

Achieving preferred customer status in the Dutch plastics recycling industry

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The aim of this research is to gain insight into the aspects and processes in the Dutch plastic recycling industry which might lead to a preferred customer status and acquiring benefits once the status has been reached. The whole process of reaching preferred customer status goes through various phases in which customer attractiveness, supplier satisfaction, commitment and reinforcement play a role. The study used a qualitative approach. Semi-structured interviews were held with suppliers, customers and traders in the plastic recycling industry in the Netherlands. The results show that during the customer attractiveness phase, a customer needs to convince the supplier that they are dealing with a trustworthy partner. Relational dimensions are not a priority for the supplier but do play a role if operational aspects are seen as more or less equal, which is often likely to be the case in a competitive market. In contrast, traders do attach importance to the personal relationship with customers from the start. A supplier will confer a preferential status to customers who (according to their feelings) will deliver the highest levels of satisfaction. Alternatives seem to come into question mainly where someone is significantly dissatisfied with the existing customer or if a significantly better alternative arises. The whole study is summarised in a reverse marketing model.

Keywords: customer attractiveness, reinforcement, supplier satisfaction, commitment, preferred customer status, reverse marketing model

Introduction

The past few decades have shown an interesting development in the treatment of plastic waste (PlasticsEurope Market Research Group, 2015). As awareness of sustainability grew, plastic waste first became something that plastic producers needed to get rid of in a responsible way. But as raw resources for plastics became scarcer, in recent years there has been increasing pressure on the availability of certain commodities. Plastics, a product derived from oil, is one of the commodities for which demand has risen sharply over recent decades and which is expected to increase further in the future (Constantinesco & Heuvel, 2012; Dobbs, Oppenheim, & Thompson, 2011). As a result of this increasing pressure on availability and the price level of new (virgin) plastics, a new B2B market for recycled plastics has developed in recent decades. Recycled plastics are being used in increasing amounts; the plastic recycling sector makes use of discarded plastics from consumers and the plastics processing industry, which are re-processed into raw materials for the plastics processing industry. An increasing number of companies make use of recycled plastics in their production processes as an alternative to virgin plastics.

Figure 1 shows the treatment of post-consumer treatment of plastic waste in countries in relation to bans on plastic landfill. Countries with landfill bans clearly achieve higher recycling rates.

Plastic waste materials are not directly produced but are a byproduct of other processes. The available amounts can therefore not be adjusted to market requirements. Companies which use recycled plastics in their manufacturing processes

face a major challenge. How can customers of recycled plastics secure the delivery of recycled plastics now and in the future? This increased pressure on the availability of recycled plastics has led to the main question for this research project:

“How can customers in the Dutch plastic recycling industry achieve a preferred customer status and once achieved, what are the benefits of this status?”

Literature review

A good deal of the available literature on industrial and customer relations proceeds from the assumption that the market situation is such that the supply of products and services is greater than demand. In this market paradigm, the struggle is in favour of the customers. In the opposite market situation, customers fight for the goodwill of the suppliers because of the scarcity of commodities or other causes. Customers need to meet the needs of the supplier. However in a different context this could be referred to what is called by Leenders and Blenkorn “reverse marketing” (as cited in Hüttinger, Schiele & Veldman, 2012, 1194).

A company may try to bind itself to a supplier by adapting to the needs of the supplier better than its competition. In order to strengthen the relationship with the supplier, the needs of the supplier organisation must be met in order to positively influence their satisfaction. In the literature this is referred to as “supplier satisfaction” (Baxter, 2012; Benton & Maloni, 2005; Essig & Amann, 2009; Hald, 2012; Hüttinger, et al., 2012; Nollet, Rebolledo & Popel, 2012; Nyaga, Whipple & Lynch, 2010; Schiele, Calvi & Gibbert, 2012; Schiele,

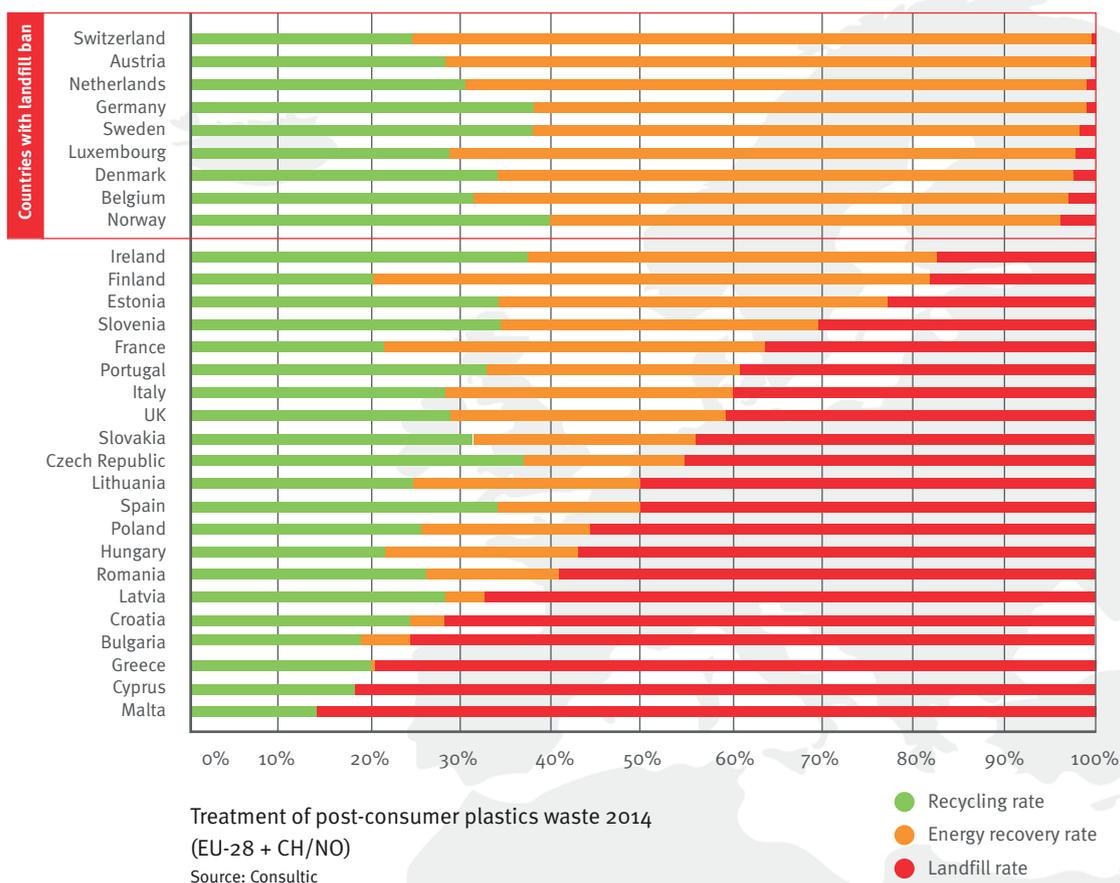


Figure 1: Countries with landfill bans achieve higher recycling rates. Source: PlasticsEurope Market Research Group (2015, p. 21)

