Summary of Proposed Research Program for Doctor of Philosophy

Title

Coordination and Value Creation in Agribusiness Relationships

Abstract

Agribusiness firms in Australia are experiencing a trend towards closer relationships between the buyers and their suppliers as a means of coping with the uncertainty of environmental changes due to globalisation, rapid technological advances and increasing consumer power. Firms are striving to achieve competitive advantage by moving away from adversarial buyer-seller interactions toward more cooperative long-term relationships that create value and are difficult for competitors to duplicate. Value is created when the competitive abilities of two trading partners are enhanced by being in the relationship. This entails buyer and supplier firms using their respective resources to work toward better performance outcomes than they would achieve independently. The relationship becomes an important asset and a firm's relational capacity is critical to success.

If exchange partners are to create and reap the value benefits, the inter-firm coordination must be efficient and effective. Relational coordination requires: careful partnership consideration; knowledge and experience about how to manage relationships; the ability to determine the costs, benefits and investments associated with the relationship and a clear understanding of the strategic role in terms of desired social and economic outcomes that comprise relationship value. Accordingly, each relationship must be examined from the perspective of both the buyer perspective and the supplier to better understand and assess the desired value outcomes.

In this study, a model developed to examine the importance of relational coordination process in creating relationship value will be empirically tested with grape growers and winemakers in the Western Australian wine industry. Initially, the study will seek to analyse the importance of cooperation, commitment, trust, interdependence and power, adaptation, relationship investment, opportunism, communication and information exchange towards creating mutually beneficial business relationships. Further analysis will identify commonalities and differences in value perceptions across and within buyer and supplier groups.

Objectives

The study will seek to explore the nature of relational coordination mechanisms that arise from the collective interests of firms in dyad relationships. The aim of the research will be to examine the importance of key relational constructs in explaining the relationship value that is created between exchange partners in an agribusiness value chain.

This aim will be addressed through the following questions:

1. What is the nature of the exchange relationship?
2. Are there any identifiable activities that, if practised, can be presented as substantive evidence of the practice of relational coordination?
3. How do the various relational constructs contribute toward relational coordination and relationship value?
4. How does the extent of relational coordination between exchange partners influence relationship value?
5. Determine the main components of relationship value to buyers and to suppliers:
   (a) What are the similarities and differences in value perceptions between each group?
   (b) Do buyers and suppliers evaluate on importance of the same components similarly or differently?
6. How do buyers and sellers share the value created in the relationship?

7. What are the managerial implications of the findings for business-to-business relations in agribusiness?

Background

Value creation has become recognised as a cornerstone of decision making in business relationships (Anderson 1982, Ganesan 1994, Holbrook 1994, Wilson 1995, Gronroos, 1996, Parasuraman 1997, Flint et al. 1997, Woodruff 1997, Anderson and Narus 1999, Holm et al. 1999, Doyle 2000, Ulaga 2001, Walter et al. 2002). Wilson (1995) describes value creation as a process whereby the competitive abilities of two trading partners are enhanced by being in the relationship. Although all relationships are not symmetrical, for the relationship to prosper, each partner must see some benefit beyond working independently. Most often the benefit is understood to imply economic gain as through Porter's classical definition: "The amount buyers are willing to pay for what a firm provides them" (Porter 1985). Certainly, monetary benefit is obviously the "raison d'etre" for actors in business, but when considering the value concept in the context of industrial buyer-seller relations there is more to it than the direct monetary aspects. Change in the marketplace has brought an increase in interest in the social and non-economic benefits of industrial exchange. Once adversarial in nature, today companies are acting in networks of relationships whereby the interaction between buyer and seller is increasingly characterised by partnership and cooperation (Kothandaraman and Wilson 2001). Hence, the traditional concept of customer value, once defined from a "suppliers perspective" or a "buyers perspective" has more recently been acknowledged from a "buyer-seller" perspective, which assumes that there are two parties actively involved in creating value through and in that relationship (Forsstrom 2003).

These buyer-seller relationships are important assets for a company and require continuing careful management and development by both of the parties, often over a long period of time. The relationship, rather than individual orders, sales, projects, products and markets, is often a more useful unit of analysis with which to examine a business, or take decisions, or assess the value that is being created (Ford et al. 1998). To understand and assess the value creation process several vital questions become evident. What are the main components of value to the buyer? What is the opinion on the seller's side? How do they perceive the value of the same business relationship? Is this perception the same or different from the buyer's one? Do they evaluate on importance of the same components similarly or differently to the buyers?

