

# Becoming an attractive public customer to strategic suppliers

David Fridner

*Stockholm Business School, Stockholm University, Stockholm, Sweden*

Journal of Public  
Procurement

205

Received 27 May 2024  
Revised 17 August 2024  
29 October 2024  
2 February 2025  
Accepted 4 March 2025

## Abstract

**Purpose** – In strategic buyer–supplier relationships, being an attractive customer is crucial for relationship development. Despite its importance, the understanding of how organizations in the public sector can become attractive to strategic suppliers remains limited. The purpose of this study is to explore this uncharted territory by examining the influence of value, trust and dependence in shaping customer attractiveness within this specific context.

**Design/methodology/approach** – Using a case study, the research probes the dynamics between a public customer and five of its strategic suppliers. Data collection involved interviews with multiple stakeholders from both sides of the respective dyads, complemented by observations and secondary data. The analysis used a reflexive thematic approach, emphasizing iterative coding and the continuous development and refinement of themes.

**Findings** – The study illuminates how the public sector context alters the traditional pathways through which value, trust and dependence influence customer attractiveness, providing new insights into applying social exchange theory within public procurement. Customer attractiveness is shaped by the interaction of value and trust, with the role of dependence diminished by contextual constraints. The multidimensional nature of value and trust underscores a complex interplay where each can either enhance or undermine the other. This dynamic underscores that becoming an attractive public customer in strategic buyer–supplier relationships necessitates building trust and value through active engagement in supplier interactions beyond the procurement phase.

**Social implications** – Customer attractiveness can promote supplier engagement and sustainable procurement practices.

**Originality/value** – This paper introduces the concept of customer attractiveness to strategic buyer–supplier relationships in the public sector, offering novel scholarly insights and practical advancements for public procurement.

**Keywords** Supplier relationship management, Supplier satisfaction, Preferred customer status, Buyer supplier relationships, Purchasing %26 supply management

**Paper type** Research paper

## 1. Introduction

In our competitive and interconnected world, forging robust and fruitful supplier relationships is crucial for organizational success. To succeed in this, the customer must be perceived as sufficiently attractive to warrant the supplier to put desired efforts into the relationship. Customer attractiveness has therefore emerged as a pivotal concept in studies on supplier resource mobilization in the private sector (Kragh *et al.*, 2022), demonstrating benefits such as innovation access (Kragh *et al.*, 2022; Schiele *et al.*, 2011), risk mitigation



© David Fridner. Published by Emerald Publishing Limited. This article is published under the Creative Commons Attribution (CC BY 4.0) license. Anyone may reproduce, distribute, translate and create derivative works of this article (for both commercial and non-commercial purposes), subject to full attribution to the original publication and authors. The full terms of this license may be seen at <http://creativecommons.org/licenses/by/4.0/legalcode>.

Journal of Public Procurement  
Vol. 25 No. 2, 2025  
pp. 205-228  
Emerald Publishing Limited  
1535-0118  
DOI 10.1108/JOPP-05-2024-0058

(Reichenbachs *et al.*, 2017; Schiele and Vos, 2015) and cost reduction (Patrucco *et al.*, 2018; Pulles *et al.*, 2016).

While the research on customer attractiveness has been firmly centered on the private sector (Schiele, 2020), it has recently gained momentum in the public procurement literature, with several studies validating its relevance in this domain (Fridner, 2023; Karttunen *et al.*, 2022; Kelly *et al.*, 2021; Schiele, 2020). The benefits associated with customer attractiveness appear to transfer well across the sectors. Becoming an attractive public customer can yield positive outcomes well beyond tender participation and price considerations, including heightening the quality, resilience and innovation gained from public procurement (Fridner, 2023; Kelly *et al.*, 2021). To achieve these advantages, the research highlights relational aspects such as fairness, flexibility and helpfulness (Karttunen *et al.*, 2022; Kelly *et al.*, 2021; Schiele, 2020). Indeed, in comparing private and public customers in the quest to raise their standing with suppliers, Schiele (2020) finds that relational behavior scores even higher in the public case. While these studies have begun to shed light on customer attractiveness in the public sector, none of them has focused on strategic buyer–supplier relationships.

Similarly, adjacent studies on public procurement tend to focus on stimulating broad competition (Onur and Tas, 2019), attracting foreign suppliers (Carboni *et al.*, 2018) or capturing SMEs' interest (Flynn and Davis, 2016). Consequently, despite the added criticality of being attractive to highly influential suppliers (Cordón and Vollmann, 2008, p. 58; Pulles *et al.*, 2019) and the synergistic potential of strategic partnerships (Ellram and Cooper, 1990; Srinivasan *et al.*, 2011), there remains a significant void in our understanding of how public customers can enhance their appeal toward strategic suppliers.

The need for studies into the public domain is elevated by its size, with purchases amounting to 13% of GDP in developed countries (OECD, 2023). Despite its economic weight, public customers face difficulties in both initially attracting suppliers to published tenders and in mobilizing them to put their best effort into ongoing relationships (D'Alpaos *et al.*, 2013; Karttunen *et al.*, 2022; Uyarra *et al.*, 2014). Moreover, the public sector context is unique in its diversity of stakeholders and multitude of objectives (Rainey and Jung, 2010; Telgen *et al.*, 2007). In addition to commercial goals, public customers strive toward broader socio-economic goals such as sustainable practices, stimulating the economy and promoting social welfare (Erridge and McIlroy, 2002).

These socio-economic aims intersect with formal legislative and ethical requirements emphasizing fairness, transparency and accountability in public procurement (EU, 2024c). Consequently, public buyers may appear more cautious about forming close partnerships than their counterparts in the private sector (Erridge and Greer, 2002; Steane and Walker, 2000). Such constraints are intended to safeguard the public interest, reinforcing the principle that public customers must consider more than just cost-benefit calculations when engaging with suppliers.

Additionally, the public procurement directives of the European Union impose significant regulatory barriers, such as exempting incumbent suppliers from renewed competition and prohibiting targeting any single supplier in a way that would be of a relative disadvantage to competing firms (EU, 2024c; Grandia, 2018). There is also limited room to alter the business arrangement once it is in place, although the doctrine of unforeseeable events" (Wangelow, 2020) allows for adjustments under certain extraordinary circumstances. Taken together, the unique contextual peculiarities of the public sector necessitate a careful reconsideration of the lessons learned from the private sector.

The main objective of this study is to understand how customer attractiveness is shaped within strategic buyer–supplier relationships in the public sector. Research highlights that value, trust, and dependence are critical to the perception of customer attractiveness in these

relationships (Aminoff and Tanskanen, 2013; Shanka and Buvik, 2019; Vos, 2017). Drawing upon social exchange theory and a framework developed by Hald *et al.* (2009), this study conducts an in-depth examination of these dimensions. The research is guided by two principal questions:

- Q1. What are the key facets of value, trust, and dependence that contribute to customer attractiveness within strategic buyer-supplier relationships in the public sector?
- Q2. How do value, trust, and dependence interact in shaping customer attractiveness in this setting?

The research design is built upon five relationships between a major public customer in Sweden and its strategic suppliers, with data from interviews, direct observations and secondary sources.

The study reveals how the distinct characteristics of the public sector reshape the traditional roles of value, trust and dependence in influencing customer attractiveness. The contextual constraints of the public sector render dependence largely inconsequential, while trust and value are recognized as bidirectional and mutually reinforcing, capable of creating vicious or virtuous spirals of customer attractiveness. Moreover, the study unveils the complex and sometimes contradictory interplay between different facets of trust and value, revealing novel nuances to customer attractiveness that are particularly pertinent to the public domain. The study concludes by providing robust, actionable guidance for public entities aiming to enhance their appeal to strategic suppliers.

## 2. Theory

### 2.1 *An interactive perspective on customer attractiveness in the public sector*

Rooted in social exchange theory, customer attractiveness emphasizes voluntary interactions driven by anticipated benefits (Blau, 1964). The concept hinges on reciprocity; nurturing beneficial relationships aligns with the best interest of self-maximizing actors (Lambe *et al.*, 2001; Makkonen *et al.*, 2016). By improving their attractiveness, customers can influence suppliers to do the same. This study defines customer attractiveness as the positive perception a supplier holds toward a customer organization, decided by both the anticipation of future benefits (*ex ante*) and the evaluation of past experiences (*ex post* satisfaction) (Mortensen and Arlbjørn, 2012; Tanskanen and Aminoff, 2015; Tóth *et al.*, 2015). Importantly, customer attractiveness is not to be understood as an objective trait but from how customer features resonate with specific suppliers (Kragh *et al.*, 2022; La Rocca *et al.*, 2012; Tóth *et al.*, 2015).

