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THE ROLE OF SUPPLIER SATISFACTION SURVEY IN BUILDING PARTNERSHIPS

ABSTRACT

Purpose: The main goal of this paper's research was to determine the role and justification of surveying supplier satisfaction in building partnerships.

Methodology: To collect primary data, qualitative research was used, which was conducted in several phases. The study tested nine key criteria modelled on the work of Vos et al. (2016). The sample of key suppliers was determined from a non-probability sample of experts from eight strategic suppliers who agreed to participate in the research. A qualitative approach was used due to the small sample and the desire to apply a different approach since the authors used a quantitative approach in most of the analysed papers.

Results: Research has shown that the key criteria for supplier satisfaction are reliability, communication, and operative excellence of the customer they work with.

Conclusion: Any long-term and successful business relationship implies the satisfaction of all parties in the relationship. The concept of supplier satisfaction research is a business practice of a modest number of companies. Despite this, the research participants confirmed that there are solid arguments and interest in introducing this type of research and its continuous implementation. The recommendation is the systematic introduction of supplier relationship management and, as part of that, the introduction of the practice of conducting supplier satisfaction surveys.

Keywords: Supply chain management, supplier relationship management, supplier satisfaction survey

1. Introduction

Satisfaction is the basis of the success of every relationship. In business management, significant attention is paid to satisfaction, especially to the satisfaction of customers and employees. It is common practice in most companies to conduct customer satisfaction surveys and employee satisfaction surveys regularly.

In business practice, there are few examples of companies that recognised the importance of supplier satisfaction and ventured into supplier satisfaction research, i.e., evaluating their own competencies and operations from the suppliers' perspective. This area began to receive attention in the last decade of the 20th century, but it is still insufficiently researched in the scientific and business community.

The most comprehensive research on this topic was conducted by Maunu (2003), Essig and Amann (2009), Hüttinger et al. (2014) and Vos et al. (2016). The methodology in this paper is adapted from the research of Vos et al. (2016).

The subject of this research paper is the investigation of supplier satisfaction and the criteria that influence supplier satisfaction. The main goal of the paper is to determine the justification and purposefulness of conducting supplier satisfaction research and to investigate the degree of supplier satisfaction according to criteria based on the synthesis of existing literature and interviews with procurement experts. The research results will try to contribute to understanding the importance of satisfaction of all supply chain members, emphasising supplier satisfaction.

Performance measurement is important for every business activity, and the goal of measurement is to identify and correct deficiencies and work on improving performance to achieve the most successful business results. Without measuring and monitoring progress, it is impossible to achieve desired results. Satisfaction in a business relationship can be defined as a positive affective state resulting from the evaluation of all aspects of business relationships between companies (Anderson & Narus, 1984, as cited in Maunu, 2003). Satisfaction research experienced its expansion in the second half of the twentieth century and focused mainly on customer and employee satisfaction research (Essig & Amann, 2009).

A long-term customer relationship is based on good relations, i.e., customer satisfaction. Wong (2000) emphasises the importance of cultivating a culture of collaboration with suppliers. He points out that business excellence can be achieved by integrating customer satisfaction with supplier satisfaction and that customer satisfaction is a consequence of supplier satisfaction. Although there is an analogy between customer satisfaction and supplier satisfaction, these two concepts cannot be identified, and one cannot speak of a mirror process because customer satisfaction research belongs to the lower part of the value chain, while supplier satisfaction research belongs to its upper part (Essig & Amann, 2009). Customer and consumer satisfaction research is mainly in the marketing domain, while supplier satisfaction research intertwines marketing, management, and supply chain management.

Supplier satisfaction is the latest part of the continuous evolution of supply chain management

that has evolved from chain structuring, a focus on costs, and a focus on product customisation. Recent findings have led to a recent shift in focus to close collaboration with chain participants and synchronisation of operations with an emphasis on collaboration with suppliers (Maunu, 2003). In contrast to the classic view of marketing, which implies a struggle for customers, research related to suppliers and their satisfaction talks about reverse marketing, i.e., the struggle of buyers for competent suppliers. This trend is a consequence of current developments in modern supply chains in which there is a reduction in the number of suppliers and dependence on suppliers due to the increasing prevalence of outsourcing (Vos et al., 2016). Namely, to reduce costs, companies reduce their network of suppliers. In their efforts to focus on their core business, they use outsourcing for all activities beyond their primary business. The result of such developments is that the power position of suppliers is getting stronger, and they are the ones who choose their partners. Maunu (2003) also draws attention to the concept of reverse marketing, in which there is a change in the conventional supplier-customer relationship. While in traditional marketing the initiative comes from the supplier, in reverse marketing, the initiative is taken by the customer. Due to the increasing dependence on suppliers, companies need to partner with suppliers and ensure their satisfaction.