Accordingly, each relationship must be examined from the buyer's perspective and also from the perspective of the supplier (Ford et al. 1998). Generally, a buyer perspective is dealing with issues such as how the supplier can create offerings that are of superior "value-to-the-customer" and thus keep the business in increasingly competitive markets. For example, Anderson, et al. (1993, p. 5) define customer value as "the perceived worth in monetary units of the set of economic, technical, service and social benefits received by a customer firm in exchange for the price paid for a product offering, taking into consideration the available alternative suppliers' offerings and prices". On the other hand, the supplier perspective looks at customers as key assets of the firm or the "value-of-the- customer" which captures the seller's perspective of net-value realised through market exchange with particular customers (Ulaga and Eggert 2003). Clearly, the "buyer-seller perspective" recognises the need to achieve a better understanding of mutual value creation in relationships, partnering and alliances and to assist managers to bring more benefits to each side (Wilson 1995, Ravald & Gronroos 1996, Wilson & Jantrania 1996, Flint et al. 1997, Gassenheimer et al. 1998, Walter et al. 2002, Bouzdine-Chameeva et al. 2002, Mandjak et al. 2002, Forstromm 2003).

If parties to any of these trading relationships are to create and reap the value benefits, the inter-firm coordination must be effective and efficient. Firms create coordination mechanisms as a function of the types of relationships they seek (Dwyer 1993, Anderson and Narus 1999). Gronroos (1991) and Webster (1992) present market exchanges within a relationship continuum range from transaction marketing to relationship marketing. In the most transactional working relationships, the market provides a high level of coordination between firms by allowing the price of the market offering to float to the market-clearing level (Anderson and Narus 1999). These firms have a low emphasis on joint value creation and prefer to maintain their own autonomy and compete on price (Iacobucci 1996). In relationships where there is hierarchical control, coordination tends to be mechanistic (Anderson and Narus 1999). Firms that vertically integrate recognise the potential for joint value creation, but choose the more traditional approach to acquire increased control and margin within the value chain in order to maintain their independence (Iacobucci 1996).

Collaborative firms use their respective resources to work together to deliver superior value to jointly targeted market segments and customer firms (Anderson and Narus 1999). These buyers and sellers commit to long-term partnerships. The dyadic relationships entail "mutual recognition and understanding that the success of each firm depends on the other firm, with each firm, consequently, taking actions so as to provide a coordinated effort focused on jointly satisfying the requirements of the customer marketplace" (Anderson and Narus 1990, p.42). As relationships become more collaborative, coordination becomes more organic. According to Anderson and Narus (1999, p. 391), "organic coordination originates at the grassroots level of organisations, entails extensive information exchange and is flexible, cooperative and innovative in nature". It is the joint economic and social performance of the partner firms that creates the relationship value (Ford et al. 1998, Holm et al. 1999).

In this study, an input–process–output model of dyadic relationships between wine makers and grape growers in the Western Australian wine industry is proposed. Input by companies motivated to create relationships is driven by the need to access customers or resources (Medlin and Quester 2001). This desire to operate in a relationship leads firms to coordinate themselves through the active involvement of a combination of key relationship variables and finally, output is achieved at relationship level, as the business relationship value.

The next section of the proposal will discuss the main concepts of the research model mentioned above. A brief, critical review of the literature and an explanation of the construct will precede each hypothesis.

Theoretical Constructs of Research Model

The European Industrial Marketing and Purchasing (IMP) approach provides an appropriate theoretical context for the study with a view of industrial markets-as-networks of inter-organisational relationships (Hakansson and Snehota 1995). An industrial network is seen as a web of relationships where one actor is connected directly and indirectly to other actors through exchange relationships. The strength of these relationships depends on the connections between resources and the complementarity of activity structures and bonds established between individual actors. Furthermore, the industrial networks approach stresses the importance of relational coordination in business relationships (Ford et al. 1998).