Veldman & Hüttinger, 2010; Trent & Zacharia, 2012). Where a demand organisation understands how to distinguish itself from its competitors by better meeting the needs of the supplier than the competitors can, it may become possible to obtain preferential treatment from the supplier, referred to in literature as “preferred customer status” (Baxter, 2012; Ellis, Henke & Kull, 2012; Hüttinger, Schiele & Schröer, 2014; Moody, 1992; Nollet et al., 2012; Schiele, 2012; Schiele et al., 2012; Schiele et al., 2010; Schiele, Veldman & Hüttinger, 2011; Trent & Zacharia, 2012). A supplier can only be satisfied by the performance of their customer and give them preferred customer status after a customer is in the picture, so that positive expectations can be created with the potential supplier. This phase is described as “customer attractiveness” (Christiansen & Maltz, 2002; Ellegaard, 2012; Ellegaard, Johansen & Drejer, 2003; Hald, 2012; Hald et al., 2009; Harris, O’Mally & Patterson, 2003; Hüttinger et al., 2012; La Rocca, Caruanna & Snehota, 2012; Mortensen, 2012; Nollet et al., 2012; Ramsay & Wagner, 2009; Schiele et al., 2012; Schiele et al., 2010; Schiele et al., 2011). If preferred customer status is obtained (and retained) this can lead to long-term preferential treatment from the supplier through which a customer can improve its competitive position in its own sales market.

The research fields customer attractiveness and supplier satisfaction may be distinguished by a set of dimensions which are evaluated by suppliers. These dimensions might

differ, related to the company and industry they are in. It is possible, however, to make a global division between two sets of dimensions. Firstly, there are the business-related, fact-based (economic/technical) dimensions (Christiansen & Maltz, 2002; Essig & Amann, 2009; Ramsay & Wagner, 2009), which can be divided into operational (direct) functions and strategic (indirect) functions (Nollet et al., 2012). The first of these have an immediate impact on a supplier’s business; the latter will have impact in the future. Secondly, a group is formed by communication-related, interpersonal, human-based (relational) dimensions (Benton & Maloni, 2005; Christiansen & Maltz, 2002; Ellegaard, 2012; Ellegaard et al., 2003; Essig & Amann, 2009; Hald, 2012; Hald et al., 2009; Harris et al., 2003; Moody, 1992; Nyaga, et al., 2010; Ramsay & Wagner, 2009).

Customer attractiveness is the ex-ante situation where a customer has to attract the interest of a supplier in order to interact with that supplier (Hald, 2012; Hüttinger et al., 2012; La Rocca et al., 2012). The supplier will evaluate the expected attractiveness of the customer using the customer attractiveness dimensions. Supplier satisfaction is the ex-post situation in which transactions take place between customer and supplier, where a supplier evaluates these transactions using the supplier satisfaction dimensions. A supplier will have to make a choice as to which customer(s) he/she will give preferred customer status. The author of this article advocates not only drawing a clear line between customer

attractiveness and supplier satisfaction, but also between supplier satisfaction and preferred customer status. At the level of supplier satisfaction an overall evaluation is carried out using the supplier satisfaction dimensions. Experiences are, simultaneously, compared with expectations and the (possible) performance of alternative customers. The outcome of this evaluation is an overall conclusion about the level of satisfaction based on the comparison level and the comparison level of alternatives. High levels of satisfaction are linked to a preferred customer status, which leads to suppliers feeling inclined towards providing preferential treatment (Trent & Zacharia, 2012) and the benefits that the customer is striving for.

The discussion of the literature may be summed up in the form of a reverse marketing model (see Figure 2).

Method

The aim of this research is to gain insight into the aspects and processes in the Dutch plastic recycling industry which might lead to a preferred customer status and acquiring benefits once the status has been reached. This leads to the following problem statement:

Which aspects and processes in the Dutch plastic recycling industry play a role in achieving a preferred customer status and how do businesses benefit from this status?

Most of the literature on preferred customer status and reverse marketing is either conceptual, uses a case study approach with secondary data, or it uses a quantitative approach with survey research. Only a few studies use a quantitative approach where they interview the actual stakeholders to obtain in-depth knowledge of the motives that drive their behaviour. Examples of qualitative studies are Christiansen and Maltz (2002), Hald (2012), Harris et al. (2003), Hüttinger et al. (2014) and Pulles et. al. (2015). One of the authors of the present study works as a trader in the plastic recycling business. This gave him a unique entrance to suppliers, traders and buyers of plastic waste material. Both these factors, limited qualitative studies and proximity to the stakeholders made us decide on a qualitative approach as the appropriate method.

Semi-structured interviews were conducted in a well-planned sequence: First a table with information requirements was created based on the literature review, and complemented with the researcher's own experience as trader, both in his role of customer and supplier of raw materials.

Then a pilot interview was held to ascertain the information requirements. This was followed by a first round of six interviews, two with each stakeholder group. The interviews normally lasted between one and two hours and were audio-recorded. All interviewees gave permission to use the material for research. Immediately after each interview, these were transcribed and analysed. After the first round of interviews, detailed discussions took place between the two researchers, and the information requirements and interview questions were revisited.

Then a second round of six interviews took place, followed by an overall analysis of the results. Each interview was mapped separately on the basis of the information requirement template. After that the individual interviews were categorised

in terms of the business-related and relational dimensions. These dimensions form a theoretical construct that builds on the underlying aspects which emerged from the interviews.

Findings

The three research fields – customer attractiveness, supplier satisfaction and preferred customer status – each have a set of operational, strategic and/or relational dimensions, in accordance with the views of Essig and Amann (2009).

The dimensions are made up out of different, underlying aspects. The aspects emerged during the interviews held with traders, suppliers and customers. The definitions used for the various dimensions are, as far as possible, derived from the coding used by Ramsay and Wagner (2009).

