Project Dissertation

Factors influencing trust among vendors in Supply Chain

Submitted By:

Harshit Sharma

2K14/MBA/27

Under the Guidance of:

Ms. Meha Joshi

Assistant Professor

DELHI SCHOOL OF MANAGEMENT
Delhi Technological University
Bawana Road Delhi 110042
Jan – May 2016

Certificate from the Institute

This is to certify that the Project Report titled **Factors influencing trust among vendors in supply chain** is a bonafide work carried out by Mr. Harshit Sharma of MBA 2014-16 and submitted to Delhi School of Management, Delhi Technological University, Bawana Road, Delhi-42, in partial fulfilment of the requirement for the award of the Degree of Masters of Business Administration.

Signature of Guide　　　　　　　　　　Signature of Head (DSM)

Place:　　　　　　　　　　　　　　　　Seal of Head

Date:

Declaration

I, Harshit Sharma, student of MBA 2014-16 of Delhi School of Management, Dehi Technological University, Bawana Road, Delhi-42, declare that Project Dissertation Report on **Factors influencing trust among vendors in supply chain** submitted in partial fulfillment of Degree of Masters of Business Administration is the original work conducted by me.

The information and data given in the report is authentic to the best of my knowledge.

This Report is not being submitted to any other University for award of any other Degree, Diploma and Fellowship.

Harshit Sharma

Place:

Date:

Acknowledgement

This is matter of great joy to extend my gratitude to those people who helped me in completion of my dissertation project.

I am highly obliged to Ms. Meha Joshi (Delhi School of Management) for guiding me throughout the process of analyzing and preparing this final work on my dissertation.

My special thanks to Prof P.K. Suri (Head of Department, Delhi School of Management), for creating conducive environment in the institute, which boosted my morale and proved to be my driving force for not only performing well in academics but also for the completion of my project.

Harshit Sharma

Executive Summary

The importance of trust arises by the fact that it is regarded as an important contributor to the strength of different relationships. It is widely accepted as an important factor in dyadic business relationships. Thus, both researchers and practitioners are increasingly turning their attention to the concept of trust, as a mean for reducing uncertainty and securing a long-term relationship with business partners.

Hence this aims to explore and evaluate the factors affecting trust among IT vendors in supply chain. These influencing factors are studied in supply chain relationships, focusing on companies operating in a IT sector in India. The research aims to signify the impact of different demographic factor i.e Age, Gender on the the influencing factors of trust. The aim is to contribute in the trust research and to show managers that trust and its antecedents lead to better business performance and better relationships with partners. The research is based on a quantitative analysis of the online questionnaire survey made for the IT service providers/vendors.

The Descriptive analysis was performed to signify the most influencing factors among the prominent five factors(under consideration) affecting the trust & Independent T test was performed to verify the acceptance or rejection of the hypothesis framed, in order to check the impact of different demographic factors on influencing factors of trust.

Table of Contents

List of Tables

List of Figures

1. Introduction

1.1 Overview

Value creation and competitive success depend on a firm's ability to use resources found among its supply chain (SC) partners. Creating value across organizational boundaries through resource integration requires collaborative supply relations and routines. Trust is among the most essential ingredients in cultivating these collaborative relations and developing strong, mutually beneficial relationships capable of achieving competitive advantage.

Trust yields several benefits to SC relationships including:

I. Lower transaction costs;
II. Increased value-creation opportunities;
III. Enhanced collaborative learning.

Trust can only come about when all companies in a supply chain share in not just the rewards but the risks, too. Without trust there can be no sharing of critical information. And without sharing critical information, it's impossible for a supply chain to become borderless and win in the global economy—today and in the future.

1.1.1 Vendor

A vendor, also known as a supplier, is an individual or company that sells goods or services to someone else in the economic production chain.

Vendors are a part of the supply chain: the network of all the individuals, organizations, resources, activities and technology involved in the creation and sale of a product, from the delivery of source materials from the supplier to the manufacturer, through to its eventual delivery to the end user.