While coordination can be achieved through market power, hierarchical control and relational coordination (Bonoma 1976, Bradach and Eccles 1989, Weitz and Jap 1995), the process of relational coordination remains poorly understood. This is partly explained by the lack of dyadic studies of firms in business relationships (Medlin et al. 2002). Medlin's studies (1999, 2001 and 2002) represent the only empirical research into the role of relational coordination based upon a relationship perspective (for some exception Holm et al. 1996, 1999). Medlin (2001) uses relational norms as mediating variables in explaining the (economic) performance of relationships. Nevertheless, relationship performance measured in economic terms would seem to be a more appropriate outcome at episode level (Mandjak and Durrieu 2000). At the relationship level, there is greater emphasis on understanding the economic and non-economic benefits created in mutually beneficial relationships.

According to Medlin et al. (2002, p. 4), "the relational coordination process exists within a specific business context, where firms decide to work together to achieve results that neither could realise individually". This form of coordination is distinct from all of the formal coordinating mechanisms because it refers to the interactions among participants rather than the mechanisms for supporting or replacing those interactions (Gittell 2002 p. 1410). Relational coordination is associated with objective measures of efficiency and quality performance. So, in effect, with high levels of relational coordination, participants in exchange are expected to effectively manage their task interdependencies, enabling them to improve performance along both quality and efficiency dimensions (Zajac and Olsen 1993). Often this means that interdependent production, logistics, development and administrative activities and resources are modified and adapted in order to bring about a better match between the firms (Hallen et al. 1991). Sometimes such adaptations involve discrete changes in products, production systems or processes. More often, however, the changes are gradual, implying that over time, the firms adapt their business activities to each other's way of doing business (Holm et al. 1996).

Relationship value

Integrating value as a dependent variable in the modelling of business relationships requires a thorough understanding of the construct and its dimensions. Within the IMP theory, value literature has emerged at episode, relationship and network level. Most of the value literature concerns value at episode level; it is mostly conceptual, predominantly expressed as economic benefits in monetary terms and is usually defined by different types of offering (customer perspective) (Reddy 1991, Ravald and Gronroos 1996, Anderson and Narus 1999).

At the relationship level, value is viewed as: (1) a process, (2) dynamic, (3) concerning both parties, and (4) either value, value co-creation or created value (Mandjak and Durrieu 2000). According to Ford et al. (1998, p. 91), "the value of the relationship is not necessarily the same for both of the parties, but its value to the customer cannot be separated from its value to the supplier. In both cases, the arrangements within the relationship, the degree of coordination, the extent of adaptations and the amount of social interaction are critical factors in their respective rating of its value".

Table 1: Summary of literature and findings on relationship value

Author	Conceptualisation of value
Wilson 1995	Value creation as a stage of relationship development
Wilson 1995	Value as mutual goals, nonretrievable investments, adaptations, structural bonds, cooperation and commitment.
Iacobucci 1996	Value areas determined by priorities in decision making
Ravald & Gronroos 1996	Value as safety, credibility and security
Wilson & Jantrania 1996	Value as economic, strategic and behavioural dimensions
Flint et al. 1997	Value as desired, perceived and judgement aspect
Gassenheimer et al. 1998	Trust for a mutually profitable relationship
Hogan 2001	Expected relationship value - a probability distribution of the NPV of current & future relationship outcomes.
Walter et al. 2002	Value as direct and indirect functions.
Mandjak et al. 2002	Value as economic, social and time.
Forsstrom 2003	Value co-creation as communicational, monetary and competence

Despite the growing body of literature on relationship value (Table 1), there is no widely accepted conceptualisation and measure of relationship value in the marketing literature (Walter et al. 2001). Most recent studies (cf Patterson and Spreng 1997, Holm, et al. 1999, Walter et al. 2000) measure relationship value in business markets on high levels of abstraction which may capture multiple value perceptions in relationships, but the validity and reliability of such approaches may be challenged. For the purposes of this study, value will be measured according to the social and economic constructs most commonly perceived to be of value to both parties (see page 9, research methods).