Reflecting this subjective view of customer attractiveness, recent studies underscore the need to account for the dynamic of influencing constructs such as value, trust and dependence (Kragh *et al.*, 2022; Shanka and Buvik, 2019; Vos, 2017). This is particularly important in strategic buyer–supplier relationships where high relational interdependence puts a premium on trust and the reduction of uncertainties (Ellram and Cooper, 1990; Ireland and Webb, 2007; Mayer *et al.*, 1995). These constructs' connection to customer attractiveness is well-established in social exchange theory (Blau, 1964; Hald *et al.*, 2009), and their interactive nature has been increasingly empirically validated (Shanka and Buvik, 2019; Vos, 2017). Accordingly, a framework developed by Hald *et al.* (2009) is used, where customer attractiveness emerges from the dynamic interplay of value, trust and dependence.

Before discussing these constructs and their interaction in detail, it is essential to clarify their definitions within this study. Value is conceptualized as the benefit-to-sacrifice ratio (Monroe, 1990). Aligned with the study's relative positioning of customer attractiveness, it is

inherently subjective and variable based on supplier circumstances (Vargo and Lusch, 2004). Moreover, value encapsulates not only direct economic benefits but also intrinsic and indirect dimensions, spanning across all temporal phases. Trust is defined as the supplier's positive expectations regarding the customer's actions under uncertainty (Mayer *et al.*, 1995). Dependence reflects the degree to which a supplier relies on its relationship with a customer to achieve desired outcomes (Ganesan, 1994). In social exchange theory, it is tied to power in that the "power of A over B is equal to, and based upon, the dependence of B upon A" (Emerson, 1962).

The following discussion first reviews the prevailing literature – centered around the private sector – to subsequently delve into the specific manifestations and implications of value, trust and dependence within the public sector context.

### 2.2 Value

Value intertwines with the other constructs as providing benefits cultivates dependence on the recipient's end (Hald *et al.*, 2009), and a consistent generation of benefits over time establishes trust (Lambe *et al.*, 2001). Its critical role in customer attractiveness stems from several potential sources. The primary direct value is composed of actualized revenue (Tóth *et al.*, 2015; Vos *et al.*, 2016) or anticipated growth (Baxter, 2012; Vos *et al.*, 2016) in conjunction with pricing, risk and cost to serve the customer (Ramsay and Wagner, 2009; Schiele, 2012; Schiele, 2020). Beyond this, a customer can enhance its attractiveness by providing competitive advantages to the supplier. These indirect benefits encompass learning opportunities (Cordón and Vollmann, 2002), reference value (Smals and Smits, 2012) and access to markets or technology (Christiansen and Maltz, 2002; Makkonen *et al.*, 2016). Conversely, customers can negatively affect suppliers by enforcing exclusivity agreements or causing reputational risks (Chicksand and Rehme, 2018).

Comparative research indicates that suppliers perceive greater value from private customers, with significant disparities in profitability and indirect value (Purchase *et al.*, 2009). On the other hand, public customers' stability and financial robustness (Loader, 2007; Schiele, 2020) remain a comparative strength in the EU context despite recent economic turmoil and geopolitical tensions (ECB, 2024). Public procurement legislation also provides security, safeguarding incumbent suppliers from erratic customers attempting to alter the fundamental business arrangements (EU, 2024d). Conversely, expected value post-contract is uncertain due to obligatory competition, and past performance offers limited assurance of contract renewal under regulations promoting equal opportunity (Grandia, 2018). The regulations also imply that although public customers can boost expected value through demand stability, forecast reliability and long-term ordering (Nollet *et al.*, 2012), such practices must be implemented across the general supply base rather than targeted companies. Moreover, reliance on competitive bidding contrasts with the private sector's flexibility in negotiations (Grandia, 2018). For instance, while private customers can offer exemptions to preferred suppliers, public customers must select the most economically advantageous offer (EU, 2024c; Schiele, 2020).

### 2.3 Trust

Trust is pivotal to customer attractiveness, closely linked to value and dependence. It raises expectations of economic gains (Pulles *et al.*, 2014; Tóth *et al.*, 2015), lowers transaction costs (Dyer and Chu, 2003; Ireland and Webb, 2007), and facilitates information sharing (Cordón and Vollmann, 2002; Shanka and Buvik, 2019). Trust can also mitigate fears of dependence: a high reliance on a customer increases the relational risk for the supplier,

making it critical to trust that the customer will not abuse its dominant position (Hald *et al.*, 2009; Shanka and Buvik, 2019; Pulles *et al.*, 2014).

Following Mayer *et al.* (1995), trust hinges on the perception that the customer is willing to do good for the supplier (benevolence trust), has the capacity to do so (ability trust) and adheres to acceptable principles (integrity trust). It evolves from sustained positive interactions and social engagements, making collaborative relationships fertile grounds for building trust and demonstrating long-term commitment to mutual benefit (Bell *et al.*, 2002; Ireland and Webb, 2007; Pulles *et al.*, 2014). Integrity trust, notably, relies less on direct interactions, as principles remain stable over time and throughout the supply network (Mayer *et al.*, 1995; Morgan and Hunt, 1994).

In the public sector, buyer–supplier relationships are often characterized by low trust, compounded by a bureaucratic, competition-oriented framework favoring transactional over relational governance (Erridge and Greer, 2002; Uenk and Telgen, 2019). The need for extensive social interactions clashes with a system geared toward diversifying supplier engagement and stimulating wide-ranging competition. Moreover, developing benevolence trust is hampered by limited room to steer supplier selection, deviate from contractual demands or exempt suppliers from renewed competition (EU, 2024c; Grandia, 2018). Conversely, the stringent procedures of public tendering may enhance confidence in the integrity of public customers. Indeed, the legislative framework of public entities imposes strict legality, rendering noncompliance a source of personal liability for officials (EU, 2023b). Consequently, public customers are geared toward “trust in situation” – integrity trust rooted in transparent rules and formal procedures – rather than “trust in partner” (Grandia, 2018; Ireland and Webb, 2007).

#### 2.4 Dependence

Dependence, intimately linked to value and trust, has traditionally been thought to reduce attractiveness by diminishing autonomy and increasing risk (Davis and Cobb, 2010; Hald *et al.*, 2009; Thibaut and Kelley, 1959). However, the once predominant view of dependence as detrimental has been reassessed, recognizing that mutual dependence can yield joint benefits and enhance cooperation (Gadde and Wynstra, 2018; Terpend and Krause, 2015). Mutual dependence fosters trust, as shared relational risks deter coercive behavior (Vos, 2017). Wang and Jap (2017) underscore this by showing that when a dominant customer makes itself dependent on a supplier, it enhances trust by signaling long-term commitment. Recent studies even challenge the notion that relationships with imbalanced dependencies are inevitably fragile and adversarial. Indeed, suppliers in subordinate positions can be highly satisfied as their dominant customers – in the pursuit of a collaborative atmosphere – increasingly refrain from exploiting their coercive powers (Caniëls *et al.*, 2018; Gadde and Wynstra, 2018; Wang and Jap, 2017).

The orientation toward in-depth collaborative partnerships has largely eluded the public sector; buyer–supplier relationships in this domain are still characterized by evading dependence (Uenk and Telgen, 2019). The regulatory environment and cultural risk aversion among public actors promote diversification over dependency (Mark McKeivitt and Davis, 2014). For instance, investment in idiosyncratic assets, which could strengthen mutual dependence and signal commitment, is difficult to reconcile with legislative mandates for equal treatment. Where public entities operate as monopolies or monopsonies, significant supplier dependence and asymmetrical dependence constellations can develop. In such cases, a dominant customer’s intent to exploit its position can be crucial from the supplier’s perspective (Caniëls *et al.*, 2018). However, in the public context, contractual rigidity and the

systemic imperative to treat each procurement and contract distinctly may hinder effective control of supplier dependence.

### *2.5 Interplay of value, trust and dependence*

Value, trust and dependence do not independently shape customer attractiveness. Instead, they interact so that a shift in one can alter the perception of the other two. Essentially, value can foster trust and create dependence, trust can enhance value and alleviate concerns about dependence, and dependence can increase the need for trust while also cultivating it.

The distinct characteristics of the public sector influence each component and the dynamics between them. Public customers face limited control over potential sources of supplier value, predominately due to stringent regulatory constraints. Additionally, the inability to ensure long-term engagements restricts trust's capacity to mediate expected value, and while the literature emphasizes relational embeddedness to cultivate trust, structural barriers obstruct this approach for public customers. Moreover, although dependence has gradually shifted from being viewed as detrimental to potentially beneficial, this transition is less pronounced in the public sector. The assertion that mutual dependence can establish trust and yield joint benefits is valid in the private sector but less applicable to public customers. Altogether, the unique contextual setting of the public sector alters how these constructs influence customer attractiveness, and the dynamics within the public domain remain unclear.

Our fragmented understanding of value, trust and dependence as they pertain to customer attractiveness in the public sector is compounded by a lack of knowledge of how these pieces fit together. Therefore, this study explores these dynamics from the perspective of a major public customer and its strategic suppliers.

## **3. Method**

The study uses a qualitative case study approach, chosen for its strength in exploring intricate phenomena within real-life contexts. This design is particularly apt for delving into the complexity of intertwined variables within uncharted, distinct contexts (Halinen and Törnroos, 2005; Yin, 2009, p. 52). Given its exploratory nature, the study prioritizes in-depth insights over generalizability.

