to give you what you want”.*

Expectations become particularly problematic following senior personnel changes as they can bring different experientially grounded expectations but have little exposure to the extant organisational learning.

*[B Exec] “...none-the-less each individual comes with a perception of the world”*

*[B Exec] “We are on our fourth CIO in seven years, and with that always comes a change of direction”*

*[S Comm] “Someone new coming into a role naturally wants to put their stamp on it”*

*[B Exec] “... the guy at the top who came in, he just decided it was not the deal he wanted”*

New expectations associated with personnel change destabilise relationships although this finding is not universal. For example, one sales manager described how a relationship had been *“revived”* as new leadership halted value-destroying conflict.

**Consequences of IVPD**

The identification of IVPD in strategic B2B contracts has significant implications for the delivery of value and even for relationship outcomes. Buyer-side IVPD leads to the circulation of mixed messages about performance and conflicting priorities and requirements communicated to suppliers, compromising their ability to deliver value. As illustrated in the following passage, suppliers’ value delivery can be hampered because of issues they perceive within the buying organisation.

*[S Del] “I will talk to one of the [buyer-side] directors here in terms of … we believe we've got an issue here … and believe me, Mr Customer, all your deckchairs are not pointing in the same direction. If you're talking of the relationship we have between us and procurement, it's a slightly different approach because the procurement guys have a job to do. They are driven against … value for money, contract price, etc. etc. it's when that contract gets handed over into delivery, and … there's internal politics inside every organisation, and it's understanding how it all fits.”*

References to games, politics and individual agendas highlight the additional resources required to navigate IVPD in buyer organisations. Ultimately, these resources increase both parties’ costs and destroy value. Further discontentment arises when suppliers pass on increased costs to the customer. Suppliers express frustration with inconsistent messages, something they link to competency.

*[S Exec] “Well how long have you spent talking to customers that can't express exactly what they want?”*

*[S Comm] “Give me a customer who knows what he’s doing”*

*[S Exec] “An incompetent customer always destroys value”.*

IVPD increases the risk of supplier opportunism and weakens the customer’s ability to influence the relationship as messages to the supplier and poor client behaviours undermine commercial management. Opportunism coupled with management control issues can lead to a spiralling of IVPD and negative perceptions of a supplier accumulate to *“externalise blame”.*  Participants generally agree, *“it’s very easy to blame the supplier” [B Exec].* Relationships fail to achieve stability where IVPD persists as pockets of dissatisfaction lead to watershed points and relationships may be terminated early, often at great cost.

*[B Del] “... and <Buyer> paid them an awful lot of money just to make them go away”.*

The acceptance of a mood for change once relationships enter a doomed state occurs despite buyers recognising that they may suffer high negative value consequences including high termination costs, significant adaptation costs, and reduced operational performance.

*[B Del] “Ironically I think they’ll [supplier] make a significant amount out of the exit”*

*[B Del] “You’re just running on fumes at the end”*

*[S Exec]* *“Who cares what happens at the end of a contract?”*

**Value perception alignment**

Value dissonance theory is proposed as an interpretative theory where multiple realities and indeterminacy are recognised in complex, dynamic phenomena, and the focus is on improved understanding ([Charmaz, 2006](#_ENREF_13)). The challenge with strategic relationships is the negation of the effects of IVPD. Value dissonance theory is presented to improve understanding, whilst also identifying actions through which perception alignment may be progressively improved (see Figure 3)