Relationship variables

In this study, the relational coordination process is examined at dyad (individual) relationship level, through the exchange constructs by which firms synchronise their activities, resources and capabilities in order to accomplish their collective tasks to create value. To-date, actor bonds have been characterised by the attributes of trust and commitment (Hakannson and Snehota 1995, Ford et al. 1998), yet these are only two of a range of elements which are involved in the coordination process. Guidance in the selection of additional variables has been provided from findings in previous research studies: *cooperation/ cooperative norms* (Macneil 1978, 1980, Heide and John 1992, Dwyer, 1993, Morgan and Hunt 1994, Cannon and Perreault 1999, Leonidou 2004), *communication and information exchange* (Hakansson 1982, Morgan and Hunt 1994, Cannon and Perreault 1999, Medlin and Quester 2001, Medlin et al. 2002, Forsstrom 2003, Holden and O'Toole 2004), *interdependence and power* (Wilson 1995, Leonidou 2004), *relationship benefits* (Morgan and Hunt 1994, Friman et al 2002), *adaptations* (Wilson 1995, Morris et al. 1998) and *relationship investments* (Ford et al. 1998, Cannon et al. 2000, Brennan et al. 2003).

Cooperation/cooperative norms

A key dimension of the relational coordination process is cooperation (Hakansson and Snehota 1995) which requires a joint effort, team spirit and collaboration between the parties. Anderson and Narus (1990, p. 45) define cooperation as "similar or complementary coordinated actions taken by firms in interdependent relationships to achieve mutual outcomes or singular outcomes with expected reciprocation over time." Childers and Ruekert (1982) outline five different factors determining cooperativeness in a relationship: (1) the degree to which the parties believe that they can simultaneously achieve their goals, (2) the existence of mutual agreement between the parties concerning their actions in achieving individual goals, (3) the prevalence of perceptual clarity in the information processed by the interacting parties, (4) the establishment of mutually accepted norms based on which achievement of individual goals are approved and disapproved, and (5) the acceptance of norms of exchange, which protect from opportunistic and self-centred behaviour (cf. Leonidou 2004). According to Cannon and Perreault (1999) cooperative norms cut across many of the relational norms proposed by Macneil (1980), including *flexibility* "expectation of willingness to make adaptations" (Heide and John 1992, p. 35), *mutuality* "which considers equity in the distribution of surpluses and burdens" (cf. Macneil 1980, p. 46), *conflict harmonisation* "restraint of power" (Medlin et al. 2002), and *solidarity* - where the preservation of the relationship is an important end (Kaufmann and Stern 1988).

The view that cooperation between exchange parties is instrumental in the creation of joint value in a collaborative relationship is supported by Anderson and Narus (1990) who state "firms learn that coordinated, joint efforts will lead to outcomes that exceed what the firm would achieve if it acted solely in its own best interests". To encourage cooperation, firms promote shared norms concerning how to work together, how to jointly create value and how to share benefits (Anderson and Narus 1999). Hence, it can be hypothesised that:

H 1: In relational coordination, there is a positive relationship between cooperative behaviour and relationship value.

Cooperation is the only variable posited to be influenced directly by commitment and trust. This view is supported by Ford et al. (1998) who suggest that the degree of trust and commitment that has been built up in a relationship will influence how the parties act toward each other and how they will handle cooperation opportunities. Morgan and Hunt (1994, p. 22) also believe that commitment and trust – not just one or the other - lead directly to cooperative behaviours that produce mutual desired outcomes. This leads to the following hypotheses:

H 2: In relational coordination, there is a positive relationship between trust and cooperation.

H 3: In relational coordination, there is a positive relationship between commitment and cooperation.

Commitment

Commitment is a fundamental dimension of a working relationship (Hakansson and Snehota 1995). Commitment "captures the perceived continuity or growth in the relationship between two firms" (Anderson et al. 1994, P.10). It entails "a desire to develop a stable relationship, a willingness to make short term sacrifices to maintain the relationship and a confidence in the stability of the relationship" (Anderson and Weitz 1992, p.19, Morgan and Hunt 1994). Gundlach et al. (1995), identify three different dimensions of commitment: *Affective* commitment describes a positive attitude towards the future existence of the relationship. *Instrumental* commitment is shown whenever some form of investment (time, other resources) in the relationship is made. Finally, the *temporal* dimension of commitment indicates that the relationship exists over time.

Trust

The other fundamental dimension of a working relationship is trust (Hakansson and Snehota 1995). Most definitions of trust involve a belief that one relationship partner will act in the best interests of the other partner (Wilson, 1995). This is important because it is necessary to rely upon exchange partners in uncertain environments. The level of trust is strengthened when (1) the other party has the reputation of being fair and concerned about achieving mutual welfare, (2) past outcomes from the working relationship have been satisfactory, and (3) the two parties have successfully resolved critical problems in the relationship (Ganesan 1994, Leonidou 2004) Trust between parties involved in network activities has been nominated as one of the determining factors for achieving viable network outcomes (Morgan and Hunt 1994, Creed and Miles 1996, Geyskens et al. 1998) and, without it, a determinant of the failure of such relationships (Miles and Snow 1992).