2. Overview of relevant supplier satisfaction surveys

The first studies that mentioned the concept of supplier satisfaction dealt with satisfaction in the customer-supplier relationship but most concentrated exclusively on customer satisfaction. At the beginning of the century, the *Journal of Purchasing and Supply Management*, one of the most prominent journals in the field of supply chain management, paid attention to this problem by analysing ten published surveys of customer-supplier satisfaction (Arkader & Frossard Ferreira, 2004; Cousins & Spekman, 2003; Gelderman & Van Weele, 2003; Jahns et al., 2006; Large, 2005; Möllering, 2003; Paulraj et al., 2006; Rabade & Alfaro, 2006; Tyan & Wee, 2003 and Wagner & Schwab, 2004). All ten studies focused on satisfaction in the relationship from the customer's perspective, while the supplier's satisfaction was almost neglected (Essig & Amann, 2009).

Although research on supplier satisfaction from the suppliers' perspective is still an under-researched area, judging by the number of analysed studies, it is possible to conclude that increased interest in this topic occurred at the beginning of this century. Therefore, the analysis of relevant research in the continuation of the work includes works from the beginning of the 21st century to the present day. Most supplier satisfaction research is based on the relationship between manufacturing companies and their strategic suppliers. Other relationships between supply chain participants are rarely explored in scientific papers. Previous research on the satisfaction of supply chain participants has mainly concentrated on the perspective of one of the chain participants, the customer or the supplier. However, some studies tried comparing cooperation views from both perspectives, such as Nyaga et al. (2010) and Hüttinger et al. (2014). In their research from 2009, Essig and Amann synthesised previous research that dealt with the concept of supplier satisfaction. The first surveys of supplier satisfaction have already pointed to the importance of cooperation between buyers and suppliers, as their relationship impacts a whole range of relationships in the supply chain. Below is a brief review of several significant surveys of supplier satisfaction.

Research by Wong (2000) showed that cooperation with suppliers undoubtedly affects customer satisfaction. The research suggests it is essential to work closely with suppliers, develop a collaborative culture, commit to working towards supplier satisfaction and adopt an open attitude when interacting with suppliers. Companies that cultivate a culture of cooperation with suppliers also cultivate a culture of cooperation with their customers. Such a way of working not only leads to satisfied suppliers but also to higher customer satisfaction. Wong expanded his 2000 research with new findings from the 2002 survey. 139 supply chain managers participated in this survey. They helped identify factors that influence the success of the partnership relationship and once again confirmed the findings from the first survey that partnership with suppliers leads to a higher level of customer satisfaction. It is important to emphasise that the respondents in this research were not suppliers but managers who cooperate with suppliers daily. The research developed a comprehensive model for maintaining a successful business by partnering with suppliers. The model is based on the theory of cooperation and

competition of the American social psychologist Morton Deutsch, which suggests that goals aimed at cooperation rather than goals aimed at competition and constructive discussions lead to effective teamwork. Wong (2002) extended the theory of cooperation and competition to supplier-customer relationships, proving that commitment to supplier satisfaction, developing collaborative goals, and constructive discussions lead to higher levels of supplier satisfaction and greater engagement. A satisfied and engaged supplier is a prerequisite for a satisfied customer and the company's success.

Maunu (2003) defined supplier satisfaction research as a management tool that helps companies to improve and further develop internal and external processes in the supply chain. The goal is to measure the quality of the supplier-customer relationship to gain insight into how the supplier sees the customer from a business and communication perspective. It is one of the most comprehensive studies, consisting of three research rounds lasting nine years. The research was conducted in the IT industry. Representatives of the business and academic community participated in the research. The research resulted in the formation of nine dimensions of supplier satisfaction divided into two categories: (a) business and (b) communication. The business dimension included the following: (1) profitability, (2) adherence to agreements, (3) involvement of suppliers at an early stage of development, (4) business continuity, and (5) forecasting and planning. The communication dimension included: (1) roles and responsibilities, (2) openness and trust, (3) feedback and (4) company values (Maunu, 2003).