### *3.1 Case selection*

The initial step involved finding a suitable customer for the study. The aim was to identify a large public organization heavily reliant on suppliers and with sophisticated supplier management practices. This selection ensured a customer capable of identifying strategic suppliers whose reliance enables them to provide insights into the dynamics of dependency. A major public infrastructure agency in Sweden, referred to as PIP, met these conditions. PIP is committed to enhancing its customer attractiveness to meet escalating capacity demands and enabling innovation through the supply chain. The customer has made concerted efforts toward fostering long-term, collaborative relationships with its strategic suppliers. In parallel, considerable resources have been devoted to increasing its appeal to SMEs and foreign suppliers. PIP's main strategic intent with each of the five suppliers in this study centers around stimulating additional capacity mobilization, increased innovation efforts and quality performance through constructive collaboration.

Supplier selection was guided by three principal criteria: significance to PIP, extensive experience with PIP and representation of key markets for the public sector. This resulted in construction contractors identified as "A-suppliers" by PIP. Five of these suppliers offered

multiple relevant informants and granted access to direct observations, thus making it into the study.

A detailed overview of the case selection can be found in [Table 1](#).

### 3.2 Data collection

This study used multiple information sources to gather rich data, enabling corroboration and triangulation (Yin, 2009, pp. 98–102). Primary data include interviews with 22 participants—8 from PIP and 14 from the suppliers, lasting 45–90 min, mostly in person, with four via video conferencing. Additionally, observations were made during strategic meetings between PIP and the respective supplier, where the researcher assumed a passive role to capture real-time interaction patterns and communication styles, enriching insights into the relational dynamics later discussed in the findings. Moreover, informal conversations with PIP representatives served as a valuable source of contextual insights, complementing the more structured data collection. Secondary data, including supplier satisfaction surveys, post-survey interviews and project evaluations, further enriched the analysis. These sources helped validate interview information, particularly regarding perceptions of supplier performance and collaboration quality. The combination of interviews, observations, informal discussions and secondary data enabled robust triangulation, enhancing the credibility of findings by cross-verifying perspectives with documented practices and direct observations. Preliminary findings were then discussed with PIP and several suppliers, further refining the study's insights.

All but three interviews were recorded and transcribed. Detailed notes were taken for the exceptions, but no quotes from these interviews are included to maintain consistency in the data presentation. In line with research emphasizing the importance of diverse perspectives in examining customer attractiveness (Aminoff and Tanskanen, 2013; Hald, 2012), the sampling strategy aimed to capture varied viewpoints to address perceptual discrepancies within and between organizations. Participant recruitment continued until additional data collection was unlikely to yield new insights. Participants selected for their deep understanding of the relationship and resource mobilization strategies included supplier representatives, Key Supplier Managers and high-ranking executives (detailed in [Table 2](#)).

The study ensured voluntary participation, securing consent for recording while guaranteeing anonymity through pseudonyms to encourage openness. Despite these measures, some suppliers expressed concerns about traceability. Given the sensitivity around discussing specific customers (Ramsay and Wagner, 2009), additional precautions were taken to anonymize the data (e.g. figures shown within intervals).

The interviews unfolded as conversations, a suitable technique for senior informants (Aberbach and Rockman, 2002). The informants had space to elaborate on their reasoning, and attention was paid to building rapport and encouraging discussion. An interview guide ensured coverage of core topics while permitting flexibility in question order and phrasing. The interviews began with general inquiries about organizational dynamics and relationship characteristics, gradually narrowing down to explore value, trust and dependence – initially examining each construct separately before delving into their interrelationships. This structured approach enabled a comprehensive exploration of how they contribute to customer attractiveness. The interviews concluded with a holistic discussion on the formation of customer attractiveness and its link to supplier mobilization. The sessions were guided by an inductive approach with open-ended questions, and the themes were examined in-depth through follow-up probes, encouraging the informants to expand their reasoning without steering the discussion toward a predefined outcome (Hodkinson, 2008).

[Table 2](#) provides an overview of the data collection.

**Table 1.** Case selection

Characteristics	Dyad A	Dyad B	Dyad C	Dyad D	Dyad E
Supplier pseudonym	Alpha	Beta	Gamma	Delta	Epsi
Relationship length	>10 years	>10 years	>10 years	5–10 years	>10 years
Supplier's total revenue	100–500 M€	500–1000 M€	>1000 M€	100–500 M€	100–500 M€
PIP's total spend			>3 000 M€		
Share of PIP*	1%–5%	1%–5%	6%–10%	1%–5%	6%–10%
Share of supplier**	11%–25%	11%–25%	11%–25%	50%–75%	50%–75%
Ongoing, joint projects	10–25	10–25	>25	10–25	>25
Type of joint projects	Varied in scope and complexity, confined to region	Complex and large, Varied in regions	Varied in scope, regions, and complexity	Mainly highly technical in niche-function	Varied in regions, restricted to niche-function
Suppliers' main strategic intent (with PIP)	Maintain PIP as a large, stable base while continuing to diversify to private customers	Uphold similar volumes without putting too much effort into the relationship	Keep PIP in a similar capacity as today with an intact level of effort	Re-focus from growth to sustained volume and diversifying the portfolio	Achieve increased profits through cost-cutting and selective bidding practices

**Note(s):** For confidentiality purposes, data are shown within intervals. \* = The supplier's revenue with PIP in proportion to PIP's total spend. \*\* = PIP's spend with the supplier in proportion to the supplier's total revenue

**Source(s):** Authors' own creation

**Table 2.** Data collection

Source	Dyad A	Dyad B	Dyad C	Dyad D	Dyad E
Number of interviews	Supplier: 3 Customer: 1	Supplier: 3 Customer: 1	Supplier: 3 Customer: 1	Supplier: 2 Customer: 1	Supplier: 3 Customer: 1
Supplier interviewee	Head of division Commercial manager Operations manager Supplier coordinator *	Regional manager Commercial manager Construction manager Key supplier manager	CEO Commercial manager Operations manager Key supplier manager	CEO Head of division Key supplier manager	Head of department Commercial manager Operations manager Key supplier manager
Customer interviewee	Supplier coordinator *	Key supplier manager	Key supplier manager	Key supplier manager	Key supplier manager
Direct observations	2.5 h	2 h	2.5 h	2 h	n/a**
Documentation	Supplier satisfaction survey, post-survey interviews, bidding history)	Supplier satisfaction survey, post-survey interviews, supplier evaluations, project data and KPIs (e.g. volume development and	Supplier satisfaction survey, post-survey interviews, supplier evaluations, project data and KPIs (e.g. volume development and	Supplier satisfaction survey, post-survey interviews, supplier evaluations, project data and KPIs (e.g. volume development and	Supplier satisfaction survey, post-survey interviews, supplier evaluations, project data and KPIs (e.g. volume development and

**Note(s):** The table only includes data dedicated to the specific dyads, and not the other interviews with PIP (nor the meetings). \* = The Key Supplier Manager opted out. \*\* = Due to scheduling complications

**Source(s):** Authors' own creation

3.3 Data analysis

The analytical approach was guided by reflexive thematic analysis (Braun and Clarke, 2006, 2019). Observational notes were integrated to contextualize interview insights, especially regarding relational nuances such as trust-building and communication practices during supplier meetings. Secondary data further contributed by validating specific themes, such as documented customer and supplier performance. This triangulated approach enhanced data depth and credibility, ensuring that insights drawn from interviews were substantiated by multiple sources.

The process begun by organizing data using specialized software to facilitate coding. This was followed by a thorough review of interview transcripts, observational records and secondary data to ensure a comprehensive understanding. Initial coding categorized data into nodes relevant to value, trust and dependence, as well as broader themes on customer attractiveness and relationship nuances. This stage was inclusive, generating extensive lists of potential relevance without distilling the original information (i.e. *in vivo* coding) (Gioia et al., 2013).

Subsequent analysis involved scrutinizing each node to understand its content and underlying structure thoroughly. The information was meticulously reviewed and refined for coherence across the data set. The analysis paid particular attention to the influence of the public sector context. This phase helped distill “facets,” outlining the constituent elements of value, trust and dependence, visualized in Tables 3, 4 and 5. The analysis then examined the interaction between value, trust and dependence and their impact on customer attractiveness, providing a comprehensive understanding of how customer attractiveness is shaped within strategic buyer–supplier relationships in the public sector. The iterative analysis necessitated a continuous back-and-forth engagement with the data, balancing a fine-grained examination with a holistic perspective. Collaborative discussions between researchers added rigor by providing diverse perspectives into the coding process.