Trust can be called an essential antecedent of commitment (Moorman et al. 1992, Morgan and Hunt 1994, Walter et al. 2000). Relationships characterised by trust are more highly valued and parties have the desire to commit themselves to such relationships (Hrebiniak 1974). Trust also diminishes the perceived risk and vulnerability in a relationship and thus leads to a higher level of commitment (Ganesan 1994). Thus the following hypothesis is proposed:

H 4: In relational coordination, there is a positive relationship between trust and commitment.

Interdependence and power

The balance of power and the degree of dependence or interdependence in a relationship will influence the coordination process and the level of trust and commitment that exists between exchange partners (Kumar et al. 1995, Kothandaraman and Wilson 2000). As power in an inter-firm relationship is rarely symmetrical, the imbalance is directly related to the perceived degree of one partner's dependence on the other partner (Wilson 1995). Compared to balanced power relationships which feature a participative decision structure, the high power party in an asymmetrical power relationship will generally affect the administrative structure so that it features high centralisation and formalisation and low participation (Dwyer 1993). High power parties are motivated by the goals of decision making control and efficiency and have the legitimate authority to act on the goals.

While there are some good reasons for being dependent on an exchange partner, there are also good reasons for avoiding (too much) dependency. Dependent parties need to consider such issues as the substitutability of the resource, the availability of alternative sources and the switching costs incurred when replacing a trading partner.

In circumstances of coercive power use, there is likely to be less reliance on relational behaviours to achieve the desired outcomes of the dominant party. The dependent party may be vulnerable, there may be problems of uncertainty or unpredictability, a reduction in the firm's autonomy and degree of strategic freedom, and the direct benefits and profits from the dependent may go on the dominant organisation (Bourantas 1989). Contrary to a position of balanced power, these circumstances can reduce or eliminate feelings of trust and the desire for commitment on the part of the dependent party. This leads to the following hypotheses:

H 5: In relational coordination, there is a negative relationship between coercive power and trust.

H 6: In relational coordination, there is a negative relationship between coercive power and commitment.

The extent of interdependence describes the degree to which either exchange partner has needs from the other that are not immediately available from other sources (Morris et al. 1998). Examples of interdependencies that are repeatedly found in business relationships include: (1) technology, (2) knowledge, (3) social relations, (4) administrative routines and systems, and (5) legal ties. The specific interdependencies in each relationship strongly affect a firm's autonomy in generating revenues, controlling costs and developing its own strategy, and generally there is a trade-off between self and mutual interest (Ford et al. 1998). According to Han et al. (1993), buyers and sellers are generally keen to increase interdependence which shows a willingness to trust an exchange partner and commit to the relationship. This leads to the following hypotheses:

H 7: In relational coordination, there is a positive relationship between interdependence and trust.

H 8: In relational coordination, there is a positive relationship between interdependence and commitment.

Communication and information exchange

A major precursor of trust is communication between exchange partners (Hunt and Morgan 1994, Friman et al. 2002). Communication can be defined as "the formal as well as informal sharing of meaningful and timely information between firms" (Anderson and Narus 1990, p. 44). Communication behaviour includes communication quality, the extent of information sharing and the level of participation and input into joint concerns (Mohr and Spekman 1994, Mohr and Sohi 1995). In practice this might include involving the other party in the early stages of product design, opening books and sharing cost information, discussing future development plans or jointly providing supply and demand forecasts (Cannon and Perreault 1999). Collaborative communication applies to the extent to which communication is frequent, formal/explicit, bidirectional (to include positive and negative feedback) and non-coercive (Mohr et al. 1999). Disclosing confidential information to the exchanging partner exposes one's vulnerability. Therefore a two-way flow of information is essential for creating and sustaining trust (Friman et al. 2002). Communication, especially timely communication, fosters trust by assisting in resolving disputes and aligning perceptions and expectations (Morgan and Hunt 1994). Therefore, it can be hypothesised that:

H 9: In relational coordination, there is a positive relationship between communication and trust.