Parts manufacturers are vendors of parts to other manufacturers that assemble the parts into something sold to wholesalers or retailers. Retailers are vendors of products to consumers. In information technology as well as in other industries, the term is commonly applied to suppliers of goods and services to other companies.

A tier 1 vendor is a large and well-known vendor, often enjoying national or international recognition and acceptance. Tier 1 vendors may be both manufacturers and value-added resellers (VARs). A tier 2 vendor is a smaller and less well-known provider that is often also limited in its geographic coverage as well. As a consequence, a tier 2 vendor is generally regarded as a secondary source rather than the preferred source.

Vendors can be significant partners in your information technology (IT) project. They may create, deliver, install, maintain, or support critical components of your target state. That being the case, implicit in your reliance on the vendors are one or more of the following:

I. High-performance hardware, software, resources, or support
II. On-time delivery
III. Technical expertise
IV. Fast and thorough fault resolution
V. Training
VI. Professional relations with your team, customers, and beneficiaries

1.1.2 Vendor selection

Selecting a technology vendor is probably one of the most important tasks that an IT leader will undertake. It can be a complicated and emotional process if you don't have the right team of people who have the knowledge and expertise to undergo a successful selection process.

Step 1: Define and analyze your business requirements

What is your organization asking a third party to provide? Assemble an evaluation team that is knowledgeable in the vendor selection process and has a clear understanding of what the business is all about. The evaluation team should be able to:

- Define the product, material or service that is needed
- Define the Technical and Business Requirements
- Define the Vendor Requirements (i.e. the features you are looking for in a vendor), and Publish a Requirements Document

Tip: Collect as much information as possible. Identify and interview stakeholders and users, review existing internal materials such as reports, and statistics. Gather technical information including standards and descriptions of the current technical environment.

Step 2: Identify third party vendor candidates

After the evaluation team has published a requirements document it must now compile a list of possible vendors. Taking into account the number of vendors that you've found, you should send each one a Request for Information (RFI) and conduct a team evaluation process. A short list of vendors is then created.

Step 3: Develop evaluation criteria (with weighting)

Construct an evaluation model that weighs a requirement against its value and priority. For example, if the vendor meets a requirement with a score of 7 (on a scale of 1 to 10) and the priority of that requirement is 5 (on a scale of 1 to 5), then the response can be scored by 35. This helps to amplify the differences among vendors.

Step 4: Conduct Vendor Briefings

Once your team has developed evaluation criteria with weighting and further narrowed down possible vendor candidates, it's time to set up an initial meeting with each potential vendor to discuss stated requirements and ensure a common understanding.

Step 5: Evaluate Vendors and schedule demos

After completion of vendor briefings, your team should be better equipped to evaluate potential vendors. Selected vendors should provide a solution overview to your current business and technological requirements, fees, benefits derived from using a particular vendor, etc. In addition, vendors are requested to provide a "demo" to showcase the capabilities of their solution. Demos are a valuable way to get more information and also evaluate intangible aspects of a vendor.

Tip: Reference Checks – It is critical to check the vendor's references as a part of your evaluation process. Site visits are also strongly recommended.

Step 6: Complete vendor selection

Primary and Secondary Options – At the conclusion of your evaluation process, your team will identify a primary option (your winner) and a secondary alternative.

Tip: While you are in the negotiation process, keep in mind your secondary options as they serve as your best alternative if your negotiation falls through.

Step 7: Complete contracting with vendor

Contracting – Identify a clear set of objectives, deliverables, timeframes, and budgets for your project with the vendor. Make sure these are clearly written in the terms of the contract. One of the most important factors in the vendor selection process is to develop a contract negotiation strategy. A successful contract negotiation simply means that both parties will search for positives that will benefit the two parties in every aspect while they achieve a fair and equitable deal.