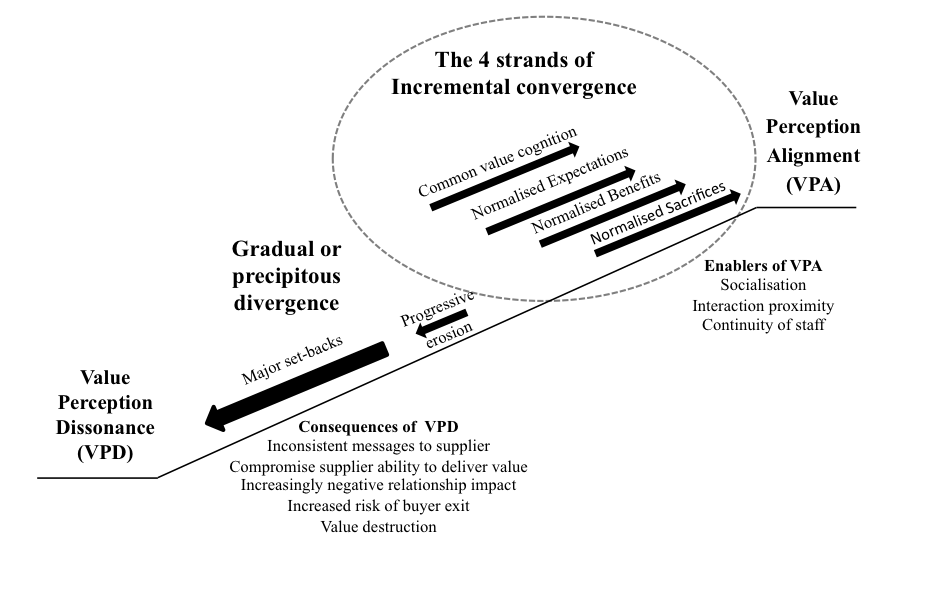


Figure 3: The slippery slope towards value perception alignment

Stakeholders form subjective value perceptions relative to expectations. Perceptions and expectations vary across an organisation and over time. Members of closely communicating internal groups socially construct tacit, subjective perceptions. Different internal groups have their own expectations and priorities leading to the evolution of IVPD and its associated negative consequences. The antithesis of IVPD is Internal Value Perception Alignment (IVPA). Achieving IVPA in the buying organisation is a necessary precursor to alignment at a relationship level and to improved outcomes. The journey towards IVPA is likened to a slow, incremental ascent of a greasy slope. Where no effort is made to align value perceptions and expectations, then natural entropy results in a slide toward dissonance. Larger slides result from performance incidents, supplier opportunism or the loss of key personnel’s accumulated tacit knowledge, all of which create serious repercussions for a relationship.

Internal discursive processes gradually align perceptions. Over time through communication, people normalise a common understanding of value, firstly within and subsequently across, internal groups. The objectives of IVPA are shared value-language, acceptance of plurality and a detailed appreciation of different perspectives. Four strands require attention in the pursuit of IVPA: 1) alignment of value cognition; 2) normalisation and management of expectations; 3) a normalised understanding of benefits; and 4) a normalised understanding of sacrifices.

The first strand in the value alignment process is the alignment of different stakeholders’ perceptions of the nature of value. Internal stakeholders need to share a common understanding of the meaning, representation, and content of value, including both benefits and sacrifices components. Cognitive alignment is an important precursor to the alignment of value assessments. Building on a shared language foundation, the second strand advocates the normalisation of expectations across internal stakeholder groups. Value expectations stem from three bases; thus IVPA increases where market knowledge is shared internally; where commercial data informs judgements on distributive justice; and where internal stakeholders ground and normalise supplier-set expectations. Tacit value expectations and subjective assessments increase the difficulties of internal alignment. Commercial relationship managers should identify the nature and importance of value expectations internally.

The third and fourth strands (normalised understanding of benefits and sacrifices) form the basis for aligning value perceptions. Perceptions need to transcend purely subjective assessments. Commercial relationship managers should incorporate objective cost data and other subjectively assessed sacrifices, which should be interpreted against the full range of tangible and intangible benefits. Comprehensive alignment can never be expected in a highly dynamic system but focusing efforts on the four strands of the incremental value convergence, organisations can achieve a much more cohesive assessment of B2B value.

**DISCUSSION AND CONCLUSIONS**

The novel use of focus groups at the start of a constructivist GT study enabled a deep, interactive exploration of collaborative relationship issues, from the outset. The approach provided early insights into the complex interaction between cognition, experience and expectations through which perceptions of value are formed, and which account for inter-group variations in perceptions. The theory of IVPD was developed to explain how perception dissonance varies over time and to identify purposeful action that managers may take to reduce its extent and effects.

Four dimensions of IVPD are derived from the data, but this finding does not preclude the possibility that others exist. Stakeholder groups may be profiled against these dimensions, and the risk of dissonance may be expected to increase the more group profiles vary along one or more of these dimensions. For instance, the socialisation literature reports that consensus between any two groups is less likely to be achieved where groups are distanced by function and location, and when each group is closely bonded internally ([Cousins et al., 2006](#_ENREF_20)). Differences in value perceptions are magnified by cognitive differences in how people conceive and assess value. The subjectivity dimension in the IVPD model highlights cognitive difference. Highly objective assessments based on quantified financial or performance data at one extreme may be distinguished from highly value-laden and even emotional judgements at the other.

The value literature recognises subjective assessments of value ([Flint, Blocker and Boutin, 2011](#_ENREF_30); [Grönroos, 2011](#_ENREF_38)) particularly in complex, knowledge-intensive contexts that can limit objective value measurement ([Aarikka-Stenroos and Jaakola, 2012](#_ENREF_1)). IVPD demonstrates that perceptions form at an inter-personal level, from which localised pockets of truth distil through discursive processes. In this socio-cognitive classification, objective determination of value is ruled out ([Haas et al., 2012](#_ENREF_39)). The divisive language of myth and truth noted in this study, provides an insight into sources of dissonance and illustrates the challenges faced by suppliers if anticipation of future customer value ([Flint et al., 2011](#_ENREF_30)) is to become a reality in practice.