Opportunism

Opportunism features prominently as one of the main causes of relationship decline (Williamson, 1993, Park and Russo 1996). Jap (2000, p.4) says that opportunism in practice can involve: (1) "distortion of information, including overt behaviours such as lying, cheating and stealing, as well as more subtle behaviours such as misrepresenting information by not fully disclosing", and (2) "reneging on explicit or implicit commitments such as shirking or failing to fulfil promises and obligations". An exchange firm that engages in opportunistic behaviour or is suspected of opportunism should be less trustworthy. Thus, it can be hypothesised that opportunism should create reduced attributions of trust.

H 10: In relational coordination, there is a negative relationship between opportunism and trust.

Adaptations

The willingness of one firm to adapt to the processes, product technologies or procedures to meet the needs of an exchange partner can be a defining feature of a "relationship" (Hallen et al. 1991, Cannon et al. 2000). Brennan et al. (2003, p. 1639) define dyadic adaptation as the "behavioural or organisational modifications at the individual, group or corporate level, carried out by one organisation, which are designed to meet the specific needs of one other organisation". While both the buyer and seller may make adaptations (Hallen et al. 1991), supplier firms make adaptations more often, particularly, when influenced by buyer power (Brennan et al. 2003).

In relational coordination, indicators of trust and commitment through adaptation occur in the early stages of a relationship when a firm can use adaptation to show that it can be trusted to respond to a partner's requirements (Wilson 1995). More generally, it is a *willingness to adapt* that demonstrates the firm's commitment to the development of the relationship (Ford et al. 1998) and more for informal adaptations which tend to be costly, than the formal adaptations that have been mandated on each party by a contract (Sako 1992). As the relationship between firm's develop, their mutual adaptations increase, costs of termination increase and their commitment to each other grows (Ford et al. 1998). Thus, it can be hypothesised that:

H 11: In relational coordination, there is a positive relationship between adaptations and commitment.

Relationship investments

Easton and Araujo (1994) describe three levels of relationship investment: (1) minimal investment to do business, (2) relationship specific investments designed to foster trust, and (3) relationship development investment where both parties invest in tangible and intangible relationship resources, so that the relationship itself is being used to create new resources (cf. Brennan et al. 2003). These investments are often costly and non-retrievable and may not be recovered if the relationship is terminated. This situation creates a hesitancy to terminate the relationship and also barriers to entry (Hallen et al. 1991). Nevertheless, a willingness to invest demonstrates a firm's commitment to the development of the relationship. Hence, the hypothesis:

H12: In relational coordination, there is a positive relationship between relationship investments and commitment.