Tips: Be clear about all the important prerequisites, terms and conditions of the contract. Don't forget to provide precise information on what goods and/or services you want the vendor to provide. Vendor's compensation should be clearly stated; the total cost, the schedule for payment and financing terms. There should also be acknowledgement of the following: Effective dates/Renewal dates/Completion dates/Termination dates.

1.1.3 Existing Vendors

Many projects require the participation of vendors that your corporation or agency already has under contract. Vendors whose behaviour is generally proscribed by this process, typically provide "commoditized" products or services such as:

- Network transport — voice or data circuits and services
- Hardware — routers, switches, computers, and servers
- "Shrink-wrapped" software — spreadsheets, accounts payable
- Operating systems — desktop and network
- Support — help desk, fault management, "break–fix"
- Procurement — resellers who deliver equipment and software
- Staff augmentation — short-term help or technical consultants

1.1.4 New Vendors

Some project requirements may dictate that you seek out a new vendor for those deliverables. This would likely be driven by one of two conditions:

1. An incumbent vendor may be unable to meet your dates or certain product or service specifications, including price and availability.

2. Incumbent vendors may not be technically qualified or experienced with a particular deliverable. Before getting involved in a detailed look at bringing a new vendor into the fold, I must surface a very old IT axiom, which alleges, “No one ever got fired going with IBM.” I do not interpret this as disrespectful toward Big Blue, by the way. Instead, the message is that reaching out to new vendors or products can introduce a series of challenges that may:

• Require long lead times

• Introduce risk not previously experienced

• Take lots of patience to resolve

1.1.5 Customer–Vendor Relationship Disconnects

Once you plug a vendor’s name into the plan against a major deliverable, you are assigning responsibility to them and designating them as a critical facilitator of success. Whether they are writing code, delivering systems, or cobbling technology together in your computer rooms, you expect them to perform on time and up to your specifications. Unless you manage them properly, however, there is plenty of history that suggests their success in this regard is not a sure thing.

Some of the prominent Customer–Vendor Relationship Disconnects are as follows:

• The vendor may lack the logistical infrastructure or resource that can meet your needs precisely while servicing other, equally demanding customers.

• How many superstars in their employ can be dedicated to your project

• Does your view of their deliverables, roles, and responsibilities match theirs?

• Vendors generally see the customer squeezing relentlessly on price, while demanding scope creep for free.

• Customers generally see vendors cherry picking (i.e., performing easy, profitable work while avoiding the tough, low-margin work that you really need them to produce).

1.1.6 Vendor management

Vendor management is a discipline that enables organizations to control costs, drive service excellence and mitigate risks to gain increased value from their vendors throughout the deal life cycle. This enables organizations to optimally develop, manage and control vendor contracts, relationships and performance for the efficient delivery of contracted products and services. This can help clients meet business objectives, minimize potential business disruption, avoid deal and delivery failure, and ensure more-sustainable multisourcing, while driving the most value from their vendors.

1.1.7 Practices followed for vendor management

The report claims that viewing vendor management as a life cycle and not a procurement event will provide such benefits as reduced costs, increased customer satisfaction, greater business impact of technology projects, and the ability to co-develop and innovate with partners.

The best practices hopes to provide a common set of practices that can be applied to any organization, which are as follows:

1. Choose Wisely

If you have the luxury of choosing between multiple suppliers, take the time to examine each one's pros and cons. Determine which one can give you what you need, when you need it and for the right price. Evaluate everything from their response time to their contract terms to their costs. Relationships are most successful if they have the time to grow, so you want to select a supplier that you and your organization will be able to grow with.

2. Communicate

The easiest way to engender ill will in any relationship is a lack of communication. Take the time to communicate with your suppliers and ask for the same type of outreach in return. This is especially important regarding timelines.

If a project timeline changes, your supplier should be one of the first people to know. An earlier alert keeps them in the loop and could make a mutually agreed upon solution possible. Your supplier should be able to problem-solve and troubleshoot issues pertaining to material quality and delivery, so use these traits to your advantage when you’re facing difficulties.