**Table 3.** Key facets of value

Value facets	Supplier perception of customer	Inference of public sector characteristics
Volume	Main component of value due to large current volumes and a belief that they will be obtainable in the future. Limited expected value from growth beyond status-quo	Regulations preventing the assurance of future business were mitigated by benign market conditions and the suppliers’ experience of retaining multiple revenue streams
Profitability	A competitive environment necessitating suppressed prices compounded with perceived high costs to serve leads to thin margins compared to private sector engagements	Legal constraints restrict the ability to adjust bid thresholds upwards. Cost to serve is fueled by collaborative issues post-award rather than bureaucratic tender processes
Risk	Favorable organizational- and market characteristics, but overshadowed by the high accumulation of project risks due to perceived inflexibility post-award	The public sector boosted the perception of organizational stability but the regulatory barriers to post-tender modifications were seen to add risks
Indirect value	Appreciation varied based on strategic intent. Instances of knowledge transfer and reference value but viewed to not live up to its potential, due to passivity from the customer	The cautious approach to supplier engagement, driven by the public sector’s emphasis on neutrality and equal treatment of suppliers, was perceived to inhibit opportunities to enhance indirect value

**Source(s):** Authors own creation

**Table 4.** Key facets of trust

Trust facets	Supplier perception of customer	Inference of public sector characteristics
Benevolence	Decimated due to a lack of social interactions, goal incongruences, and a notable lack of support in projects	The competition-based framework and inability to account for past performance inhibited alignment, yet regulatory constraints were less of a barrier to benevolence than the self-imposed reluctance to embrace collaboration
Ability	Assured of the procurement expertise but lagging project-related competencies. Secondary to the other trust facets	Post-award collaboration, as opposed to the procurement phase, was deemed as the determining arena to demonstrate competence trust
Integrity	Confident in the execution of tender evaluations but deficiencies in the decisive post-award control, crucial for integrity trust	The competition-based framework made the treatment of third parties vital, even potentially superseding intra-dyad behavior

**Source(s):** Authors' own creation

**Table 5.** Key facets of dependence

Dependence facets	Supplier perception of customer	Inference of public sector characteristics
Supplier dependence	High due to the share of sales and a lack of alternatives. Judged to have a limited impact on the relationship due to the customer's inability to act on dependence	The contextual constraints protected the suppliers against the possible disadvantages of being dependent. Hence, its influence appeared largely latent
Customer dependence	Varied, making the dyads range from mutual dependence to asymmetrical. Despite the variation, suppliers consistently reported that the dependence constellation did not translate into tangible impacts on the relationship due to a lack of responsiveness from the customer's side	The same regulatory and contextual constraints that mitigate the risks associated with supplier dependence also limit the potential benefits of customer dependence. This results in a situation where high mutual dependence fails to yield advantages for either party

**Source(s):** Authors' own creation

#### 4. Findings

The findings begin by dissecting the key facets of value, trust and dependence (RQ1), forming the foundation for the subsequent discussion on the interplay among these constructs (RQ2). At the core of the study is the exploration of how customer attractiveness is shaped within strategic buyer–supplier relationships in the public sector.

#### 4.1 Value

Exploring the multifaceted nature of value revealed significant insights into what makes a public customer attractive to strategic suppliers. In PIP's case, volumes were the main contributor to value, predicated on substantial current business and a unanimous view of PIP as future-proof due to being a dominant public customer in a growing market. While informants at PIP emphasized projected growth as highly attractive, suppliers' appreciation for an expanding market was largely restricted to protection against volume decline. This finding challenges growth potential as a primary driver for supplier engagement (Baxter, 2012; Vos *et al.*, 2016), suggesting its role leans more toward stabilization:

In the past, we were committed to growing with PIP. Now, keeping the built-up volume will still be vital but we would like the growth to come from other sources. (Delta-1)

PIP says that [the industry] needs to build like crazy over the next decade like it is a goldmine. But the allure for us is not increased quantity. Or, it could be but then [PIP] needs to make other changes first. (Beta-1)

These statements illustrate suppliers lowering expectations for value creation with PIP. This adjustment is not based on unmet promised volumes but stems from profit, risk and cost considerations. The competitive environment necessitates aggressively priced bids, squeezing profit margins notably below those with private customers, consistent with Purchase *et al.* (2009). PIP recognizes this as a problem and has tried floor pricing but this was blocked by the courts for limiting competition, underscoring the systemic nature of this issue. Secondary data from supplier satisfaction surveys corroborated this perspective, with feedback pointing to concerns about how PIP's pricing practices impacted profitability. Moreover, suppliers asserted an imbalance in the risk-reward ratio. In line with prior depictions of public customers (Loader, 2007; Schiele, 2020), PIP is considered low-risk in terms of market volatility, financial stability and payments. However, this is overshadowed by disproportionately high project-specific risks, exacerbated by regulations inhibiting post-tender modifications:

There is a lot you cannot anticipate in advance so if you have a customer who points to the map although the reality has changed, that is a problem. [...] Even a public customer needs to meet us halfway or the risks become impossible to calculate. (Epsi-3)

The high risk also ties into the competitive environment, with suppliers admitting to speculative bidding practices as a possible necessity to secure contracts. Additionally, PIP was associated with high supplier costs, including substantial tendering expenditures often seen in public procurement (Onur and Tas, 2019). However, the cost to serve post-award was consistently emphasized by suppliers as more burdensome (see 4.2.).

Appreciation of indirect value varied among suppliers based on strategic intent. Those aiming to diversify from PIP valued knowledge transfer and reference benefits, while others saw little indirect value from their association with PIP. Consequently, appreciation of indirect value seems tied to declining customer attractiveness. Suppliers felt that PIP, as a market leader with complex projects, could improve here. For instance, social interactions during collaboration were considered an underutilized facilitator of shared learning. Similarly, the potential for reference value was not realized due to PIP's reluctance to publicly single out satisfactory performance, fearing it may appear as favoritism. Table 3 summarizes the main findings.

#### 4.2 Trust

The findings indicated that suppliers exhibited low trust toward PIP, due to issues related to both benevolence and integrity trust. Misaligned interests and goal incongruence, exacerbated by

public sector regulations such as mandatory repeated competitive pressures and little room to account for past performance, were pervasive themes throughout the supplier interviews. These findings echo research highlighting challenges in developing trust for public actors (Steane and Walker, 2000; Uenk and Telgen, 2019). Despite these hurdles, suppliers maintained that fostering trust was achievable through increased social interactions. However, PIP was, especially in projects, perceived not to be sufficiently engaged:

The will to solve things during projects is very small [...] They think that ‘we have forwarded our demands, which is all we needed to do’. (Beta-3)

[PIP] needs to be more proactive and open up collaboration, so we can help each other and create a dynamic relationship. It is a culture they must work towards. (Alpha-2)

Suppliers attributed PIP’s lack of support to unwillingness rather than inability. However, there were signs that the perceived lack of project engagement had eroded confidence in PIP’s competence as well:

PIP has lost expertise in the actual construction work because they are less involved nowadays. [...] They may have become better at doing procurements but what really matters in our line of business is what happens afterward. (Alpha-2)

This quote suggests that while PIP may fare well in the procurement phase, suppliers placed greater weight on having a knowledgeable speaking partner during project execution. This perspective, widely shared among suppliers, contrasts with public procurement’s legislative emphasis on building trust in the procurement phase (Grandia, 2018; EU, 2023b).

Despite the lack of benevolence trust, suppliers simultaneously urged PIP to become more assertive in certain aspects. Contrary to Mayer *et al.* (1995), integrity trust issues remained relevant over time. Suppliers uniformly called for stricter measures to ensure fair competition, recognizing the severely negative impact of opportunistic competitors. Perceived treatment of competitors significantly influenced trust, as exemplified by the skepticism toward PIP’s attempts to broaden the supply pool, which incumbent suppliers saw as favoring new entrants unfairly:

I know of projects by foreign contractors where PIP has been very forgiving. They have even written that ‘this was the entrepreneur’s first job and they need to have a chance to learn.’ It is completely out of the question that I would get a pass like that. (Gamma-2)

When foreign suppliers come in, PIP lowers the standard. The same with SMEs. [...] When you do not compete on the same premises, it feels pointless. (Beta-3)

The deficit in integrity trust may surprise considering that the strictly regulated process of supplier selection should foster “trust in situation” (Ireland and Webb, 2007). The issue, however, did not arise in the procurement phase. Indeed, the suppliers had confidence in a fair bid assessment. The problem instead lay in post-contract management, where PIP was described as allowing suppliers to benefit from submitting bids they had no intention of upholding. This was coupled with a perceived unfairness stemming from an inability to reward performance exceeding the minimum required level. This network perspective – trust judgments based on the treatment of third parties – was pervasive to the point that suppliers desired less-than-ideal treatment from the viewpoint of the isolated dyad. Observational notes from a strategic meeting corroborated this, as suppliers openly discussed the need for stricter enforcement measures to ensure fair competition across the network, a sentiment encapsulated in the following statements:

You may say: 'do you really want PIP to be more thorough in following up on everything we do?' And the answer is yes. Not because we would love it but because it will benefit us in the long run if we know that [competitor name] cannot undercut us anymore. (Beta-2)

Good suppliers get punished if bad ones are not held accountable. (Alpha-1)

At odds with research from the private sector (Ramsay and Wagner, 2009), suppliers were willing to forgo autonomy to mitigate unhealthy competition, suggesting that building trust for public customers requires a network perspective that considers the wider effects on the supplier ecosystem.