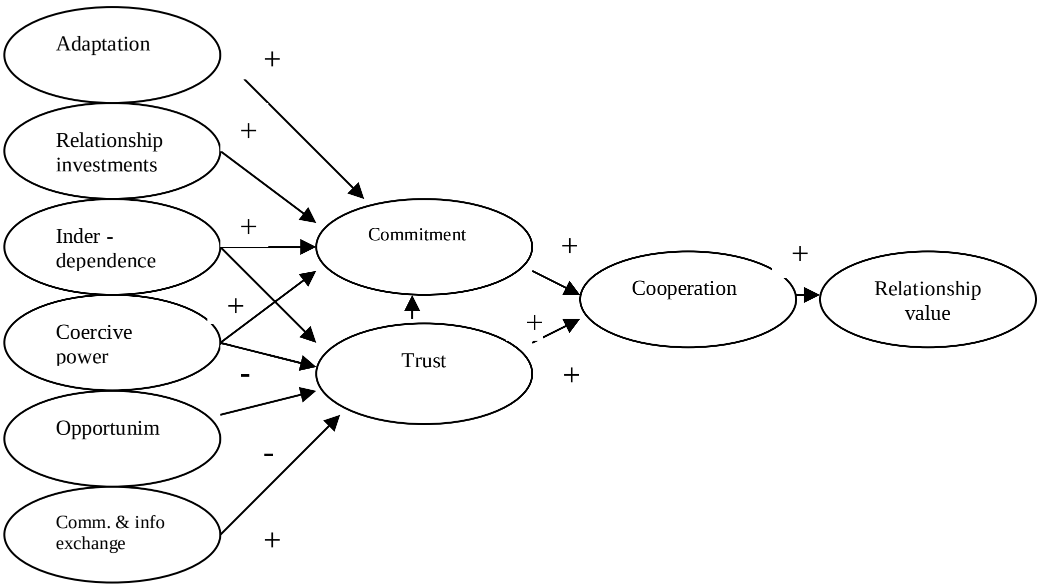

Figure 1: Theoretical model

In conclusion, it is recognised that cooperative relationships are not appropriate for all business-to-business exchange. In the wine industry there are a number of suppliers that do not have the necessary cultural, management or operational systems and prefer to supply mass produced grape varieties and trade on price. However, the literature suggests there are sufficient numbers of grape growers supplying to the premium wine market, either individually or in groups, to demonstrate the principles that underpin the role that relationship management has to play in maintaining Western Australia's position as a strong competitor in global wine markets.

Significance

The purpose of this research is to contribute to the European industrial marketing and purchasing (IMP) literature by providing new insights about the nature of buyer and supplier relationships within an Australian agribusiness value chain. For the agribusiness sector, the research could yield useful insights for both sellers, who will have a better understanding of how to create value in relationships with downstream customers, and buyers who will be in a position to take more effective and efficient measures in selecting and managing exchange partnerships in order to secure valued resources and technologies. Better knowledge of local agribusiness relationships will allow improvement specific to the situation.

Although value has been studied quite extensively within the strategic network schools, there have not been many empirical studies where value creation has been studied between participant groups – suppliers and buyers in a value chain. This study will contribute to this shortcoming and provide new insight on how the parties perceive economic and non-economic value and how it is co-created through relational coordination.

Research Method

This study will collect pooled perceptions from buyers and their suppliers in an effort to appreciate the full phenomenon, the interactive essence of the functioning dyadic relationship.

Table 2: Outline of steps in the research method

1. Identify a suitable agribusiness value chain in WA	• A large agribusiness chain to provide a good sample size • Relationship purchasing and marketing between buyers and suppliers • Geographically close to perth • With a willingness to participate in the study
2. Grounded research (qualitative)	• Exploratory study on the "relationship value" construct using in-depth interviews with suppliers and buyers within the intended chain • Also clarify any query concerning selected constructs and measurement scales
3. Craft survey instrument	• Structured questionnaire with three sections: (1) respondent profile, (2) clarification of respondents buying/selling/distribution arrangement and (3) construct statements using metric measurement. • Final acceptance of constructs will be subject to validity testing and reliability analysis
4.Preliminary survey test	• Pilot test using personal interviews on about 10 respondents.
5. Data collection	• Method will depend on sample size – prefer face to face interview
6. Data analysis and model testing	• Basic descriptive analysis • Multivariate techniques – factor analysis, cluster analysis • Model testing using structural equation modelling. Choice of method will depend upon sample size and data distribution. For small sample and abnormal distribution – partial least squares graph and for large sample and normal distribution – amos. The procedure will identify construct associations and whether the model works

7. Enfolding literature	• Theories and/or hypothesis from model will be compared with the literature in order to note consistencies with, and departures from, other findings. This process will enhance the internal validity, generalisability and theoretical level of theory building from the research.

Ethical Issues

As the researcher, I have read the ethical guidelines outlined in the NHMRC National Statement on Ethical Conduct in Research Involving Humans, particularly those issues relating to data collection and reporting. Potential participants will be (1) clearly informed of the aims of the research at the time of invitation to participate, (2) made aware that they may withdraw from the study at any time, (3) guaranteed confidentiality if required, and (4) acknowledged for their cooperation and contribution in a way that retains confidentiality unless otherwise requested. If they wish participates will be informed off the results of the results of the study.

Facilities and Resources

As this study will be undertaken externally there will be no special resources or facilities required to complete the study.

Data Storage

The data storage provisions are outlined in the attached Research Data Management Plan and meet the Curtin University Research Data and Primary Materials Policy.

Time Line

Subject to formal approval of the candidacy, the project will be timetabled as follows:

Table 3: Time schedule of research project

	Month											
Year	**1**	**2**	**3**	**4**	**5**	**6**	**7**	**8**	**9**	**10**	**11**	**12**
Year 1			-Review of literature/ research proposal -Identify value chain						-Develop literature review -Develop methodological framework			
Year 2	Write the questionnaire					Data collection						
Year 3	Data analysis and model development						Write the thesis					
Year 4	Write the thesis											

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