Also, remember to not use communication as a way to test your suppliers. If you need them to meet a specific date, explicitly tell them. Don’t ask them to guess or read your mind and then be surprised when they can’t.

3. Understand Their Business

While you don’t need to necessarily understand every nuance about a supplier’s business model or operating procedures, having a general working knowledge of their policies will help you to better understand their values. It will also give you context to the challenges they face, which is especially important if you work in a business with shifting priorities and deadlines that requires a great amount of flexibility. If you understand why a supplier might say “no,” it makes it much easier to plan ahead.

4. Plan for Contingencies

There are normal everyday contingencies you should plan for, like late shipments or weather-ruined pallets. There are also major disruptions to plan for, like natural disasters or critical equipment failure. Most of these contingencies will probably be developed in-house, but you should make a concession for your suppliers and make sure they have a clear understanding of how you will expect them to behave should the unthinkable happen.

5. Put as Much Thought Into Rewards as Penalties

Penalties are there for those times when someone does not hold up his or her end of the deal. With that in mind, there should also be a reward for when work is above and beyond expectations. Thinking about worst case scenarios is important, but also assume that suppliers will exceed your expectations, and that they should be rewarded when they do. A reward could be an especially prompt payment or a simple "Thank You" note.

6. Accept Accountability

Both the client and the supplier are responsible for the success or failure of the working relationship. Accept accountability for your place in the process by acknowledging that your decisions, delayed timing or changes in project scope directly impact the supplier’s ability to do his or her job well.

7. Invest in Supplier Management Software

This is really to preserve your sanity or the sanity of your office manager. Supplier relationship management (SRM) software is especially important as the number of suppliers you work with grows. It can be used to monitor supplier performance and keep all of your supplier details in one place. Many SRM programs also interface with accounting software, making for a seamless invoicing experience.

8. Pay On Time

Your supplier does a job and should be compensated for it. Consider the last time a customer was late paying you. Even if they had told you the check would be a few days late, consider the slight annoyance you felt at having to wait, and the relief you felt when the check finally arrived. Paying your vendors on time demonstrates that you respect them and the work they do.

9. Stay Flexible

This is different than planning for disasters or setbacks in your production schedule. Staying flexible means adapting to everyday issues that arise.

10. Continuously Work on Strengthening Your Relationship

Look for opportunities outside of general day-to-day contact. If you have a quarterly meeting or invite your suppliers to come and visit your facility, make sure to spend time with them and forge stronger bonds. Ask your suppliers for feedback. Encourage them to have open discussions with you about ways that the relationship could work better or more efficiently. Supplier relationships are partnerships and as such, are also a two-way street.

1.1.8 IT vendors in India

Total software sales by vendors based in India are expected to increase to between $9.5 billion and $12 billion by 2015, up from $1.4 billion in the fiscal year that ended March 31, according to a study released today by the country's largest IT trade group.

India's IT industry currently draws most of its revenue from services, with companies such as Tata Consultancy Services, Infosys Technologies and Wipro leading the pack. But the National Association of Software and Service Companies, or Nasscom, said in the new study that momentum is picking up for product firms in India.

Of the 371 software vendors set up in India since 2001, two-thirds were formed in the past three years, Nasscom said. The group added that about 100 companies began operations last year alone.

Indian software vendors have also emerged as acquisition targets for multinational vendors. For example, Oracle Corp. in 2005 acquired a majority stake in i-Flex Solutions Ltd., a Mumbai-based developer of financial applications that now is changing its name to Oracle Financial Services Ltd. And EMC Corp. announced in February 2007 that it was buying Valyd Software Ltd., a vendor of enterprise data security software in Hyderabad.

Despite such deals, venture capital funding is what's really supporting the growth of the Indian software industry, according to the new study, which was conducted for Nasscom by Bangalore-based Zinnov Management Consulting Pvt. Venture capital funds invested in the software products sector grew from $76 million in 2005 to $156 million last year, Nasscom said.