Customer attractiveness dimensions

In the customer attractiveness phase the supplier determines whether a customer (or trader in the role of customer) may be considered as a potential buyer of plastic waste materials. In Table 1 the views of suppliers, customers and traders are given. Suppliers indicate what makes a purchaser attractive. Customers indicate, given their own views and experience, what makes a customer attractive for supplies.

Suppliers find the price that waste materials generate an important aspect (*Overall profit*) and they strive for a turnover which matches the market. A customer (or trader in the role of customer) must also be able to purchase various materials and quantities (*Demand stability*). Suppliers consider it important that a customer can meet their future payment obligations (risk reduction) and that they have met them in the past (*Financial probity*). Frequently information is gathered about this in advance (network, credit report).

In addition, the customer (or trader in the role of customer) needs to be prepared to adapt their logistic systems to those of the supplier (containers, silos, etc.), they have to take care of a swift and flexible response and a simple, straightforward communication style with the supplier. In order for the customer to be considered for purchasing materials, suppliers can also have additional conditions, such as certification with regard to transportation, collection, trading and processing of plastic waste materials (legal requirements).

Customer attractiveness is also determined by the reputation of the particular customer. Suppliers therefore gather references in various ways (*Reputation*). The company is often visited in order to gain a broad view of the company (personal meetings).

Suppliers (and traders in the role of supplier) indicate that no format is used in order to check whether a customer is interesting or not. They say that it would be possible to use a checklist, but they don't. In a number of cases, internal discussions take place whether transactions should be started with a potential customer. The "overall feeling" forms the most important basis on which to evaluate the customer in order to reach a decision, supported by some objective criteria.

Where objective criteria result in approximately the same appraisal being reached for a number of companies, personal preferences come into play, being described as the "click" and the "feeling", which often ultimately determine whether a transaction actually takes place (*Personal preferences*).

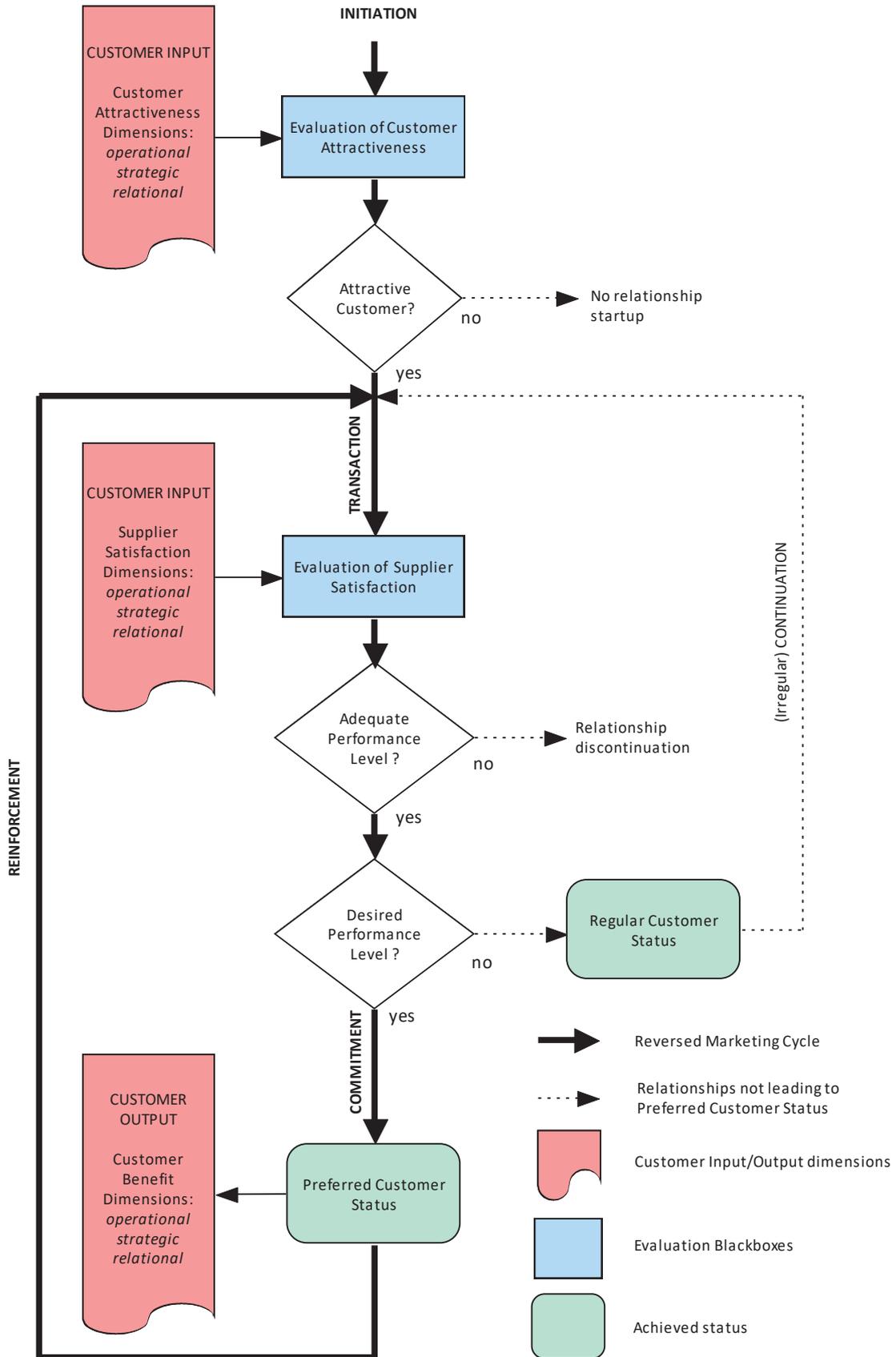


Figure 2: Reverse marketing model (detailed)