Table 4 summarizes the main findings.

#### 4.3 Dependence

All suppliers were heavily dependent on PIP due to significant revenue shares and few alternative customers. Despite substantial variations in PIP's dominance within the suppliers' customer portfolio (Table 1), a critical threshold appeared universally reached, with all suppliers considering the account integral to their business operations. Views on PIP's dependence on the suppliers varied, with depictions of the dyads ranging from high mutual dependence to asymmetrical.

Interestingly, these diverging views on the dependence constellation did not markedly impact the relationship. PIP exhibited characteristics that both reduced the risk of supplier dependence and minimized the potential upside of mutual dependence. To the first point, the findings support emerging research challenging being dependent as problematic (Caniëls *et al.*, 2018; Gadde and Wynstra, 2018; Wang and Jap, 2017). This can be explained by what Crook *et al.* (2017) describe as exchange diffusion, where a party cannot effectively leverage its power. Suppliers felt protected against exploitation due to a regulatory setting with fixed rules of engagement and separated decision-making across different intra-customer revenue streams:

We are extremely dependent on an aggregated level but while a private customer in that position could put a lot of pressure on us, PIP cannot do that as each project and procurement is dealt with independently. (Delta-2)

The fact that our business is spread over many projects and regions is reassuring. But also that [PIP] cannot target our overall business. (Epsi-1)

Exchange diffusion also explains why suppliers saw limited benefits from PIP's reliance on them, even the largest suppliers struggled to see benefits materialize from high mutual dependence:

There is, after all, a kind of power balance in the relationship as PIP is very dependent on us as well [...] But I do not think they understand that. On a strategic level they do, but it goes missing before any substantial action comes of it. (Epsi-2)

Other suppliers expressed a lack of strategic intent from PIP to develop the relationship. While PIP did offer special treatment such as dedicated contact persons, sponsors and annual strategic meetings, the potential benefits were reportedly unrealized due to a perceived fear of creating an unfair advantage:

[PIP] is stuck in a paradox. On the one hand, we are recognized as an A-supplier and should, even on paper, get 'VIP treatment'. On the other hand, we should not expect any different treatment. So which is it? [...] We could do so much without violating 'equal treatment': having real dialogue

about long-term strategies, and so on. But it is more like if you say nothing, you never say too much. (Alpha-1)

Suppliers did not view PIP as sufficiently responsive to the saliency of their relationship. While understanding the need for caution when discussing specific projects or upcoming procurements, they argued for a more intimate relationship by elevating the dialogue from contract to organizational level. Observational notes from strategic meetings support this notion as PIP representatives were seen avoiding broader discussions that could foster long-term strategic alignment. Finally, the multi-directional presence of exchange diffusion suggests that suppliers' reserved stance to making idiosyncratic investments is attributed to the absence of an upside rather than fear of increased lock-in.

Table 5 summarizes the main findings.

#### 4.4 *The interaction of the constructs*

The findings reveal that customer attractiveness cannot be attributed to isolated factors. Instead, the interaction of value and trust is pivotal. Notably, dependence plays a subdued role due to contextual constraints. The operating framework of the public sector curtails both parties' use of dependence, leading to exchange diffusion (Crook *et al.*, 2017). Consequently, neither the potentially positive outcomes of high mutual dependence (Gadde and Wynstra, 2018; Terpend and Krause, 2015; Vos, 2017) nor the negative outcomes of being dependent on a customer with limited trust (Hald *et al.*, 2009; Shanka and Buvik, 2019) are realized. These observations underscore the distinction between possessing power and its strategic application (Caniëls *et al.*, 2018).

Trust and value interact to either elevate or reduce customer attractiveness. In PIP's case, declining trust leads suppliers to adopt a pessimistic view of future collaboration, despite confidence in projected growth:

The volumes will be there. I do not even need to take PIP's word for it, I know the market. What I doubt is PIP's ability to change into a better business case for us. (Delta-2)

The real issue is not [the size of upcoming projects] but whether PIP will manage to make the collaboration more constructive and profitable for all parties. (Alpha-3)

Past experiences of unmet value expectations temper suppliers' enthusiasm to engage in future collaboration efforts, exacerbated by uncertainties around achieving satisfactory profitability:

It is like that pyramid [Mazlov's hierarchy of needs], if we are worried about money, then our focus needs to be on that. Initiatives on how to work better together and so on are great, but they need to be built on an assurance of basic profitability. (Gamma-3)

There is a lot of talk [from PIP] about working closer together, and that the suppliers must make money too [...] That is definitely the way to go but we have heard it all before so instead of really committing ourselves, we kind of think they are just talking again. (Delta-2)

Different facets of trust distinctly influence the perception of value. A lack of integrity trust leads suppliers to anticipate continued suppressed prices and compels increased risk-taking by adding speculative bidding as a possible necessity for competitiveness. Concurrently, deficiencies in benevolence trust add perceived costs and risks post-award, underscoring the pivotal role of customer support in ensuring mutual success. This dynamic reinforces the established correlation between trust, transaction costs and anticipated direct economic value (Dyer and Chu, 2003; Pulles *et al.*, 2014; Tóth *et al.*, 2015), while also extending it to

include indirect value considerations. Specifically, suppliers' reluctance to engage in knowledge transfer, driven by doubts about reciprocal benefits, highlights this connection:

*PIP wonders why we do not share more with them. I agree that we can both learn from each other but then they need to open up too and kind of rebuild our faith in them. [...] The last time we shared an idea with them, they put it on full display in a procurement. (Epsi-2)*

This intricate dance between value and trust demonstrates that substantial volumes do not automatically make a customer attractive. Despite its size, suppliers express that PIP will need to improve its customer attractiveness for them to “nurture the relationship beyond contractual obligations” (Delta-1) and “run that extra mile for mutual success” (Beta-3). Evidence that PIP is not well-positioned for desired relationship development is further reinforced when suppliers discuss their strategic intent in relation to PIP, which fails to meet increasing capacity demands, mobilization toward innovation or preferential treatment. At best, the current state of customer attractiveness maintains their current engagement; more likely, it leads to declining efforts in the relationship.

## 5. Conclusions

### 5.1 Theoretical contributions

This study seeks to understand how customer attractiveness is shaped in strategic buyer–supplier relationships within the public sector. While prior research, such as [Schiele \(2020\)](#), has emphasized similarities between the private and public sectors in issues related to customer attractiveness, our findings suggest that this is not necessarily the case for strategic buyer–supplier relationships. Indeed, the dynamic shaping customer attractiveness in this setting appears to differ distinctly from those in commercially oriented environments. The observations suggest that public-sector buyer–supplier dynamics cannot be fully understood without considering the broader societal and regulatory imperatives that distinguish public from private procurement.

These findings extend social exchange theory by demonstrating how structural constraints within the public sector influence the traditional roles of value, trust and dependence. Customer attractiveness in the public sector toward strategic suppliers is driven by a dynamic interplay of value and trust, while contextual constraints render dependence largely latent. Despite its prominence in the customer attractiveness literature ([Hald et al., 2009](#); [Vos, 2017](#)), the impact of dependence appears limited in both potentially harmful and beneficial directions due to regulatory limitations. This observation offers a significant theoretical refinement by underscoring the necessity to distinguish between power-holding and power-utilization, while simultaneously informing that the diminished role of dependence may stem more from structural limitations rather than strategic intentions, aligning with what [Crook et al. \(2017\)](#) label exchange diffusion.

In contrast to studies from the private sector ([Shanka and Buvik, 2019](#)), trust remains a crucial factor even without the function of mitigating fears of dependence. Different facets of value and trust drive customer attractiveness through bidirectional and mutually reinforcing cycles. Integrity trust builds expected value by assuring the suppliers of sound economic returns, which, in turn, serves as a prerequisite for the public customer's ability to boost benevolence trust through collaborative means. Furthermore, benevolence trust is found to be crucial for lowering suppliers' perception of costs and risks in the relationship post-award, as well as enabling indirect value generation. While social exchange theory and the customer attractiveness literature have tended to treat trust as a matter between dyadic partners ([Lambe et al., 2001](#); [Pulles et al., 2014](#)), the distinct role of these trust facets emphasizes the need for incorporating network aspects. The study strengthens the importance of public customers'

relational behavior (Eckerd and Eckerd, 2017; Glas, 2018; Schiele, 2020), but highlights that building benevolence trust must be grounded on a robust foundation of integrity trust, as the perceived treatment of third parties is critical due to the operating framework of the public sector. These dynamics warrant careful consideration before adopting conceptualizations that position integrity as a sub-dimension of benevolence (e.g. Das and Teng, 2001).