About $80 billion in private equity and venture funding, from both international and domestic sources, is expected to be invested in India over the next four to five years, said Sudhir Sethi, chairman and managing director of IDG Ventures India, which has offices in Bangalore and Mumbai. About $20 billion of that money is likely to be invested in hardware and software companies, Sethi added.

As many as 16 Indian companies have made it to the list of top 100 software vendors in the emerging markets, commanding a combined revenue of $797 million, says a PricewaterhouseCoopers (PwC) report.

The latest PwC global 100 software leaders report also says that in terms of revenue, India was ranked fifth among the emerging markets in 2011.

In terms of software revenue among emerging markets China topped the list with $2,738 million, followed by Israel $1,174 million (2nd), Russia $1,015 million (3rd), Brazil $945 million (4th) and India $797 million (5th).

Meanwhile, Geodesic was ranked 14 on the list of software services revenue, followed by OnMobile (21), Subex (26), Infosys (27), TCS (29), FT India (35) and Tally Solutions (39).

Among other Indian firms, Cranes Software was placed in the 44th position in the list, followed by 3i Infotech (60), Newgen Software (62), Ramco Systems (64), Persistent (65), KLG Systel (71), Polaris Software (72), Educomp Solutions (85) and Teledata Technology (89).

"Emerging markets are poised to play an increasingly pivotal role in the global software industry. Focus on innovation, growing talent pool and government support are just some of the advantages of this market segment," the report said.

Meanwhile, the number of software product firms has grown over the last decade from a little over 100 in 2000 to nearly 2,400 in 2013, it said.

According to the industry body NASSCOM, the revenue from the software product segment currently stands at $2.2 billion and is expected to reach $10 billion by 2020.

The PwC report noted that software-as-a-service is gaining traction. Moreover, industry consolidation and increasing globalisation are also transforming the software sector.

"The Indian IT industry has been primarily identified with software services and this focus has relegated the software products segment to the background. However, of late, we are seeing a change in the fortunes of this segment due to significant growth," PwC India Leader Technology Sanjay Dhawan said.

Emerging technologies such as Social media, Mobility, Analytics and Cloud (SMAC) are driving the growth in the software product segment and helping it move to the next level, Dhawan added.

Top 10 IT Companies (2014-15)
Tata Consultancy Services
Infosys
Wipro
HCL Technologies
Tech Mahindra
L&T Infotech
Syntel ltd
Mphasis ltd
Genpact India pvt ltd
Mindtree ltd

Table 1.1 : Top 10 IT companies as per Nasscom

1.2 Introduction of the Project

Since supply chain relationships often involve a higher degree of interdependency between Competitors, therefore issues of trust and risk are significantly more important in supply chain relationship, moreover Chapman and Corso (2005) pointed out that no amount of technology can overcome a lack of trust between key partners involved in cross-company projects.

The focus of this study will be on the factors that influence trust among IT vendors in a supply chain relationship. It is of great interest from both academic perspective and managerial one to understand the forces that affect trust in a relationship. The research tries to analyse the prominent factors responsible for influencing trust among vendors in supply chain. It also attempts to analyse the impact of demographic factors of respondents on the influencing factors of trust.

After extensive study of literature available, the following factors were considered relevant for consideration as influencing factors of trust : -

I. Communication
II. Partner's reputation
III. Financial benefits
IV. Length of relationship
V. Willingness to customise

2. Literature Review

The global economic crisis seems to have created a sudden surge of articles and thoughts about trust and transparency in business management, particularly in supply chain management. Supply chains encompass a large number of members from both the B2B and B2C relationships in up and down streams of the chains and therefore trust is seen as an important subject in supply chain partners' relationships. For the last two decades researchers in different disciplines have interpreted trust in different ways and given different dimensions by focusing on specific aspects of trust. In each context, the object of trust differed in that trust is bestowed upon a person, place, event or object (Giffin, 1967), between individuals (George and Swap, 1982; Mayer et al., 1995), organizations (Gulati, 1995), individuals and organizations (Zaheer et al., 1998), partner's competence (Barber, 1983), process, characteristics and institutions (Zucker, 1986), system (Giddens, 1990), calculations (Anderson and Narus, 1990), economics (Larson, 1992), intentional relations(Nooteboom et al., 1997) and between a user and an IT system (Lippert, 2001), technology (Jones et al., 2000), or financial services (Wang, 2008).