The results show that even the more contract oriented buyer-side stakeholders are inclined to interpret supplier value performance against previously established expectations. Three types of value expectations are identified: expectations of how an alternative supplier may perform ([Ulaga and Eggert, 2006](#_ENREF_76)); expectations of the proportional share of value accruing to buyer and supplier ([Pinnington and Scanlon, 2009](#_ENREF_68)), and expectations set by the supplier during the contracting process. Stakeholders socially negotiate expectations and they evolve in the same way as perceptions of value performance, but inter-group differences may be amplified in groups excluded from the contracting process. The appointment of new senior stakeholders with different experientially grounded expectations disrupts existing relationships. The length of strategic relationships increases their vulnerability to such disruption.

The identification of IVPD within the buying organisation highlights disparities in value cognition that pose significant risks to relationships. The extant literature implies the presence of unitary cohesive entities, yet the disparity of buyer-side value perceptions shows that in the context of larger buying organisations, *the* buyer, as a unitary entity, cannot be considered to exist. IVPD is predominantly a buyer-side phenomenon. Suppliers generally have a more focused operational interface leading to greater cohesion and clarity in their value perceptions. The high tangibility of supplier benefits compared with buyer benefits, considerably simplifies the value assessment process. In a value context, the partnership literature almost exclusively focuses its attention on the inter-organisational interface ([Schurr et al., 2008](#_ENREF_70); [Ambrose et al., 2010](#_ENREF_2); [Prior, 2012](#_ENREF_69)) through constructs such as trust, commitment and collaboration. Value dissonance theory presented in this study highlights the importance of intra-organisational alignment as an antecedent to traditional relationship management practice.

**Theoretical contribution**

The contribution of this study is the development of value dissonance theory that explains stakeholders’ behaviour relating to the nature, creation and assessment of value in the contract delivery period, areas which have been identified as key research priorities for B2B value theory ([Lindgreen et al., 2012](#_ENREF_56)). IVPD is novel as it identifies recurrent issues with value perception formation within buying organisations that compromise relational success. Value dissonance theory identifies actions to improve internal perception alignment, thus addressing the call to fill the gap in understanding how to manage strategic collaborative relationships ([Touboulic and Walker, 2015](#_ENREF_75)). IVPD portrays a complex, dynamic, social system where differences in value cognition, perceptions, expectations and priorities are extended or contracted by prevailing internal discursive processes. The theoretical model of IVPD presented in this paper contributes new insight into the reasons for the persistent issues of under-performance and failure in strategic relationships ([Fang et al., 2011](#_ENREF_28); [Meehan and Wright, 2013](#_ENREF_64)), that are not accounted for in the dominant relational view ([Dyer and Singh, 1998](#_ENREF_23)), and crucially, provides mechanisms to counter risks of failure.

Significantly, the nature of IVPD, illustrated by cognitive differences, parochial behaviour and unitarist perspectives on value, indicates that primary responsibility for improving alignment needs to rest within the buyer organisation. This is important as it represents a shift, theoretically and in practice, away from the traditional focus on collective, joint responsibilities in strategic relationships, predicated on the dominant paradigm in the purchasing and B2B literature, the relational view ([Dyer and Singh, 1998](#_ENREF_23)). This is not to suggest that collaboration is flawed; rather it adds a nuance to the leadership role of the buying organisation in sustaining shared value across the life of the contract.

Value dissonance theory thus provides additional empirical support for recent theoretical developments in the broader B2B value landscape that recognise the criticality of intra- and inter-organisational contexts ([Makkonen and Vuori, 2014](#_ENREF_61)) in shaping and conditioning perceptions ([Corvellec and Hultman, 2014](#_ENREF_19)). Value dissonance theory contributes by exposing the complex web of opinions, “truths” and “myths” that suppliers navigate in complex relationships. Service delivery involves dynamic interactions ([Lacoste and Johnsen, 2015](#_ENREF_50)) of multiple stakeholders over time ([Chandler and Lusch, 2015](#_ENREF_12)). Value dissonance theory extends this conceptual landscape of service value through exposing how the complexity manifests within, and across, organisations. The complexity identified in IVPD highlights the need to move away from traditional, narrowly conceived notions of buyer-seller relationships, to an approach that represents the fluidity of value perceptions, and acknowledges causes of dissonance and their impact. IVPD contributes further evidence to the conceptual development of value through promoting pluralistic, inclusive internal collaboration to align value perceptions, as experienced from a range of stakeholders and service users ([Vargo and Lusch, 2004](#_ENREF_77); [Ford and Mouzas, 2013](#_ENREF_32)).