The study shows that relationship dynamics in the public sector surpass the predictive scope of transactional governance models. Indeed, the findings suggest that customer attractiveness in strategic buyer–supplier relationships extends well beyond the confines of “contract attractiveness.” Social exchange theory offers a valuable perspective for understanding the ongoing, multifaceted interactions that shape relational dynamics central to customer attractiveness in strategic buyer–supplier relationships within the public sector. Consequently, this study not only extends social exchange theory to public procurement contexts but also aligns with broader calls to transition public procurement roles from operational to strategic (Guarnieri and Gomes, 2019).

### 5.2 Managerial implications

Becoming an attractive public customer can bring significant benefits, including capacity mobilization, joint innovation, and better overall procurement outcomes. Achieving these benefits requires a careful execution order in managing the complex relationship between value and trust. Building trust is a prerequisite for elevated expected value. However, an isolated pursuit toward benevolence trust indiscriminately across the supply network may solidify perceptions of a customer that allows competition to erode economic value. This could, in turn, damage the very foundation on which trust must be built, as indicated by its reversed link to value. Therefore, there is an early need for public customers to counter such notions by establishing integrity trust.

This requires close attention to collaboration progress and thorough follow-up on essential contractual agreements. Public customers can implement this by ensuring regular project reviews, establishing clear communication channels, and monitoring adherence to agreed-upon standards. Given the suppliers’ acute awareness of network dynamics, such actions are likely to be welcomed, as they send a clear signal about how competitors will be treated. This indicates that measures of formal governance and some loss of autonomy may actually enhance relationship quality (Davis and Cobb, 2010; Eckerd and Eckerd, 2017). Simultaneously, it is critical for public customers to proactively support the suppliers in the projects and embrace social interactions post-award.

While adding complexity, the need to build both integrity and benevolence trust can work in tandem. Integrity trust reassures suppliers of reliable economic returns, which is a foundational requirement for fostering benevolence trust. Furthermore, a supplier may take a hard stance “personally” if it is not believed to be applied to all. Thus, integrity trust can help mitigate notions that the customer is effectively working against the best interest of the supplier. Success in these areas hinges on shifting focus from the procurement phase to the actual collaboration. Echoing Caldwell *et al.* (2005), public customers should reallocate resources toward post-tender management. Detaching interactions from the moment of purchase will also allow for a more flexible approach to an operating framework with limited room to distinguish between suppliers. Responsiveness to supplier performance, beyond simply filtering out opportunism, becomes essential.

Considering the challenges posed by legislative mandates for “equal treatment” (EU, 2023b), innovative thinking that extends beyond dynamic contract designs is required. For instance, public customers can alleviate suppliers’ concerns about achieving adequate returns on their investments within a single contract by committing to a concept route where

incentives to elevate competitiveness are prolonged through stipulated product standards. Incorporating past performance as part of supplier evaluation criteria is another option, although the feasibility of this practice within public procurement remains a challenge. Public customers are also advised to act proactively as a reference and facilitate market access for well-performing suppliers, which can generate indirect value and strengthen benevolence trust. This can be developed into a comparative strength for public customers as they possess an inherent competitive advantage over private customers in that they serve the public good, which may be an appealing differentiator to some suppliers.

Before implementing these strategies, public managers must ensure that any supplier-specific initiatives or performance-based incentives are fully aligned with their overarching legal obligations. In practice, this means balancing efforts to reward strong supplier performance with the need to maintain fairness and equal treatment – an imperative that helps safeguard against conflicts of interest (Rainey and Jung, 2010; Telgen *et al.*, 2007). While public customers may hesitate to take some of these actions due to fears of appearing biased, our findings suggest that the concern should rather be the reverse: neutrality pursued to the point of perceived unfairness through indifference to performance.

### 5.3 Limitations and future research

The exploratory research design necessitates a cautious application of its findings beyond the examined context, even within the public sector. The results, derived from strategic buyer–supplier relationships, may especially differ from standardized, commodity-based transactions. Another drawback is the limited emphasis on societal benefits and policy implementation aspects of public procurement. While customer attractiveness to strategic suppliers is critical for achieving commercial objectives and thereby serving the public interest, additional policy objectives must also be considered. For example, when socio-economic goals, such as stimulating SME participation by lowering entry barriers, are highly prioritized, they may take precedence over commercial outcomes. Future research should explore how public entities can navigate this complex landscape of commercial, and socio-economic objectives in public procurement.

The paper also opens up an interesting avenue for future research into perceptions of regulatory compliance and fairness in public procurement. While all practices and conduct in public administration must adhere to legality and serve the public interest, the findings suggest that developing a “bias to performance” – and thereby by extension treating individual suppliers differently – may be crucial not only for unlocking commercial outcomes but also for fostering perceptions of fairness. This invites further investigation into how “equal treatment” should be operationalized, potentially by examining perception incongruences between suppliers and public entities through the lens of procedural versus distributive justice.

Furthermore, future researchers are cautioned against bundling intra-construct facets together in a manner that fails to recognize their inherent diversity and dynamism. In the public sector, differentiating between possessing dependence and the capability to leverage it, as well as distinguishing different trust facets, is critical. Further, our study suggests that regulations promoting neutrality and non-differentiation among suppliers can paradoxically undermine perceptions of fairness. Future studies validating these insights could have considerable implications for public procurement policies.

Another research avenue involves studies distinctly separating the tender phase from the relationship phase. This could be combined with an examination of the strategies and tactics that public customers can use to build customer attractiveness, as the research call for step-by-step guidance remains largely unanswered (Nollet *et al.*, 2012). To this point, future research could benefit from including a more extensive range of public sector actors, providing a more

---

comprehensive understanding of how fruitful relationships are formed and maintained. Finally, there is a need for customer attractiveness research from a network perspective, assessing initiatives not only from the perspective of the targeted suppliers (e.g. SMEs) but also considering how these actions are perceived by competitors (e.g. incumbent suppliers).

## References

- Aberbach, J.D. and Rockman, B.A. (2002), "Conducting and coding elite interviews", *Political Science and Politics*, Vol. 35 No. 4, pp. 673-676.
- Aminoff, A. and Tanskanen, K. (2013), "Exploration of congruence in perceptions of buyer-supplier attraction: a dyadic multiple case study", *Journal of Purchasing and Supply Management*, Vol. 19 No. 3, pp. 165-184.
- Baxter, R. (2012), "How can business buyers attract sellers' resources? Empirical evidence for preferred customer treatment from suppliers", *Industrial Marketing Management*, Vol. 41 No. 8, pp. 1249-1258.
- Bell, G.G., Oppenheimer, R.J. and Bastien, A. (2002), "Trust deterioration in an international buyer-supplier relationship", *Journal of Business Ethics*, Vol. 36 Nos 1/2, pp. 65-78.
- Blau, P.M. (1964), *Exchange and Power in Social Life*, John Wiley and Sons, New York, NY.
- Braun, V. and Clarke, V. (2006), "Using thematic analysis in psychology", *Qualitative Research in Psychology*, Vol. 3 No. 2, pp. 77-101.
- Braun, V. and Clarke, V. (2019), "Reflecting on reflexive thematic analysis", *Qualitative Research in Sport, Exercise and Health*, Vol. 11 No. 4, pp. 589-597.
- Caldwell, N., Walker, H., Harland, C., Knight, L., Zheng, J. and Wakeley, T. (2005), "Promoting competitive markets: the role of public procurement", *Journal of Purchasing and Supply Management*, Vol. 11 Nos 5/6, pp. 242-251.
- Caniëls, M.C., Vos, F.G., Schiele, H. and Pulles, N.J. (2018), "The effects of balanced and asymmetric dependence on supplier satisfaction: identifying positive effects of dependency", *Journal of Purchasing and Supply Management*, Vol. 24 No. 4, pp. 343-351.
- Carboni, C., Iossa, E. and Mattera, G. (2018), "Barriers towards foreign firms in international public procurement markets: a review", *Economia e Politica Industriale*, Vol. 45 No. 1, pp. 85-107.
- Chicksand, D. and Rehme, J. (2018), "Total value in business relationships: exploring the link between power and value appropriation", *Journal of Business and Industrial Marketing*, Vol. 33 No. 2, pp. 174-182.
- Christiansen, P.E. and Maltz, A. (2002), "Becoming an 'interesting' customer: procurement strategies for buyers without leverage", *International Journal of Logistics*, Vol. 5 No. 2, pp. 177-195.
- Cordón, C. and Vollmann, T.E. (2002), "The next game in purchasing: be the most attractive customer to key suppliers", *IMD International*, Vol. 86 No. 1, pp. 1-4.
- Cordón, C. and Vollmann, T.E. (2008), *The Power of Two: how Smart Companies Create Win-Win Customer-Supplier Partnerships That Outperform the Competition*, Palgrave Macmillan, New York, NY.
- Crook, T.R., Craighead, C.W. and Autry, C.W. (2017), "Hold back or held back? The roles of constraint mitigation and exchange diffusion on power 'nonuse' in buyer-supplier exchanges", *Journal of Supply Chain Management*, Vol. 53 No. 2, pp. 10-21.
- Das, T.K. and Teng, B.S. (2001), "Trust, control, and risk in strategic alliances: an integrated framework", *Organization Studies*, Vol. 22 No. 2, pp. 251-283.
- Davis, G.F. and Cobb, J.A. (2010), "Resource dependence theory: past and future", *Stanford's organization theory renaissance, 1970-2000*.