According to Arrow (1974), trust may function as a lubricant and, according to Jarillo (1988), trust may function as glue in a relationship. With the continual increase in number and variety of exchanges, trust has been resented as a complicated and multifaceted concept (Ammeter et al., 2004). Due to the dynamic nature of supply chain members' relationships, there is no all encompassing definition and measurement of trust in supply chain management.

While there is lack of conceptual clarity, trust building is seen as a challenge and the supply chain members are at a loss to know how to build trust. We cannot improve what we cannot measure and we cannot build if we do not know where to start. Trust researchers in the field of supply chain management seems to have stereotyped the trust measurements, (e.g.Cullen et al., 2000; Svensson, 2001; McKnight and Chervany, 2002; Agarwal and Shankar, 2003; Whan-Ik and Suh, 2005; Chu and Fang, 2006; Wang, 2008), adopting trust measurement items from psychology and sociology fields assuming trust as a one dimensional phenomenon between managers and that it takes a long time to build it.

2.1 Concept of trust

"Trust is the reliance by one person, group, or firm upon a voluntarily accepted duty on the part of another person, group, or firm to recognize and protect the rights and interests of all others engaged in a joint endeavour or economic exchange" (Hosmer, 1995, p. 393).

Various studies have provided different concepts of trust. The most common definitions of trust are listed in chronological order in the table below.

Definitions of Trust	
Deutsch (1958)	Trust is the non rational choice of a person faced with an uncertain event in which the expected loss was greater than the expected gain
Wrightsman (1964)	Trust is an expectance of how people behave,trust worthiness represents the extent to which one believes that people are basically honest, as opposed to immoral & irresponsible
Rotter (1967)	A generalized expectancy held by an individual that the word, promise. Oral or written statement of another can be relied on
Zand (1972)	Trust is an individual decision, based upon optimistic expectations or confidence about the outcome of an uncertain event, given personal vulnerability & the lack of control over the action of others
Schlenker et al (1973)	Trust is the reliance upon information received from another person about uncertain environmental states & their accompanying outcomes in a risky situation
Arrow (1974)	Trust may function as a lubricant of relationship
Frost et al (1976)	Trust is expectancy held by an individual that the behaviour of another person or a group would be altruistic and personally beneficial
Luhmann (1979)	Trust is a risky engagement
Matthews and Shimoff (1979)	Trust is a response by which person commit themselves to possible loss depending on the subsequent behaviour of other person

Larzelere & Huston (1980)	Trust is to rely upon benevolence in the expected future
Cook and Wall (1980)	The extent to which one is willing to ascribe good intentions to and have confidence in the words and actions of other people
Schurr and Ozanne (1985)	The belief that a party's word or promise is reliable and that a party will fulfil its obligations in an exchange relationship
Zucker (1986)	Trust is a set of social expectations shared by everyone involved in an economic exchange based on person, processed and institution

Table 2. 1 : Definition of trust by researchers

From a careful analysis of these definitions we can note that trust relation implies the participation of at least two parties, a trustor and a trustee.

The trustor is the party who places him or herself in a vulnerable situation under uncertainty. The trustee is the party on whom the trust is placed, who has the opportunity to take advantage of the trustor's vulnerability. Similarly there are two streams of concepts of trust in the literature. The first stream of concepts is based on the argument that trust is embedded within the trustor (feelings, emotions and cognition) not in the trustee. For example, in psychology research, the frequently used definition of trust comes from Rotter (1967). In his definition, trust was conceptualized as a belief, expectancy, or feeling that is deeply rooted in personality and has its origins in an individual's early psychosocial development.