Benton & Maloni (2005) investigated how the dimension of supply chain power affects suppliers' satisfaction in the chain. The research tested factors that proved to be relevant in customer-supplier relations: (1) cooperation, (2) commitment, (3) trust, (4) compliance, (5) conflicts and (6) conflict resolution. In earlier studies (Brown et al., 1995; Maloni & Benton, 2000), it was shown that the power variable has a significant effect on the previously mentioned factors. The research was conducted on the example of the automotive industry in the USA, where five manufacturers have 85% of the market share and their supplier bases number over a thousand partners. Manufacturers depend primarily on their suppliers to maintain their position and keep up with the industry in terms of quality and technology; therefore, the balance of power in the chain

and the satisfaction of all participants in the supply chain are of utmost importance. The research results showed that the relationship is much more important to suppliers than the performance and results of the business and that the performance and results derive from the relationship.

Essig & Amann (2009) consider supplier satisfaction a prerequisite for a quality buyer-supplier partnership. Their research aims to define supplier satisfaction and offer a tool for measuring satisfaction. They propose the Supplier Satisfaction Index as a tool for measuring supplier satisfaction. It is a tool that contains 36 indicators divided into three dimensions and six factors. The first dimension refers to the strategic level of satisfaction and is related to the indicator of the intensity of cooperation. The second dimension implies the operational level of satisfaction and includes factors such as ordering and invoicing/delivery. They called the third dimension the accompanying dimension of satisfaction, which refers to factors such as communication, conflict management and a general view of cooperation. Essig and Amann defined supplier satisfaction as the supplier's feeling that the buyer's intentions are honest and sincere and the supplier's contribution to the buyer-supplier partnership.

Hüttinger et al. (2014) point out that the tendency to reduce the number of suppliers has influenced the formation of entirely new relationships in supply chains. Today suppliers choose customers with whom to cooperate, and customers fight for favour and preferred status with suppliers. The central research question of their work is: What factors motivate suppliers to treat some customers more favourably than others? This research stands out because the work used a combined approach of qualitative and quantitative research, and both buyers and suppliers were included in the research. The research was conducted among suppliers belonging to the automotive industry. The attractiveness of the customer, the satisfaction of the supplier and the privileged status of the customer are singled out as variables that influence the preferential relationship of the supplier towards the customer. Through focus groups of experts from the procurement department, eight criteria were identified and analysed that could influence the variables: (1) growth potential, (2) innovation potential, (3) operational excellence, (4) reliability, (5) supplier support, (6) supplier involvement, (7) communication, and (8) relationship behaviour. Research has shown that

the key criteria for supplier satisfaction are growth potential, reliability, and relationship behaviour.

Research by Vos et al. (2016) partly relies on research by Hüttinger et al. (2014). In that research, the ever-present concept of reverse marketing (according to Leenders & Blenkhorn, 1998) was highlighted among researchers dealing with supply chain management. In addition to the criteria investigated by Hüttinger et al. (2014), the authors of this research decided to introduce the dimension of profitability to strengthen the model with an additional criterion. Their study further analysed the importance of preferred status in the relationship between buyer and supplier. The research showed that growth potential, reliability and profitability are prerequisites for supplier satisfaction, regardless of the product type or form of procurement. The positive influence of relationship behaviour was found to be relevant only for direct procurement.

Most research highlights the fact that supplier satisfaction is an almost unexplored topic that has become very important and should be given attention in the academic and business community.

3. Methodology

The research was conducted in a successful company that operates in the wholesale trade industry in the field of lighting and electrical materials. The industry was chosen because of the competitive climate, which forces companies to rethink their supply chains and supplier relationship strategies on a local and global scale. In such a vivid business environment, the relationship with suppliers can be both a beneficial and restrictive part of business development and influence everyday operations on a large scale. Based on the literature review, building mutual trust and satisfaction of suppliers brings some stability and resilience in supply in volatile markets. Also, it deepens relationships with suppliers, brings new potentials for joint innovation in business processes, and enhances the mutual will to share ideas and knowledge on market trends, customer needs and potentials to build new streams of value creation. Therefore, supplier satisfaction research in this particular industry can result in valuable conclusions on drivers and influential factors of supplier relationship strategies in a highly competitive supplier market.