Table 1: Customer attractiveness dimensions

Dimension	Aspects	
	Supplier	Customer and trader in role as customer
Administrative performance (operational)		Quality of the administrative service provided
Demand stability (operational)	Collecting all materials (types and quantities)	Continuity Collecting all materials and all quantities
Financial probity (operational)	Paying on time, credit information	(Fast) payment, good payment conditions
Legal requirements (operational)	Handling & knowledge of hazardous substances/ plastic wastes	
Logistic performance (operational)	Fitting logistical systems to the supplier Fast, flexible response time Ease of communication	Good logistic performance; Adaptability to suppliers' logistics system
Overall profit (operational)	Price	Good, competitive price
Personal meetings (relational)	Visiting customer to get a broad scope of potential	Inviting supplier Showing equipment
Personal preferences (relational)	If objective criteria (prices, payment, logistic and administrative performance, etc.) are approx. the same: feeling and personal 'click'	Personal similarities Same company profile Initial personal chemistry
Reputation (operational)	References Company information (internet) Names of other suppliers History of the company Company certification	References Names of business partners Presentation of the company (internet etc.) History of the company
Risk reduction (operational)		Ability to collect large quantities
Sales volume (operational)		Show what will happen with the materials
Sustainability (operational)		Acting upon agreements with regard to: price, payment, quantities, logistic & administrative performance; be a reliable business partner
Trustworthiness (relational)		

Customers and traders in the role of customer consider it important that a good, fair market price is paid to the suppliers (or traders in the role of supplier) for the waste materials (overall profit) and that they take care of a (quick) payment within the agreed term (financial probity). A customer needs to be able to absorb large quantities and to purchase all materials (demand stability). A customer needs to adapt to the logistic and administrative systems of the supplier (expressed as "adapt like a chameleon" by one customer) and take care of an adequate implementation (Logistic and Administrative performance).

Their own reputation is of importance (reputation). In addition the supplier (or trader in the role of supplier) is invited to visit so that the customer can show them their company and the facilities (personal meeting). Customers also see it as important that they know what happens to the waste materials on account of the image and accountability of the supplier (sustainability).

Customers prefer there to be personal similarities ("chemistry" or "click") between themselves and a supplier (or trader in the role of supplier), but similarities in the type of company can help here as well (personal preferences). Both customers as well as traders in the role of customer realise that suppliers are looking for reliable purchasers of their waste materials (trustworthiness).

Supplier satisfaction dimensions

During the supplier satisfaction phase the supplier determines to which extent they are satisfied with the performance of the customer. In Table 2 the insights of the suppliers, customers

and traders are presented. Suppliers explain what makes them (very) happy in their relationship with the customers. Customers explain what, in their view, makes suppliers happy. In addition, the most important aspects named by suppliers in their decision to assign preferred customer status to a certain (group of) customers are shown in bold.

Suppliers expect a good, fair market price for the waste materials (*Overall profit*). Suppliers think that timely payment of the invoices (*Financial probity*) is an important aspect in the relationship with a customer (or trader in the role of customer). Suppliers do business with customers who buy all materials with all quality levels (*Demand stability*) and accept (small) quality deviations (*Risk acceptance*). The performance in logistic (*Logistic performance*) and administrative (*Administrative performance*) areas are seen as (very) important. Suppliers expect accurate performance in both areas, which meet the agreements reached. In addition to this, the ease of communication and fast response (*Communication*) of the organisation of the customers is mentioned.

A good interaction between staff members of the supplier and customers (or traders in the role of customer) are considered important in order to allow daily work activities to proceed in a supple fashion (*Good inter-organisational staff relationships*).

Changing over to another customer (or trader in the role of customer) is considered where there is a significant price difference between the current and alternative price. Price differences of up to 20% are mentioned in this context! However the existing customer will usually get a second chance to improve on their price. An existing business contact deserves

Table 2: Supplier satisfaction dimensions

Dimension	Aspects	
	Supplier	Customer and trader in role as customer
Administrative performance (operational)	Accurate, correct administrative procedures Acting upon agreements made Customer arranging weighing note If desired, customer sends credit invoice Administration by customer for accountability purposes	Adapting to administrative system of the supplier, providing administrative services to all levels of suppliers organisation Customer provides information to supplier (weighing of materials), possibly customer sends credit invoice
Communication (relational)	Convenience of communication, responding quickly	Maintaining contact (at right frequency) Ease of good, objective, communication problem-solving communication skills; if problems occur is also an indicator how relationship will develop
Contact stability (relational)	On time payment	Seems less attention is being paid to personal relationships at big companies, high turnover of (sales/purchasing) employees, in contrast to small companies Supplier knowing the customer's customer
Demand stability (operational)	Accept all materials and different qualities	Collect/buy all materials, not only the interesting ones Continuity, regular quantities/volume (in good and bad times)
Financial probity (operational)		On time, fast payment, payment in advance Also payment if there is a problem with a single delivery
Good inter-organisational staff relationships (relational)	Relationship is not considered to be of eminent importance but useful to smoothen operations and to gain market information	Good co-operation/collaboration, at the start of a relationship, meet each other more often
Logistic performance (operational)	Accurate, good logistics Flexibility Customer provides containers, timely exchange of containers (giving a signal), weighing the materials Acting upon agreements reached Striving for one business partner	Being flexible, providing instant required service Adapting to the logistic systems of the supplier Providing logistical services to all levels of supplier's organisation Arranging transport, delivering containers, silos or other devices, storage capacity Collecting materials quickly Stock at customers' premises, customers weigh the materials, organise exports
Long-term interactions (strategic)	Not switching if existing performance is OK and price difference is small (up to 20%) Continuity, if changing is necessary: change in phases Continuity, giving existing customer a second chance if a competitor has a better offer, preferring to stay with the existing customer	Continuity Long-term business relationship Commitment, loyal customers → Continuity more important than (maximising) sales price Customer doesn't run away at the sight of a competitor
Overall profit (operational)	Reasonable price, market price, maximise yield	Paying reasonable market price Profit margin, sales price Customer financing the stock by taking over the materials
Partnership (strategic)		Mutual logistical investments Investments in common developments. Partnership also raises exit barriers Mutual trade, being a customer and supplier Information sharing, misuse of information has serious consequences for the relationship "Real friends"
Personal motivation (relational)		Being interested in the person themselves Engaging personally. Having a "click", understanding each other well; this is intangible, meeting privately Personal touch, sincere and mutual interest; prices become secondary
Personal preferences (relational)	If doing business for years, someone deserves a second chance, having a bond with each other	If price, logistic/administrative service is more or less the same, personal relationship, personal characteristics are important → granting the business Keeping competitors at a distance by not only being a business partner, but also have a private interface Good personal relationship is helpful in problem solving, not getting too close Having something in common, same perceptions, same interests, same world view; big companies like doing business with businesses of the same size
Risk acceptance (operational)	Accept (small) quality issues	Not nagging about small quality issues of the material Accepting small risks related to material Accepting currency fluctuations
Sales volume (operational)		Capable of handling large volumes
Sustainability (operational)		Transparency, making clear to the supplier what happens to the materials
Trustworthiness (relational)		Being honest in doing business, acting fairly Acting upon agreement with regard to: price, payment, quantities, logistical & administrative performance

a second chance as a result of the connection between the two companies (*Personal preferences*). If the supplier decides on an alternative customer, the changeover should ideally be a phased one. Suppliers show a strong preference for continuity in their relationship with customers (*Long-term interactions*) where they are satisfied with the performance of that customer.