The social view of trust, stresses people's desire to maintain respectful relations (Young, 1992) as an expectancy held by an individual that the behaviour of another Person or a group would be altruistic and personally beneficial (Frost et al., 1976).

McAllister (1995) believed trust is a cognitive judgment about another's competence or reliability and an emotional bond of an individual towards the other person (referred as ''affect-based trust''). According to this stream of arguments trust is all about an individual's (trustor's) disposition to trust the trustee with benevolence and free will.

The second stream of concept is based on the argument that trust is embedded within trustee. Trustee need not mean the other person. Trustee could be competency, ability, brand, a piece of equipment, technology, calculations, institutional system, or security etc. depending on the context of trust. For example, Rousseau et al. (1998) interpret trust in terms of perceived probabilities and suggest that in knowledge based economy, a trustee's competence, ability, and expertise become increasingly important as an indicator of his/her/or its ability to act as anticipated.

A comparison of the various definitions of trust across research disciplines shows that trust can be grouped into six conceptual paradigms shown below :

1. Reliability – Time and experience are critical elements in evaluating trust (Rossiter and Pearch 1975, Deutsch 1958, Rotter 1967, Gambetta 1988, Fairholm 1994, Lorenz 1988, Zucker 1995, Lewis 1990, Gulati 1995, Good 1988)

2. Competence – Experience and wisdom displayed by partner (Ghoshal and Bartlett 1994, Luhmann 1988, Butler 1991)

3A. Goodwill (openness) – Confidence you can share information or problems with the other party (Pennings and Woiceshyn 1987, Granovetter 1985, Johnson Georges & Swap 1982, Ring and Van de Ven 1994)

3B. Goodwill (benevolence) – Accepted duty to protect the rights of your partner (Farris et al.. 1973, Hart et al.. 1986, Mayer et al… 1995, Barber 1983, Rempel & Holmes 1986, Butler 1991, Hosmer 1995)

4. Vulnerability – Being unprotected or exposed while including an element of uncertainty or risk (Deutsch 1958, Akerlof 1970, Barney & Hansen 1994, Klein, Crawford & Alchian 1978, Zand 1972, Holmstrom 1979, Sabel 1993, Lorenz 1988, Gambetta 1988)

5. Loyalty – A partner is not just reliable but performs well in extraordinary situations (Rempel & Holmes 1986, Larson 1990, Friedland 1990)

6. Multiple Forms of Trust – There are more than one type of trust (McAllister 1993, Mishra 1996, Gabarro 1979, Bromiley & Cummings 1996, Rempel & Holmes 1986, Ghoshal & Bartlett 1995

2.2 Trust as a governance mechanism

Recently, it has been recognised that the role of trust goes beyond just complementing incomplete contracts, but actually playing an effective role as a governance mechanism (Sako,1998). Macaulay (1963) introduced an alternative view to the neoclassical theory of contracts. He maintains that the importance of law in contractual relations has been vastly overstated and he argues that economic agents construct productive relationships mainly without reference to the legal system (Macneil, 1985). They use a variety of purely private mechanisms such as personal trust, calculative trust, reputation and constructed mutual dependence. The main issue between the relationship governance through legal institutions and trust lies in the relative roles of trust and law in promoting cooperation (Deakin, Lane and Wilkinson, 1997). Sociologists such as Grief (1996) and Granovetter (1985) argue that relationships are embedded in a broader social structure. Therefore, social or network relations affect the nature of interactions between traders and they provide powerful enforcement mechanism when a potential for dispute exist (Galanter, 1974). Businesses rarely resort to legal remedies and even when they do, they find that contract law is not interpreted according to classical principles.