- Dyer, J.H. and Chu, W. (2003), "The role of trustworthiness in reducing transaction costs and improving performance: empirical evidence from the United States, Japan, and Korea", *Organization Science*, Vol. 14 No. 1, pp. 57-68.
- D'Alpaos, C., Moretto, M., Valbonesi, P. and Vergalli, S. (2013), "Time overruns as opportunistic behavior in public procurement", *Journal of Economics*, Vol. 110 No. 1, pp. 25-43.
- ECB (2024), "Financial stability review", European Central Bank., available at: [www.ecb.europa.eu/pub/pdf/fsr/ecb.fsr202405~7f212449c8.en.pdf](http://www.ecb.europa.eu/pub/pdf/fsr/ecb.fsr202405~7f212449c8.en.pdf) (accessed 3 August 2024).
- Eckerd, A. and Eckerd, S. (2017), "Institutional constraints, managerial choices, and conflicts in public sector supply chains", *International Public Management Journal*, Vol. 20 No. 4, pp. 624-647.
- Ellram, L.M. and Cooper, M.C. (1990), "Supply chain management, partnership, and the shipper-third party relationship", *The International Journal of Logistics Management*, Vol. 1 No. 2, pp. 1-10.
- Emerson, R.M. (1962), "Power-Dependence relations", *American Sociological Review*, Vol. 27 No. 1, pp. 31-41.
- Erridge, A. and Greer, J. (2002), "Partnerships and public procurement: building social capital through supply relations", *Public Administration*, Vol. 80 No. 3, pp. 503-522.
- Erridge, A. and McIlroy, J. (2002), "Public procurement and supply management strategies", *Public Policy and Administration*, Vol. 17 No. 1, pp. 52-71.
- EU (2023b), "Public procurement contracts", European Parliament, available at: [www.europarl.europa.eu/factsheets/en/sheet/34/public-procurement-contracts](http://www.europarl.europa.eu/factsheets/en/sheet/34/public-procurement-contracts) (accessed 10 December 2023).
- EU (2024c), "Directive 2014/24/EU", European Parliament, available at: [www.eur-lex.europa.eu/legal-content/EN/TXT/?qid=1415180510261&uri=CELEX:32014L0024](http://www.eur-lex.europa.eu/legal-content/EN/TXT/?qid=1415180510261&uri=CELEX:32014L0024) (accessed 2 March 2024).
- EU (2024d), "Public tendering rules", European Union, available at: [www.europa.eu/youreurope/business/selling-in-eu/public-contracts/public-tendering-rules/index\\_en.htm](http://www.europa.eu/youreurope/business/selling-in-eu/public-contracts/public-tendering-rules/index_en.htm) (accessed 3 February 2024).
- Flynn, A. and Davis, P. (2016), "The policy–practice divide and SME-friendly public procurement", *Environment and Planning C: Government and Policy*, Vol. 34 No. 3, pp. 559-578.
- Fridner, D. (2023), "The perks of being an attractive public customer", *Journal of Public Procurement*, Vol. 24 No. 1, doi: [10.1108/JOPP-03-2023-0018](https://doi.org/10.1108/JOPP-03-2023-0018).
- Gadde, L.E. and Wynstra, F. (2018), "Purchasing management and the role of uncertainty", *IMP Journal*, Vol. 12 No. 1, pp. 127-147.
- Ganesan, S. (1994), "Determinants of long-term orientation in buyer-seller relationships", *Journal of Marketing*, Vol. 58 No. 2, pp. 1-19.
- Gioia, D.A., Corley, K.G. and Hamilton, A.L. (2013), "Seeking qualitative rigor in inductive research: notes on the Gioia methodology", *Organizational Research Methods*, Vol. 16 No. 1, pp. 15-31.
- Glas, A.H. (2018), "Preferential treatment from the defense industry for the military", *Journal of Defense Analytics and Logistics*, Vol. 1 No. 2, pp. 96-119.
- Grandia, J. (2018), "Public procurement in Europe", in Ongaro, E. and Van Thiel, S. (Eds), *The Palgrave Handbook of Public Administration and Management in Europe*, Palgrave Macmillan, London, pp. 363-380.
- Guarnieri, P. and Gomes, R.C. (2019), "Can public procurement be strategic? A future agenda proposition", *Journal of Public Procurement*, Vol. ahead-of-print No. ahead-of-print, pp. 295-321.
- Hald, K.S. (2012), "The role of boundary spanners in the formation of customer attractiveness", *Industrial Marketing Management*, Vol. 41 No. 8, pp. 1228-1240.

- Hald, K.S., Cordón, C. and Vollmann, T.E. (2009), "Towards an understanding of attraction in buyer-supplier relationships", *Industrial Marketing Management*, Vol. 38 No. 8, pp. 960-970.
- Halinen, A. and Törnroos, J.Å. (2005), "Using case methods in the study of contemporary business networks", *Journal of Business Research*, Vol. 58 No. 9, pp. 1285-1297.
- Hodkinson, P. (2008), "Grounded theory and inductive research", *Researching Social Life*, Sage Publications Ltd, London, No. 5, pp. 80-100.
- Ireland, R.D. and Webb, J.W. (2007), "A multi-theoretic perspective on trust and power in strategic supply chains", *Journal of Operations Management*, Vol. 25 No. 2, pp. 482-497.
- Karttunen, E., Matela, M., Hallikas, J. and Immonen, M. (2022), "Public procurement as an attractive customer: a supplier perspective", *International Journal of Operations and Production Management*, Vol. 42 No. 13, pp. 79-102.
- Kelly, S., Marshall, D., Walker, H. and Israilidis, J. (2021), "Supplier satisfaction with public sector competitive tendering processes", *Journal of Public Procurement*, Vol. 21 No. 2, pp. 183-205.
- Kragh, H., Ellegaard, C. and Andersen, P.H. (2022), "Managing customer attractiveness: how low-leverage customers mobilize critical supplier resources", *Journal of Purchasing and Supply Management*, Vol. 28 No. 2, p. 100742.
- La Rocca, A., Caruana, A. and Snehota, I. (2012), "Measuring customer attractiveness", *Industrial Marketing Management*, Vol. 41 No. 8, pp. 1241-1248.
- Lambe, C.J., Wittmann, C.M. and Spekman, R.E. (2001), "Social exchange theory and research on business-to-business relational exchange", *Journal of Business-to-Business Marketing*, Vol. 8 No. 3, pp. 1-36.
- Loader, K. (2007), "The challenge of competitive procurement: value for money versus small business support", *Public Money and Management*, Vol. 27 No. 5, pp. 307-314.
- Makkonen, H., Vuori, M. and Puranen, M. (2016), "Buyer attractiveness as a catalyst for buyer-supplier relationship development", *Industrial Marketing Management*, Vol. 55, pp. 156-168.
- Mayer, R.C., Davis, J.H. and Schoorman, F.D. (1995), *An Integrative Model of Organizational Trust*, *Academy of Management Review*, 20, pp. 709-734.
- Mark McKevitt, D. and Davis, P. (2014), "Supplier development and public procurement: allies, coaches and bedfellows", *International Journal of Public Sector Management*, Vol. 27 No. 7, pp. 550-563.
- Monroe, K.B. (1990), *Pricing: Making Profitable Decisions*, McGraw-Hill College, New York.
- Morgan, R.M. and Hunt, S.D. (1994), "The commitment-trust theory of relationship marketing", *Journal of Marketing*, Vol. 58 No. 3, pp. 20-38.
- Mortensen, M. and Arlbjørn, J. (2012), "Inter-organisational supplier development: the case of customer attractiveness and strategic fit", *Supply Chain Management: An International Journal*, Vol. 17 No. 2, pp. 152-171.
- Nollet, J., Rebolledo, C. and Popel, V. (2012), "Becoming a preferred customer one step at a time", *Industrial Marketing Management*, Vol. 41 No. 8, pp. 1186-1193.
- OECD (2023), "Public procurement", available at: [www.oecd.org/en/publications/public-procurement-performance\\_0dde73f4-en.html](http://www.oecd.org/en/publications/public-procurement-performance_0dde73f4-en.html) (accessed 6 July 2024).
- Onur, I. and Tas, B.K.O. (2019), "Optimal bidder participation in public procurement auctions", *International Tax and Public Finance*, Vol. 26 No. 3, pp. 595-617.
- Patrucco, A.S., Luzzini, D., Moretto, A. and Ronchi, S. (2018), "Attraction in buyer-supplier relationships", *Business Process Management Journal*, Vol. 25 No. 2, pp. 347-367.
- Pulles, N.J., Veldman, J., Schiele, H. and Sierksma, H. (2014), "Pressure or pamper? The effects of power and trust dimensions on supplier resource allocation", *Journal of Supply Chain Management*, Vol. 50 No. 3, pp. 16-36.