Suppliers do not seem to evaluate supplier satisfaction dimensions or only irregularly. Where evaluations do take place, no format or (official) registration system is used. Where there is an evaluation, it is stated there hardly any hard, objective facts are used in order to evaluate the extent that they are satisfied with the customer (or trader in the role of customer). Experiences, memory, incidents and general impression form the most important input for the evaluation. Suppliers say that the evaluation process takes place “in their head” using a large number of aspects and thereafter the “overall feeling” emerges based on the “total package”. This “overall feeling” may be discussed internally and leads to a certain level of contentment with a customer. Sometimes a number of objective criteria are used to support the feeling.

There is also usually no (regular) evaluation of the supplier satisfaction dimensions with the customer (or trader in the role of customer). Action is taken when there are problems, so regular contact is important in the initial stages. If evaluation does take place with the customer, this is done on the basis of “what you know, what you see and what you hear”, according to one supplier. Experiences and memory seem to be the most important sources for the input for evaluations. Where an evaluation does take place, one or more people attend from both parties. Evaluations are approached in a practical fashion, sometimes supported by some objective criteria. These are whether agreements have been reached and whether any changes need to be made.

Customers and traders in the role of customer show hardly any differences in views compared to the descriptions of the suppliers, in terms of *Overall profit*, *Financial probity*, *Demand stability*, *Risk acceptance*, *Logistic performance*, *Administrative performance* and *Communication*. Logistic service is seen to be positively impacted if customers own their own transport and storage facilities, where the geographical distance to the supplier is small and where a fast response is possible to the supplier’s requests.

Customers and traders in their role as customer expect the destination of the plastic waste materials to be of importance to suppliers (*Sustainability*).

A good relationship between the staff members of the customer (or trader in the role of customer) and the supplier (or trader in the role of supplier) at various levels within the organisation is considered important (*Good inter-organisational staff relationships*). If insufficient attention is paid to the relationship with lower management levels and staff members at the supplier, this can lead to opposing forces in the supplier’s organisation, according to the customer, which is a situation they wish to avoid. Customers think that staff members and lower management levels at the supplier wield considerable influence on decision making regarding whether to continue or cease the relationship with the customer. This leads to customers offering, for example, an easily shareable Christmas gift to the staff members and managers at the supplier. This is considered important because they don’t want to pass over

individual staff members or managers. A non-shareable gift can lead to disappointment and frustration on the part of some staff members and managers, is the thinking behind this. A well meant present could, according to this way of thinking, actually lead to a worsening relationship with supplier staff instead of an improvement.

Customers and traders (in their customer role) regard good personal relationships with suppliers of (prime) importance. The personal relationship is built on various forms of personal similarities between the two parties (*Personal preferences*). As the ability to speak each others “language” increases, the chance of success also increases and a personal “click” or even friendship can emerge which goes further than a simple business relationship. In a more than business relationship, there is open communication, there are no double agendas, there is openness about prices and other trading information and any information exchanged is not used for personal gain. In addition in this situation they know each other in a more than superficial way and there is, in addition, to business contact, also often private contact. One of the interviewees spoke in this context of “Real friends and, actually, false friends”. “*Real friends*” live up to the profile explained above, while “*actually false friends*” seem to live up to the profile, but turn out not to. Other customers and traders keep more of a distance, even though they consider a personal relationship to be beneficial in order to keep competition at a distance, but they don’t wish the relationship to gain a private character. They are of the opinion that a professional relationship should stay professional. According to customers and traders, the personal relationship is predominantly important where the objective criteria have already been met.

Customers and traders (in their role as customer) strive for long term relationships (*Long-term interaction*) with the supplier. Customers speak in this context of, amongst other things, continuity, commitment and loyalty. Customers experience relationships with suppliers as increasingly, (mainly in the large(r) organisations) less close (*Contact stability*). The “real friends” are to be found in the small(er) organisations, in contrast to the large(r) organisations which house the “actually false friends.”

Customers and traders derive personal motivation from their contact with business contacts (*Personal motivation*). Customers (or trader in the role of customer) are willing to invest in suppliers, mutual trade between the customer and the supplier is an option to strengthen the bond (*Partnership*). In such a situation it is usual to exchange (market) information. Misuse of this information for your own purposes is seen as a deadly sin in the recycling industry. This will have serious consequences for the business and personal relationships between customer and supplier. Finally, customers say that they want to do honest business with suppliers and that agreements which have been reached should be met (“say what you do and do what you say”, as stated by a customer). The trust which the supplier places in the customer is demonstrated by allowing invoicing for waste materials to be taken care of by the customer (credit invoicing) (*Trustworthiness*).

Important satisfaction dimensions

There appear to be a number of supplier satisfaction dimensions which have a greater influence on achieving a preferred customer status. These are shown in bold in Table 2.

Suppliers (or trader in the role of supplier) strive to achieve between a market average up to a maximum return on plastic waste materials. The bandwidth of "maximum turnover" is however (very) broad, up to 20% (*Overall profit*). A (swift) payment according to the agreed payment deadlines is a second criterion (*Financial probity*).

In addition, the supplier requires a (very) good service for logistic and administrative transaction handling. Some suppliers will accept a lower service level for logistic and administrative handling of the transactions by the customer if this can be compensated for by a (significantly) higher turnover of waste materials (*Logistical and Administrative performance/Overall profit*).

Suppliers prefer to deliver their waste materials to customers and traders who can take on all of the waste materials (*Demand stability*). Traders in the role of supplier are mainly interested in customers who can take on large(r) amounts on a regular basis (*Sales volume*). Suppliers and traders strive to do business with customers who accept (minor) deviations in the composition (*Risk acceptance*).

Customer benefit dimensions

Customers (or traders in the role of customer) make an effort to achieve preferred customer status and gain advantages from this status (Customer output). In Table 3 the customer benefit dimensions are explained according to the opinions of the customers.