The research took place in four phases. The research on supplier satisfaction touches both the sphere of marketing management and the sphere of supply chain management. In the first phase, literature from the field of satisfaction research and the field of supply chain management was analysed. In the second phase, interviews were conducted with four purchasing managers to comment on knowledge gathered in the literature and to single out key criteria of supplier satisfaction based on the synthesis of literature and practical knowledge. In the third phase, interviews were conducted with eight strategic suppliers who expressed their willingness to participate in the research. Only the suppliers with whom the company does direct procurement are included in the research. The key suppliers were selected according to the criteria defined in interviews conducted with purchasing department managers. With most suppliers, the company has contracted selective distribution as a form of cooperation. Suppliers selected were those with continuity of cooperation of no less than five years, an annual turnover of less than EUR 100,000.00, and long-term plans. Included are suppliers rated as innovative, who invest intensively in development and with whom the company can compete in the market in the long term. An important criterion in the selection was flexibility in cooperation in the sense of openness to special agreements (e.g. products adapted to the Croatian market, consignment agreement, bonuses for given sales and other goals), thanks to which the company achieves an additional competitive advantage.

In the last, fourth stage, the collected data was analysed. The basis for identifying key supplier satisfaction criteria is the supplier satisfaction survey by Vos et al. (2016). The rationale for choosing this research topic is that it is one of the recent studies providing an overview of previous studies, but also because the criteria analysed in that research proved relevant for the research used in this paper. It is important to note that the research by Vos et al. (2016) is based on criteria extracted from the example of manufacturing companies, and it will be interesting to show how these criteria are reflected in the example of cooperation between buyers and suppliers, more precisely manufacturers and distributors in the wholesale trade of technical products.

In the study by Vos et al. (2016), nine supplier satisfaction criteria were singled out: (1) growth po-

tential, (2) innovation potential, (3) operational excellence, (4) reliability, (5) supplier support, (6) supplier involvement, (7) communication, (8) relationship behaviour, and (9) profitability. The criteria mentioned above were used in interviews with four purchasing managers of a wholesale company whose strategic suppliers were included in the third phase, in the supplier satisfaction survey. Interviews with procurement department experts were conducted based on the interview from the research by Hüttinger et al. (2014). The interview included managers of procurement of typical assortments that the wholesale companies of the analysed industry have in stock and managers of procurement of specific assortments of products ordered for projects.

The respondents were asked to:

- define the characteristics of strategic suppliers based on which key suppliers will be selected for participation in the research,
- determine which of the nine supplier satisfaction criteria by Vos et al. (2016) they consider applicable in the daily business with their key suppliers and elaborate their opinion,
- identify additional criteria that they consider essential for supplier satisfaction but are not represented in the template,
- group established characteristics, dimensions, and criteria into categories.

The respondents were asked to analyse supplier satisfaction criteria from a recent Vos et al. (2016) study and single out those that apply to business practice. These were amended by criteria that the respondents considered relevant according to their experience. All respondents agreed that the criterion of profitability should not be taken into account because there is a high probability that suppliers will not answer questions related to this criterion completely honestly; therefore, this criterion was excluded.

4. Research results

All respondents are employees of manufacturing companies in the professional lighting and electrical materials industries, are based in the European Union, or are representatives of manufacturing companies from the EU for the Croatian market. Half of the respondents are foreign citizens, mainly

export directors or sales directors for Croatia and neighbouring countries, while the other half are Croatian citizens employed in representative offices of foreign companies in Croatia or company owners from Croatia representing individual companies and foreign-owned manufacturers.