- Pulles, N.J., Ellegaard, C., Schiele, H. and Kragh, H. (2019), "Mobilising supplier resources by being an attractive customer: relevance, status and future research directions", *Journal of Purchasing and Supply Management*, Vol. 25 No. 3, p. 100539.
- Pulles, N.J., Schiele, H., Veldman, J. and Hüttinger, L. (2016), "The impact of customer attractiveness and supplier satisfaction on becoming a preferred customer", *Industrial Marketing Management*, Vol. 54, pp. 129-140.
- Purchase, S., Goh, T. and Dooley, K. (2009), "Supplier perceived value: differences between business-to-business and business-to-government relationships", *Journal of Purchasing and Supply Management*, Vol. 15 No. 1, pp. 3-11.
- Rainey, H.G. and Jung, C.S. (2010), "Extending goal ambiguity research in government: from organisational goal ambiguity to programme goal ambiguity", *Public Management and Performance: Research Directions*, pp. 34-59.
- Ramsay, J. and Wagner, B.A. (2009), "Organisational supplying behaviour: understanding supplier needs, wants and preferences", *Journal of Purchasing and Supply Management*, Vol. 15 No. 2, pp. 127-138.
- Reichenbachs, M., Schiele, H. and Hoffmann, P. (2017), "Strategic supply risk: exploring the risks deriving from a buying firm being of low importance for its suppliers", *International Journal of Risk Assessment and Management*, Vol. 20 No. 4, pp. 350-373.
- Schiele, H. (2012), "Accessing supplier innovation by being their preferred customer", *Research-Technology Management*, Vol. 55 No. 1, pp. 44-50.
- Schiele, H. (2020), "Comparing public and private organizations in their quest to become a preferred customer of suppliers", *Journal of Public Procurement*, Vol. 20 No. 2, pp. 119-144.
- Schiele, H., Veldman, J. and Hüttinger, L. (2011), "Supplier innovativeness and supplier pricing: the role of preferred customer status", *International Journal of Innovation Management*, Vol. 15 No. 1, pp. 1-27.
- Schiele, H. and Vos, F.G. (2015), "Dependency on suppliers as a peril in the acquisition of innovations? The role of buyer attractiveness in mitigating potential negative dependency effects in buyer-supplier relations", *Australasian Marketing Journal*, Vol. 23 No. 2, pp. 139-147.
- Shanka, M.S. and Buvik, A. (2019), "When does relational exchange matter? Social bond, trust and satisfaction", *Journal of Business-to-Business Marketing*, Vol. 26 No. 1, pp. 57-74.
- Smals, R.G. and Smits, A.A. (2012), "Value for value—the dynamics of supplier value in collaborative new product development", *Industrial Marketing Management*, Vol. 41 No. 1, pp. 156-165.
- Srinivasan, M., Mukherjee, D. and Gaur, A.S. (2011), "Buyer-supplier partnership quality and supply chain performance: moderating role of risks, and environmental uncertainty", *European Management Journal*, Vol. 29 No. 4, pp. 260-271.
- Stearns, P.D. and Walker, D.H.T. (2000), "Competitive tendering and contracting public sector services in Australia: a facilities management issue", *Facilities*, Vol. 18 Nos 5/6, pp. 245-255.
- Tanskanen, K. and Aminoff, A. (2015), "Buyer and supplier attractiveness in a strategic relationship—A dyadic multiple-case study", *Industrial Marketing Management*, Vol. 50, pp. 128-141.
- Telgen, J., Harland, C.M. and Knight, L.A. (2007), "Public procurement in perspective", in Knight, L.A., Harland, C.M., Telgen, J., Callender, G., Thai, K.V. and McKen, K.E. (Eds), *Public Procurement: International Cases and Commentary*, Routledge, Abingdon, pp. 16-24.
- Terpend, R. and Krause, D.R. (2015), "Competition or cooperation? Promoting supplier performance with incentives under varying conditions of dependence", *Journal of Supply Chain Management*, Vol. 51 No. 4, pp. 29-53.
- Thibaut, J. and Kelley, H. (1959), *The Social Psychology of Groups*, Wiley, New York, NY.

- Tóth, Z., Thiesbrummel, C., Henneberg, S.C. and Naudé, P. (2015), "Understanding configurations of relational attractiveness of the customer firm using fuzzy set QCA", *Journal of Business Research*, Vol. 68 No. 3, pp. 723-734.
- Uenk, N. and Telgen, J. (2019), "Managing challenges in social care service triads: exploring public procurement practices of dutch municipalities", *Journal of Purchasing and Supply Management*, Vol. 25 No. 1, pp. 5-17.
- Uyarra, E., Edler, J., Garcia-Estevez, J., Georghiou, L. and Yeow, J. (2014), "Barriers to innovation through public procurement: a supplier perspective", *Technovation*, Vol. 34 No. 10, pp. 631-645.
- Vargo, S.L. and Lusch, R.F. (2004), "Evolving to a new dominant logic for marketing", *Journal of Marketing*, Vol. 68 No. 1, pp. 1-17.
- Vos, F.G. (2017), "Preferred customer status, supplier satisfaction and their contingencies", PhD Thesis, University of Twente, Twente.
- Vos, F.G., Schiele, H. and Hüttinger, L. (2016), "Supplier satisfaction: explanation and out-of-sample prediction", *Journal of Business Research*, Vol. 69 No. 10, pp. 4613-4623.
- Wang, Q. and Jap, S. (2017), "Benevolent dictatorship and buyer-supplier exchange", *Journal of Business Research*, Vol. 78, pp. 204-216.
- Wangelow, V.P. (2020), "EU public procurement law", *European Procurement and Public Private Partnership Law Review*, Vol. 15 No. 2, pp. 108-124.
- Yin, R.K. (2009), *Case Study Research: Design and Methods*, Sage, Thousand Oaks, CA, Vol. 5.

#### Further reading

- Bemelmans, J., Voordijk, H., Vos, B. and Dewulf, G. (2015), "Antecedents and benefits of obtaining preferred customer status: experiences from the Dutch construction industry", *International Journal of Operations and Production Management*, Vol. 35 No. 2, pp. 178-200.
- Ellegaard, C. (2012), "Interpersonal attraction in buyer-supplier relationships: a cyclical model rooted in social psychology", *Industrial Marketing Management*, Vol. 41 No. 8, pp. 1219-1227.
- Ellis, S.C., Henke, J.W., Jr and Kull, T.J. (2012), "The effect of buyer behaviors on preferred customer status and access to supplier technological innovation: an empirical study of supplier perceptions", *Industrial Marketing Management*, Vol. 41 No. 8, pp. 1259-1269.
- EU (2024a), "Public procurement", European Commission, available at: [www.ec.europa.eu/growth/single-market/public-procurement\\_en](http://www.ec.europa.eu/growth/single-market/public-procurement_en) (accessed 12 January 2024).
- Hüttinger, L., Schiele, H. and Veldman, J. (2012), "The drivers of customer attractiveness, supplier satisfaction and preferred customer status: a literature review", *Industrial Marketing Management*, Vol. 41 No. 8, pp. 1194-1205.
- Malacina, I., Karttunen, E., Jääskeläinen, A., Lintukangas, K., Heikkilä, J. and Kähkönen, A.K. (2022), "Capturing the value creation in public procurement: a practice-based view", *Journal of Purchasing and Supply Management*, Vol. 28 No. 2, p. 100745.
- Nagati, H. and Rebolledo, C. (2013), "Supplier development efforts: the suppliers' point of view", *Industrial Marketing Management*, Vol. 42 No. 2, pp. 180-188.
- Piechota, S., Glas, A.H. and Essig, M. (2021), "Questioning the relevance of supplier satisfaction for preferred customer treatment: antecedent effects of comparative alternatives and multi-dimensionality", *Journal of Purchasing and Supply Management*, Vol. 27 No. 1, p. 100672.
- Stake, J. (2017), "Evaluating quality or lowest price: consequences for small and medium-sized enterprises in public procurement", *The Journal of Technology Transfer*, Vol. 42 No. 5, pp. 1143-1169.

Tanskanen, K. (2015), "Who wins in a complex buyer-supplier relationship? A social exchange theory based dyadic study", *International Journal of Operations and Production Management*, Vol. 35 No. 4, pp. 577-603.

Wadell, O., Bengtson, A. and Åberg, S. (2019), "From dusk till dawn: attracting suppliers for resource mobilization during bankruptcy", *Journal of Purchasing and Supply Management*, Vol. 25 No. 3, p. 100532.

Wang, S. and Bunn, M.D. (2004), "Government/business relationships: insights into contract implementation", *Journal of Public Procurement*, Vol. 4 No. 1, pp. 84-115.

**Corresponding author**

David Fridner can be contacted at: [david.fridner@sbs.su.se](mailto:david.fridner@sbs.su.se)