Customers (or traders in their role as customer) strive for turnover, profit, cost covering, income and consider it

Table 3: Customer benefit dimensions

Dimension	Customers
Demand stability (operational)	Supply of constant, large volumes → prices become relatively unimportant Securing the availability of raw materials
Forecast reliability (strategic)	Receiving large quantities/volumes Scheduleability of trades, easier to plan than small irregular quantities
Long-term interaction (strategic)	Continuity, commitment, partnership, collaboration with supplier, strong relationship, loyalty, open communication; supplier warns if competitors tries to take over the materials
Overall profit (operational)	Providing turnover, (reasonable) profit, income Providing income, generating money to cover company costs Spending energy should be in balance with revenues
Partnership (strategic)	Future growth, mutual trade, investment and innovation New projects, innovation, expansion, sharing (market) information
Personal motivation (relational)	Pleasure, enjoyment, challenge
Reputation (relational)	High end, well-known suppliers used for own PR purposes, sustainability Reuse of commodities
Risk reduction (operational)	High quality plastic wastes
Windfalls (operational)	Doing/keeping in business leads to other unexpected business opportunities

important that the invested time is balanced by the generated revenues (*Overall profit*). By achieving a preferential position, the need for the raw materials required is ensured; they can assume a regular supply of greater volumes (*Demand stability*). In addition customers can often reckon on a better quality of materials (*Risk reduction*) and it provides better scheduling options for the own organisation (*Forecast reliability*).

Customers (and traders in their role as customer) strive for continuity and partnership and to achieve, amongst other things, commitment and loyalty from the suppliers which are important to their organisation (*Long-term interaction*). Commitment in the relationship between customer and supplier plays an important role. Various interviewees indicated what they mean by the term commitment. The most important of these elements are:

- Keeping (spoken/written/legal) agreements
- Trying to maintain the relationship even if something goes wrong between the parties
- Commitment can arise as a result of experiences between the parties
- It is built up (slowly) and reinforced over time.

Long-term interactions can lead to sharing of (market) information, mutual trading and possibly to the development of new projects (*Partnership*), according to customers (or traders in the role of customer). Unexpected opportunities (*Windfalls*) can also be the result of a close relationship. As one customer said, "the party with the materials is the party with the opportunities".

Customers (or traders in the role of customer) also use important suppliers, who provide them with materials, for their own PR aims (*Reputation*). Finally customers consider it important that they can do business with the supplier in a pleasant way (*Personal motivation*).

Discussion

Operational and strategic dimensions

The relationship between customers and suppliers is primarily identifiable by transactions between the parties, where products, services and money are exchanged. There is a certain mutual dependence in such a relationship, which creates value for both parties (Hald, Cordón & Vollman, 2009; Nollet, Rebollo & Popel, 2012). Ellegaard and Ritter (2007) speak in this context of value creation by direct (operational) and indirect (strategic) dimensions.

It seems that within the Dutch plastic recycling industry that customer attractiveness and supplier satisfaction are primarily determined by operational dimensions. The notion that operational parameters often have a great influence on supplier satisfaction is in agreement with the findings of Trent and Zacharia (2012, 13) and Benton and Maloni (2005, 17). Other research, such as that by Hüttinger, Schiele and Veldman (2012), Nollet, Rebollo and Popel (2012) and Ramsay and Wagner (2009), has demonstrated that in other situations strategic dimensions weigh heavily when striving for a preferred customer status.

Apart from striving for continuity there is no strategic dimension mentioned by the suppliers in relation to their doing business with these customers, which is explained by the fact that selling plastic waste materials is not a strategic activity for suppliers. Schiele, Veldman and Hüttinger (2011) conclude that suppliers will not drive up prices to a maximum level,

but will rather strive for a long term relationship to prevent customers looking for alternatives. Even though this is in another context, this is in agreement with the findings in the plastic recycling industry in the Netherlands that suppliers aim primarily for continuity and not for price maximalisation. The aim of steady relationships appears to be formed by the wish to avoid operational risks. Avoiding or removing “logistic and administrative hassle and additional costs”, as expressed by Nollet, Rebolledo and Popel (2012, 1190), plays an important role for suppliers in the plastics recycling industry.

Evaluation of relationships

Suppliers in the Dutch plastic recycling industry say that they only look at the relational aspects where the operational aspects can be seen to be roughly equal. Suppliers don't seem to aim for personal relationships. These do, however, grow as a result of a certain attraction between the supplier and the customer. An important condition in order to arrive at strong interpersonal relationships seems to be similar personal preferences, as indicated by Harris et al. (2003, 17). Similar preferences appear to be based on what Berscheid & Walster (as cited by Ellegaard 2012, 1222) call “the similarity-attraction paradigm”, whereby people attract others with similar preferences to their own. Within the plastic recycling industry in the Netherlands this is seen in what the suppliers and customers refer to as “the personal click”, as it is colourfully explained by customers in the “*Personal preferences*” dimension.

The relationship between parties can go further than merely a business relationship, “social and work relationships are often closely entwined” (Harris, O'Malley, & Patterson, 2003, 28). This is illustrated in the plastic recycling industry in the Netherlands by the description of the so-called “real friends”.

The evaluation of customer attractiveness and supplier satisfaction dimensions in the Dutch plastic recycling industry leads to an “overall picture” or “overall feeling”. This picture or feeling appears to form the basis for decision making, where the personal preferences and personal motivation of the parties can play an important role, corresponding with the views of Ellegaard (2012) and Ellis, Henke and Kull (2012). According to Hald (2012, 1238) this picture is mainly formed by important, significant events and not by every day, regular interaction between the parties.

Personal contact and events form an important source of information and experiences if other more objective sources remain unused. Although suppliers in the plastic recycling industry in the Netherlands state that personal relationships with customers are of less importance, the mutual relationship has an important influence on the decision-making process. This is caused by the complexity of evaluation processes in general and by the way in which evaluations take place in the (Dutch) plastic recycling industry in particular.

La Rocca et al. (2012) state that measuring customer attractiveness is a complex matter because a large number of factors are involved, and, additionally, because relational factors are difficult to quantify. The same can be said of the supplier satisfaction dimensions. It seems almost impossible to arrive at an objective judgement in a rational fashion using the dimensions and underlying aspects, as a result of this complexity. Decision making appears to take place within two black boxes (one for the evaluation of the customer

attractiveness dimensions and one for the evaluation of the supplier satisfaction dimensions, (see Figure 2) using a set of operational, strategic and relational dimensions. Both evaluations seem to be reduced to a (fairly random) subset of these dimensions. Thibaut and Kelley (as cited by Ellegaard, 2012, 1221) state that the evaluation is reduced to “a single scale of goodness of outcome”.