Below is an analysis of the criteria that, in the research presented and in the group interview of experts from the procurement department, proved to be relevant for supplier satisfaction. For each criterion, respondents were asked to determine how important it is for their satisfaction. They were offered the following options: a) very important, b) important, but not crucial and c) unimportant. For each criterion, respondents were asked to determine how satisfied they were with that criterion in cooperation with their customers. They were offered the following options: a) very satisfied, b) satisfied, c) neither satisfied nor dissatisfied, and d) dissatisfied. Each criterion was additionally tested in depth through the argumentation of the supplier's answers; the synthesis follows below.

(1) *Growth potential*

According to Hüttinger et al. (2012), growth potential implies the supplier's ability to grow together with the customer and create new market opportunities through joint efforts. Experts from the procurement department of the trading company from the second phase of the research named specific variables of growth potential: turnover growth, profit growth, market share growth, assortment expansion, territorial coverage, and brand development. To the general question of how important the growth potential in cooperation with the customer is to them, most respondents answered that growth potential is very important. At the same time, the smaller part stated that growth potential is important to them but not decisive. None of the respondents answered that growth potential is not important. Respondents agreed that the growth of turnover, profit and market share are not the only important prerequisites for a successful partnership, but that they are part of the package of prerequisites for successful cooperation and survival of the company. Most respondents see the development of growth potential in joint action through project cooperation or partnership cooperation in classic wholesale. Respondents have a high opinion of cooperation on projects, which in their experience, results in quality projects, deepening coop-

eration between partners and a better market position. Respondents further indicated that growth could be accelerated by expanding the existing assortment, introducing added value through services in addition to existing products and expanding territorial coverage. In addition to those measurable categories, respondents also singled out one "intangible" criterion that contributes to growth: investment in the brand's value and recognition. Most respondents confirmed that they are satisfied with the criterion of growth potential in cooperation with the customer. When asked to elaborate on which segments related to growth potential they are satisfied with and where they see an opportunity for progress, most respondents declared that they are satisfied with overall performance, while a more specific focus and better setting of business priorities is needed for an overall better impression. More precisely, respondents recognised room for improvement of growth potential in expanding the assortment, developing the product mix, expanding the base and type of customers, expanding the project base, better presence and visibility in the field, and launching a B2B platform and an online store. Respondents suggested it is important to change the way of thinking and shift the focus from pressure on prices to selling more complex products and systems that will enable a better price difference and more profit for both partners.

(2) *Innovation potential*

Hüttinger et al. (2012) described innovation potential as the supplier's opportunity to generate innovative products thanks to exchanging ideas and knowledge with the customer. Experts from the procurement department of a trading company see the potential for innovation in their industry in the application of the latest technologies in design, monitoring trends in lighting and lighting management (e.g., Smart Cities), monitoring investor preferences and participating in innovative projects. When asked about the potential of innovation and the importance of innovation for their customers, most supplier representatives answered that it is important to them but not decisive. The elaboration of answers and sub-questions below indicates that innovation is more important to suppliers who work with the customer on projects than to suppliers related to the traditional wholesale trade. When asked if they consider their customer innovative, most respondents stated that innovation in busi-

ness operations could best be expressed through sales skills and marketing activities. When asked if they were satisfied with this criterion for the customer, all participants expressed themselves in the affirmative. When asked if they consider their partner's employees to be technically innovative and in which areas, the suppliers who deliver products for the warehouse pointed out that the products they market are not overly revolutionary or innovative. Therefore, the employees are not particularly innovative and cannot show great innovation. Suppliers who deliver more technically advanced solutions in lighting and lighting management noted that the staff of the project department, which employs mostly engineering staff, is very innovative and open to innovation, while the sales staff has room for improvement in innovation.

(3) Operational excellence

Hüttinger et al. (2012) describe operational excellence as the supplier's perception of the customer's operational processes as efficient and that those processes facilitate their cooperation. The experts from the purchasing department agreed with this definition. In their opinion, the criteria of operational excellence in trade activities are reflected in the following: the planning process (delivery deadlines), the ordering process (timeliness), the warehouse process and warehouse optimisation, other logistics processes, and marketing processes. Most respondents assessed the operational excellence criteria as very important because their customers mostly have the status of distributors and act as an extended arm of suppliers on the market. The planning process proved important for the project part of the work and the classic wholesale business. With projects, it was crucial to monitor all project phases to communicate quality deadlines to the supplier. For the warehouse of wholesale products to be optimal, it is important to monitor the product turnover to plan the needs in time and communicate them to the supplier. Most suppliers expressed their satisfaction with the planning process of the analysed customer. In the process of placing orders, it is of great importance that it is timely and that it considers that the deadlines for the production of certain products, especially project ones, are longer than the deadlines for high-demand products. Most respondents are very satisfied with this process at the customer's end. With placing orders, requirements related to the delivery date are also