The IVPD phenomenon is important for highlighting differences in stakeholder group perceptions, and particularly for the associated insights into how value perceptions form and evolve. In complex service systems, value propositions invite, shape, and potentially transform stakeholders’ engagement and experience ([Chandler and Lusch, 2015](#_ENREF_12)). The B2B literature has long recognised that stakeholders have different influences on the buying decision process ([Webster and Wind, 1972](#_ENREF_81); [Knight, Holdsworth and Mather, 2007](#_ENREF_49)), but the IVPD concept advances our understanding of value from the one-off decision point of buying-centre models, into the much longer period of contract operation. In the contract delivery period, pockets of value perception continuously form, evolve and reform, as socialised groups of stakeholders negotiate local truths that in many cases are founded on highly subjective assessments of performance.

Insights from the temporal dimension of IVPD make an important contribution to the recognised shortfall in the value literature ([Lindgreen et al., 2012](#_ENREF_56)). In complex strategic relationships different benefit types accrue at different stages. Where buyer stakeholder groups work parochially they form different perceptions of supplier value performance depending on the timing of benefit delivery most of interest to them. Temporal variations in benefit delivery therefore are a major source of IVPD. In an organisation where purposeful action is not taken to share the wider picture, perceptions diverge further over time through a form of entropy ([Schurr et al., 2008](#_ENREF_70)).

**Managerial implications**

IVPD highlights the need for a shift in buyer-side priorities to improve internal relationship management practices, challenging the predominantly inter-organisational focus of the literature. Inter-organisational collaboration remains important, but crucially, IVPD suggests the need for internal buyer-side collaboration as a precursor to effective inter-organisational collaboration. The model in Figure 3 proposes that IVPD and its antithesis IVPA form opposite ends of a highly dynamic continuum. The system tends towards dissonance where poor internal communication encourages narrow localised perceptions to be socially reinforced. In order to align value cognition and mitigate the risk of IVPD, relationship managers should develop regular, frequent communication channels with a range of internal stakeholders approaches to normalise, over time, a common understanding of value.

Dissonant buyer groups fundamentally undermine the supplier’s responsibility for establishing consistency in a relationship ([Haas et al., 2012](#_ENREF_39)) and underpins the importance of coordinated communication to align stakeholders’ perceptions of supplier performance ([Cousins and Menguc, 2006](#_ENREF_21)). The danger in the extant literature, and in practice, is that internal alignment might be taken-for-granted yet the results of this study suggest that dissonance is endemic within larger buyer organisations. The achievement of value alignment in practice, whilst also embracing pluralism and respecting different stakeholder groups’ perceptions, will be a challenge for relationship managers. Value equations incorporating typologies of buyer and supplier benefits ([Walter and Ritter, 2003](#_ENREF_79); [Blois, 2004](#_ENREF_9)) provide a practitioner friendly framework from which the full diversity of short and long-term benefits may start to be identified and weighed against the sacrifices incurred in obtaining them. Crucially, value needs to be considered throughout the life of a contract, not just at a point-in-time at the sourcing stage. In the case of strategic supply chain relationships, the utilisation of value equations ([Pinnington and Scanlon, 2009](#_ENREF_68)) can ensure that value-distribution expectations are recognised and aligned. Managers should ensure internal value alignment effort is continuous, inclusive and involves extensive interaction. In order to maximise value alignment in strategic relationships, managers need to reprioritise internal relationship management, as this is a necessary precursor to dyadic relationship alignment.

**Limitations and future research**

The context of this study was limited to high-value relationships and inevitably raises a number of questions that would provide a fruitful basis for future studies. Research is needed to understand the effects of different organisational designs, buying organisation size, relationship size, and contractual complexity on IVPD. How large and complex does a relationship need to be before value dissonance effects will be manifest? The proposed link between IVPD and relationship health provides two further potential lines of enquiry. Retrospective analyses of problematic relationships may be undertaken to establish the extent to which issues are traceable to IVPD effects, whilst forward-looking, action-research studies may examine the potential for improving problematic relationships through improved buyer-side alignment.

The current study was limited to dyadic vertical supply-chain relationships in which the effect was most strongly noted in large buyer-side organisations. The study of peer-to-peer alliances, both substantial dyadic alliances and multi-party collaborations would provide a further area of interesting study. In strategic alliances in which diverse stakeholder groups are involved from each partner it may be expected that IVPD issues will become evident in each partner organisation, in contrast to vertical relationships.

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1. Used throughout in its meaning of: relating to discourse [↑](#footnote-ref-1)