Within the Dutch plastic recycling industry, the decision to not commence (customer attractiveness phase) or to cease transactions (supplier satisfaction phase) between suppliers and customers is explicit. Giving preferred customer status or a regular customer status (supplier satisfaction phase) is often not stated explicitly. This agrees with the findings of Trent and Zacharia (2012, 11).

Trust(worthiness)

Customers within the plastic recycling industry in the the Netherlands tend to emphasise mutual interests and present the advantages of their own organisation in order to arrive at transactions with suppliers. Nollet et al. (2012, 1189) term this process of emphatically describing one's own organisation in positive terms as “impression management”. The different customer attractiveness dimensions form the basis for this. Trust seems to be the key concept in the future-based, customer attractiveness phase where transactions between customers and suppliers are being initiated. Suppliers within the plastic recycling industry want to ensure that that they are going to do business with a partner who is trustworthy in every way. This trustworthiness is expressed by the customer attractiveness dimensions. The supplier needs to be convinced that the customer can live up to agreements if transactions take place between them, which is in accordance with the views of Harris et al. (as cited by Mortensen, 2012, 2015). Halinen (as cited by Mortensen, 2012, 2015) speaks of “general trust” when a relationship starts, where parties don't know each other (= customer attractiveness phase) and thereafter of “specific trust” at the moment where transactions have taken place between parties (= supplier satisfaction).

In the supplier satisfaction phase, trustworthiness retains its important role. “Trust is central to effective relationships and supplier satisfaction” (Trent & Zacharia, 2012, 15) and “specific trust is crucial to the further development of a business relationship” (Halinen, as cited by Mortensen, 2012, 1215). Hald (as cited by Ellis et al., 2012, 1261) states that it is important that a customer is consistent and predictable with regard to any promises made, which is expressed as “keeps its promises” and “will not let a supplier down”. Where a customer acts in this way they give off a clear signal of their intention to start a long-term relationship (Wagner, Coley & Lindemann as cited by Ellis et al., 2012, 262). In the plastic recycling industry, trust also seems to be based on keeping agreements about a group of mainly operational dimensions and their underlying aspects. Reliable behaviour and meeting agreements consistently leads to credibility and forms the core of trust (specific trust), which in turn is an important basis for the further development of the relationship. The “personal preferences” found during this research can lead to social and business, interpersonal, attraction between people, which can then lead to mutual trust. This is in agreement with the findings of Huston and Burgess (as cited by Ellegaard, 2012, 224) and Hald et al. (2009). In the research carried out by Trent and

Zacharia (2012, 17), it becomes clear that open, frequent communication between customer and supplier where information is shared has a positive influence on the amount of trust between parties. A link may be laid with the dimension "communication" which emerges from this research and where information exchange between customer and supplier is seen as important for the mutual relationship.

Commitment

From the research results from within the plastic recycling industry, it can be concluded that the parties involved strive for continuity of transactions whereby both individual values (relational dimensions) as value for the organisation (operational and strategic dimensions) are created. Customers, traders and suppliers within the plastic recycling industry in the Netherlands describe long term mutual relationships, where competitors have little or no chance to break in on the existing relationship, as commitment. Commitment appears, over the course of time, to be built up of positive experiences between parties, as transactions between supplier and customer take place. Commitment seems to be strongly influenced by experiences and hardly at all by expectations, which is in agreement with the findings of Mortensen (2012, 2016). Personal preferences also add to supplier commitment, which is in accordance with the findings of Nollet et al. (2012, 1190).

Nyaga et al. (2010) state that trust and commitment are strongly related to one another. A supplier's trust in a customer seems to add strongly to supplier satisfaction (Trent & Zacharia, 2012, 15). Dwyer et al. (as cited by Mortensen, 2012, 1208) indicate that trust adds to satisfaction and thereafter to commitment, after which a preferential position may be obtained from the supplier. This agrees with quantitative research carried out by Baxter (2012, 1255). Baxter concludes that (great) contentment leads to commitment, which in turn leads to preferential treatment by the supplier. Contentment does not therefore lead directly to a preferred customer status, but via commitment. Commitment, gained from the supplier, appears to be a pre-requisite in order to achieve preferred customer status.

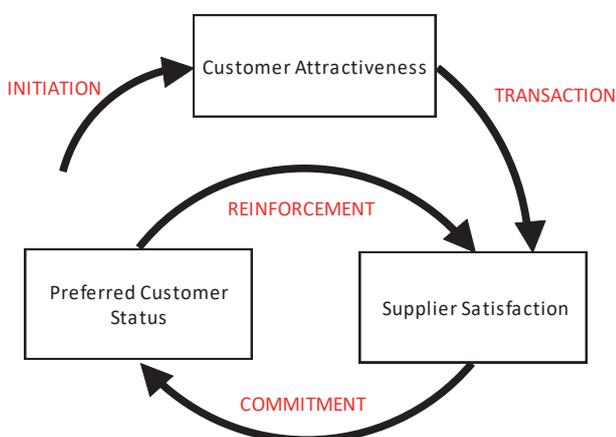


Figure 3: Reverse marketing model (abstract)

Reinforcement

A relationship can become mutually dependent, which can lead to increasing transactions between parties and thereby to intensification and reinforcement of the relationship (Schiele et al., 2012). This is expressed in this research as the dimension "partnership". Where a supplier is (very) contented, the supplier will commit themselves to the customer at a certain point and grant them preferred customer status. This status can lead to a further increase in transactions and reinforcement in the relationship with the supplier and lead to even greater contentment.

Social and business contacts between parties also lead to a reinforcement of the relationship (Hüttinger et al., 2012). Individuals try to increase the frequency and intensity of a social relationship in the search for (more) satisfaction from the relationship (Ellegaard, 2012). The professional relationship takes its form by, amongst other things, (very) early information exchange and reliability in meeting agreements. Both aspects lead to a reinforcement of the mutual relationship, strong individual relationships lead to a reinforcement of the relationship between the supplier and customer organisations. These aspects are mainly discussed in the sections "relationships" and "trust".

Commitment seems, based on the previous description, to be influenced on the one hand by the level of contentment of the supplier about the customer performance. On the other hand, Nyaga et al. (2010, 109) state that trust leads to commitment and that the commitment gained then has a positive effect on the satisfaction of the supplier. Once gained, supplier commitment therefore has a reinforcing effect.