attached. Most respondents declared that the customer's demands regarding delivery terms are acceptable and realistic. Logistical processes include procedures for receiving products, requirements for labelling products, and flexibility in receiving products. Most respondents rated this process as average but sufficient for quality business and co-operation needs. Suppliers are satisfied with the product storage process. The majority rated the respondent as average but at a satisfactory level. The research confirmed the opinion of experts from the purchasing department that warehousing is a process that is more important to suppliers who deliver specific warehouse products than to suppliers with whom the customer collaborates on projects. The research participants rated operational processes in the marketing department highly. The marketing activities of the buyer and the supplier in the trade are often joint activities that the supplier partially covers financially through marketing bonuses, so it is in the supplier's interest that the activities are carried out with quality. Most respondents expressed their satisfaction with the processes in the marketing department. Some suppliers see room for improvement in better preparation and planning, which will contribute to less pressure with implementation deadlines and a better overall effect. Some of the smaller suppliers mentioned that the marketing processes are at a high level and that it is sometimes difficult for smaller organisations to follow them. Most respondents rated the operational competencies of the employees high, emphasising the importance of good two-way communication as a prerequisite for the operational competencies of the employees to be at a satisfactory level.

(4) Reliability

According to procurement experts, reliability implies compliance with contractual obligations, fulfilment of formal and informal agreements, the image of the customer on the market, the corporate culture of the company, and the like. Hüttinger et al. (2012) say that reliability implies the supplier's perception that the customer works consistently and reliably and that they stick to the agreement. All participants rated this criterion as very important in cooperation with the customer. Respondents were asked to rate their customer's compliance with contractual obligations. Most suppliers declared that they were very satisfied with this aspect of cooperation. However, they also agreed that the

provisions of the contract are respected because the contract provides for certain non-compliance sanctions. Suppliers see room for progress in this business segment in fulfilling agreed bonuses and sales goals that are sometimes not achieved in full amount and/or potential. Respondents also referred to honouring informal agreements. Few of the respondents stated that informal agreements almost do not exist and that their companies insist on formal agreements in written form. Nevertheless, most respondents agreed that informal agreements are an integral part of business and that it is impossible to formalise all the details. Although most suppliers expressed satisfaction with the cooperation regarding this criterion, they pointed out that informal agreements are sometimes forgotten and often need to be repeated. Due to the lack of written form and evidence, informal agreements can be a point of contention and various misunderstandings, so most respondents conclude that it is vital that the essential determinants of the relationship are formally defined. Payment habits are often part of formal contracts and sometimes informal agreements, but they are certainly a reflection of the partner's reliability. Respondents were also asked for their opinion on the importance of the image of their customers on the market. All respondents agreed that the customer's image is very important to them because the customer, among other things, conveys their corporate messages and values to the market. A negative image reflects negatively on the partnership because it affects the supplier's business. This criterion achieved satisfaction ratings among most respondents who participated in the research.

(5) *Supplier support*

Supplier support is described by Hüttinger et al. (2012) as the buyer's effort and engagement to help develop the supplier's capabilities and performance in a particular market. This criterion in trade is defined by experts from the procurement department of a trading company as a form of mutual understanding, respect for partners and looking in the same direction in terms of strategy. Procurement experts see supplier support in transferring the supplier's fundamental ideas and values, dedicated work on developing and presenting the supplier's brand/brands, and involvement in the placement of new ideas, products, assortments, etc. This criterion is very important because the distributor is often

an extended hand to the supplier in the market. The market often completely identifies the distributor with the supplier or manufacturer. This is especially true in relationships where the distributor is the only partner or one of a few partners on the market. A smaller number of research participants rate the supplier support criterion as very important, while most respondents consider it important, but not crucial.

When asked about satisfaction with this criterion, a small number of respondents declared they were very satisfied, while the majority said they were satisfied. The research showed that suppliers with whom the customer works for a more extended period are significantly more demanding in terms of seeking support and openly express higher expectations. Suppliers with whom the customer works for a shorter period expressed a higher level of satisfaction with this criterion. Therefore, it can be concluded that a more extended period of cooperation brings better results but, at the same time, places greater demands and business challenges on the partners. As aspects with which the suppliers are satisfied, they point out that the analysed customer provides them with logistical support in presenting their values, brands, the placement of novelties in which significant funds have been invested, organisation of novelties presentations, etc. As problems, some respondents pointed out that sometimes the ideas of the buyer and the supplier do not coincide, so it is necessary to compromise, which requires time and patience. Suppliers see room for improvement in even more engaged work and activities for end customers and investors, work on better territorial coverage, and better visibility and presence of the brand.

(6) *Supplier involvement*

Hüttinger et al. (2012) describe supplier involvement as the extent of direct involvement and participation of supplier's employees in the customer's new product development team. Experts from the procurement department see the involvement of suppliers in trade activities in working on joint projects, joint product development in accordance with feedback from the market, promotions and presentations of novelties, informing suppliers about short-term and long-term plans, etc. Experts from the procurement department pointed out that they do not include all suppliers equally in their activities. They are more inclined to cooperate with sup-

pliers with fewer market partners. Suppliers with a more significant number of partners or distributors on the market are significantly less involved in their activities and share only basic information with them for fear that certain internal information will reach their competitors who are also part of the supplier's partner network. Most respondents consider the criterion of supplier involvement as very important for a quality relationship and business in general, and a smaller number of them as important but not crucial. Suppliers in the trade of technical products are most often involved in presentations, promotions, professional events, training, joint projects, equipping exhibition spaces, cooperation in developing new products for specific market needs, humanitarian activities, etc. Most respondents believe that they are included in the processes in a timely manner, while fewer respondents think they are not included early enough to contribute to the effect of a particular job or project. Most respondents are not satisfied with exchanging information on short-term and long-term plans. Suppliers declare that they are sometimes informed about short-term plans but rarely about long-term ones. When asked about the room for improving satisfaction with this criterion, most suppliers answered that there is room for improvement in the trust segment. Most suppliers pointed out that there is still a reserve in sharing information and exchanging data. Some information is shared reluctantly, for example, data on the structure of turnover or the structure of customers. They see room for progress in the feedback on completed projects and in the reward segment at promotions (they want more detailed statistics). Suppliers point out that they want more information about strategic plans to get involved with ideas or participate directly.

(7) Communication

The communication criterion of Hüttinger et al. (2012) is the availability of a person who works intensively on shaping and improving the process of information exchange and the willingness of the customer to develop structured communication with the supplier. Experts from the procurement department cite these important aspects of communication: availability, clarity of lines of communication, regularity of contacts and annual/quarterly meetings, formal and informal gatherings, exchange of feedback, etc. Most respondents rated this criterion as very important, and one as-

essed it as important but not decisive. Only one respondent stated that he was very satisfied with the general communication in the relationship with the customer; most of them pointed out that they were satisfied. The criterion of communication is the criterion for which most respondents expressed suggestions for improvement using specific examples. When asked about the segments of communication with which they are satisfied and those with which they are not satisfied, suppliers answered that they are mostly satisfied with communication at the operational level. What they are not happy with is the availability of strategic-level contacts. Part of the suppliers stated they occasionally need to communicate with senior management, but that level of communication often remains unavailable, or it takes much effort to get a meeting. Regarding communication with operational-level employees, some respondents stated they sometimes lack flexibility in communication, and that operational-level employees should work on exchanging feedback (e.g., feedback on received offers).