An increasing amount of supplier satisfaction seems to lead to a reinforcement of the amount of commitment and leads to a preferred customer status. There appears to be a reinforcing effect at work here between supplier satisfaction and preferred customer status. A condition for the self-strengthening effect is that customers are able to retain their positive advantage over their competitors in the perception of the suppliers.

Figure 3 presents an abstracted version of the reverse marketing model in a spiral form. The spiral form presents the direct relationship between supplier satisfaction and preferred customer status. Ex-ante customer attractiveness (initial attraction) plays a role in initiating the relationship between supplier and customer. Customer attractiveness in the ex-post situation (specific attraction) is related to "the total (business) package" (Mortensen, 2012). "The total (business) package" can be seen as a bundle of dimensions which are experienced by the supplier during the supplier satisfaction phase. From this, we can conclude that the spiral form better represents the relationship between customer attractiveness, supplier satisfaction and preferred customer status.

Conclusions

In this research three fields of research – customer attractiveness, supplier satisfaction and preferred customer status – are studied in relation to the Dutch plastic recycling industry. In the customer attractiveness phase, a potential customer can demonstrate their reliability through meeting the operational customer attractiveness dimensions at the required level. Relational dimensions do not form a priority for suppliers, but do play a role if operational aspects are seen as

more or less at the same level, which will often be the case in a competitive market. Customers and traders attach importance to the personal relationship with customers from the start.

Suppliers strive for continuity in their relationship with customers in order to avoid operational risks. An alternative customer will find it difficult to break into an existing relationship about which the supplier is (very) contented. Only if a significantly higher price is offered for the waste materials and if the supplier trusts that an alternative customer can meet the operational dimensions, will they be willing to make the move. However the supplier will still tend to do this in phases in order to make it possible to return to the existing customer.

In the supplier satisfaction phase operational dimensions play the most important role as well. Suppliers find continuity more important than making maximum profit. A number of operational dimensions appear to be important to suppliers in order to attach a preferred customer status to a customer. This refers mainly to meeting agreements with regard to purchasing all volumes and qualities, meeting logistic and administrative performance and meeting payment deadlines. Suppliers strive to keep an existing relationship going. The operational dimensions, when met at an adequate level, appear to lead to trust on the part of the supplier. Trust leads to commitment and thereafter to a long-term relationship between the parties. Suppliers seem to strive for continuity in order to avoid operational risks, customers and traders because of securing the (strategic) benefits which they gain from the relationship.

Customers are of the opinion that it can be important for suppliers that there is a sustainable solution for the materials (sustainability). Suppliers don't mention this point when determining the attractiveness of the customer, but appear to mainly look at the legal requirements which apply to selling waste materials (legal requirements). This seems to stem from trying to prevent liability in cases if a customer weren't to treat the waste materials with sufficient care.

The evaluation of the customer attractiveness and supplier satisfaction dimensions in the plastic recycling industry lead to a "general picture" or "general feeling". This picture or feeling appears to be the basis for the decision making, where personal preferences and the personal motivation of the parties play an important role, according to the views of Ellegaard (2012) and Ellis, Henke and Kull (2012). According to Hald (2012, 1238) this picture is formed by important, radical events and not by daily, regular interaction between the parties.

Personal contacts and events are an important source of information and experiences if other, more objective, sources remain unused. Although suppliers in the plastic recycling industry in the Netherlands state that personal relationships with customers are of less importance, the mutual relationship does have an important influence on the decision making process. This is caused by the complexity of the evaluation process in general and in particular by the way in which evaluations within the Dutch plastic recycling industry take place.

The supplier will grant a preferential position to customers who (according to the supplier's feeling) offer the highest level of satisfaction. Alternatives seem mainly to be considered where a supplier is significantly dissatisfied with an existing customer or where a considerably better alternative presents itself.

Suggestions for the plastic recycling industry

Obtaining preferential treatment from suppliers is becoming increasingly important in many industries (Nollet et al., 2012). Obtaining commitment from important suppliers is important for various companies in the plastic recycling industry in order to meet the need for commodities and to be able to maintain a competitive position.

In order to achieve a preferred customer status a company will first need to become visible for a potential supplier (initial attractiveness). Customers should aim to establish contact with suppliers who are dissatisfied with their current customers. Where a supplier is (very) satisfied with their existing customers it is of little use paying a lot of time and energy to a potential supplier. In such cases a supplier will only consider changing the situation if they are offered a much higher price for the waste materials, which will generally endanger the customer's competitive position. Market information is considered crucial in order to be able to step in where existing customers fall by the wayside through bankruptcy or other circumstances. In these cases a customer can step in to fill in the gap. A customer will need to prove their reliability using the operational dimensions discussed in this research. The extent to which a customer is able to demonstrate the operational dimensions will determine their chances of obtaining the waste materials which they would like to purchase. Customers need to be willing to make logistic investments, even in a phase where there is not yet any commitment and where the level of satisfaction of the supplier is not yet clear.

The contentment of a supplier will be measured in the first instance against adequate operational aspects. Suppliers in the (Dutch) plastic recycling industry attach particular value to the aspects which are related to the dimensions overall profit, financial probity, demand stability, risk acceptance and logistic and administrative performance. Traders speak of sales volume instead of demand stability. Customers and traders also attach importance to the dimensions personal preferences and personal motivation.

Personal preferences only play a role for the supplier if the operational dimensions of various customers are seen to be more or less identical. A customer needs to meet operational preferences as well as the personal preferences of a supplier.

Suggestions for future research

The reverse marketing model designed in this study needs further research. On the basis of the reversed marketing model presented, hypotheses can be formulated which can be tested in a quantitative manner amongst the finite population of researchers who study subjects in the three research fields. The connections which are expressed and assumed and which are expressed in the reverse marketing model may then possibly be confirmed.

Ahead of any quantitative study, further (qualitative) research is needed. This is needed for the concepts used in the model as well as for formulating single definitions for these concepts. Hüttinger et al. (2014) provide a nice start for this type of research. Differentiation and definition of concepts appear to be important, for example, the already mentioned difference between "general trust" and "specific trust" (Halinen, as cited by Mortensen, 2012, 2015) which is intended to explain the difference between "trust" in the ex-ante customer attractiveness phase and the ex-post supplier

satisfaction phase. In the same way a distinction can be made between “initial attraction” (Nollet et al., 2012, 1188) and “specific attraction” to describe the “attractiveness” in the ex-ante and ex-post phases. The concepts trust, commitment and reinforcement and their mutual relationships also require additional qualitative (literature) research.

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