(8) Relationship behaviour

The behavioural criterion in relation to Hüttinger et al. (2012) is a customer-supplier relationship in aspects such as solidarity, flexibility, and reciprocity. Experts from the procurement department single out the following important aspects: working atmosphere in the team, friendliness of operational and strategic level employees, professionalism of operational and strategic level employees, conflict management, etc. Most research participants rated these criteria as important but not crucial. In general, the respondents rated the working atmosphere and customer relationship behaviour with high marks; more precisely, all respondents stated they were satisfied. The suppliers gave the customer high marks for kindness, solidarity, flexibility, and professionalism at the operational and strategic levels. Lower marks were awarded for conflict management. Part of the suppliers, mainly those who work with the customer for a shorter period, claim there are no serious conflicts and that they are successfully resolved; however, it is noticeable that conflicts are more present in cooperation with long-term suppliers. A few suppliers indicated a problem with conflict resolution and expressed dissatisfaction with the assessment of this category. According to dissatisfied suppliers, there is much room for improvement in conflict management, and the prob-

lems they mentioned are as follows: conflicts are recurring, for some conflicts, there are no satisfactory solutions for both parties, conflicts at the strategic level sometimes have too much influence and burden colleagues at the operational level.

Research results confirm that the concept of supplier satisfaction is poorly represented in business practice.

Suppliers expressed the highest level of satisfaction in the customer relationship for the following criteria:

- (1) relationship behaviour,
- (2) reliability,
- (3) operational excellence.

The lowest level of satisfaction refers to the supplier inclusion criterion, which suppliers found to be a consequence of an insufficient level of trust and sometimes a mismatch in strategies. Respondents agreed that supplier satisfaction research could contribute to a better understanding of the need for supplier involvement.

All respondents agree that the introduction of supplier satisfaction surveys would be beneficial for all supply chain participants. Suppliers see the benefits of this concept in the opportunity to express an opinion and resent ideas because the satisfaction of both parties in the relationship is a prerequisite for partnership and optimal business results. The importance of introducing supplier satisfaction research into daily operations was confirmed not only by suppliers but also by experts from the purchasing department, and the analysed scientific literature also indicates the need to introduce supplier satisfaction research. The work indicated the necessity of paying attention to supplier satisfaction and the importance of introducing supplier satisfaction research into business.

5. Research limitations and future research recommendations

Research limitations can be divided into limitations related to the theoretical aspect and limitations related to the research aspect of the work. Compared to research and studies on customer and consumer satisfaction, the concept of supplier satisfaction is significantly less represented in professional marketing literature. Scientific papers and professional

literature in Croatia rarely deal with this topic. The research was conducted on a small sample, on the example of eight suppliers; however, the results and insights are very valuable for future research, as it is still an under-researched area. The recommendation for future scientific research is to connect the academic and business communities. The sample should be larger and more representative. It would certainly be interesting to conduct a satisfaction survey from the customer and supplier perspective and to compare and analyse the results of such a survey. Interviews with suppliers showed that the interest in suppliers' opinions could positively affect future partnership relations, which is a prerequisite for progress and continuity of good business results.

6. Conclusion

Any long-term and successful business relationship implies the satisfaction of all parties in the relationship. In a highly dynamic and changing business environment, it is essential to take care of numerous business details and nurture the relationships of all supply chain participants. Although customer satisfaction and creating greater value for the customer is always the focus of the business, research shows that customer satisfaction is influenced by a whole range of relationships in the supply chain, including supplier satisfaction. In modern management, suppliers become a strategic company resource and are a source of competitive advantage. Numerous customer satisfaction studies have been conducted in the academic and business community, while supplier relations and satisfaction have been almost ignored. This paper confirmed the assumptions that, even though the strategic function of procurement has been recognised for decades, research on supplier satisfaction as part of supplier relationship management is given attention by a narrow circle of researchers.

Nevertheless, it is noticeable that interest in this topic has been growing in the last decade. The concept of supplier satisfaction research is a business practice of a modest number of companies. Despite this, the research participants confirmed that there are strong arguments and interest in introducing this type of research and its continuous implementation. The paper presents key criteria influencing supplier satisfaction from relevant literature and research. By synthesising these criteria and based

on business practice, procurement experts defined supplier satisfaction criteria in the relationship between manufacturers and wholesalers who were participants in the research part of the work.

Three key criteria of supplier satisfaction in the relationship between manufacturer and wholesaler in the conducted research stand out: (1) reliability, (2) communication and (3) operational excellence,

which achieved the goal of the work, i.e., key criteria that influence supplier satisfaction were identified. It is recommended to systematically introduce supplier relationship management and the practice of conducting supplier satisfaction surveys. Researchers and practitioners believe that conducting a satisfaction survey sends a message of trust to the supplier that will result in a better understanding of the relationship and improve business results.

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