2.3 Trust and supply chain performance

Several empirical studies, which acknowledge the contribution of the New Institutional Economics (NIE) to supply chain relations, suggest that the main factors influencing efficiency in supply chain include informal elements, which comprise of trust, norms or standards that support exchange relations irrespective of contractual obligations and authority relations, which are exerted throughout the supply chain by those who have superior power in relation to the market or information (Cullen and Hickman, 2001). Ramdas and Spekman (2000) used six variables that reflect different approaches to measuring supply chain performance. These included inventory, time, order fulfilment, quality, customer focus, and customer satisfaction. Their results indicate that authority balance is positively related to alliance performance. The more one partner controls the alliance through authority advantage, the greater the likelihood that the alliance would perform poorly. The interaction between trust and authority shows that the existence of trust affects the relationship between authority balance and performance. In the case of the relationship between authority balance and performance, it is shown that trust dampens the positive relationship. Trust and authority balance serve somewhat as proxies for each other in the prediction of relationship performance. Where a firm can trust its partner, the balancing of authority is not as critical for enhancing performance. Teegen and Doh, (2002) concurring with Ramdas and Spekman (2000) conclude that trusting relationships are perceived to promote alliance performance and that the presence of authority advantage has a negative effect on alliance performance, which is further worsened by the absence of trust.

2.4 SCM and its importance

The point of SCM is of course the SC, which signifies a group of businesses that are included, all the way through the upstream and downstream processes, in the various operations plus activities that create value in the form of goods and services at thedisposal of the final purchaser (Stadtler and Kilger, 2005). SCM practices contain particular activities performed throughout the business and integrated along with itstrading partners, both suppliers and buyers, to enhance the successful management of a SC (Koh et al., 2007; Li et al., 2009; Spens and Wisner, 2009). Therefore, most of the literature related to SCM expresses SCM procedures from many different aspects with the typical purpose of, in general, increasing organizational performance (Li et al., 2006).Thus, investigating the factors that influence the partners' performance is considered an efficacious method to ensure successful relationships and integration strategies(Stefanovic et al., 2009).

2.5 Antecedent factors of trust

A review of the literature relating to supply chain management identified a number of trust factors, which were considered important to effective relationships between supply chain entities. In particular, the trust factors identified through a survey conducted by Coulter and Coulter (2002) are well supported in the literature. An overview of each factor is provided below:

Confidentiality

Confidentiality has been proposed as an important factor in building trust between supply chain partners along with the sharing of secrets (Sahay, 2003).

Honesty and integrity

Honesty and integrity has been identified as one of the main factors in building and maintaining trust in supply chain partnerships (Kwon and Suh, 2005).

Work standards

Trust in a supply chain can be related to the members' competence or work standard, skill, knowledge and ability to fulfill a promise, agreement or obligation. Mutual trust between supply chain partners is built on the trust in, and acknowledgement of, the competence of the other partner to provide goods or services customized to their requirements (Kwon and Suh, 2005).

Politeness and friendliness

The trust factors empathy and politeness, together with being warm and friendly, can maintain and build trust when supply chain partners are involved in regular interaction (Coulter and Coulter, 2002).

Shared values

Supply chain partnerships are built on the trust that their partners pursue shared values or compatible goals (Batt, 2003).

Experience and qualifications

Trust can also be established between supply chain partners based on the experience, professional qualifications or expertise of partner organizations relating to the manufacture of goods or provision of a services required (Coulter and Coulter, 2002).

Reliability

Trust in partnerships can be related to contractual trust where the partners' trust in each other is increased by continually delivering on promises of the contract. ''Trust is developed by the partners doing what they said they would do'' (Heffernan, 2004). Trust between partners is based on the knowledge the partners are reliable and will keep their promises to each other.

Timeliness

The promptness of a partner in reacting to another partner's request builds trust between the partners in the supply chain (Yee and Yeung, 2002).

Customization

Trust between partners can be created by the supply chain partners adapting and customizing business operations and providing alternatives to meet the specific needs of the other supply chain partner. Collaboration between partners can enable the supply chain members to adapt and customize their supply chain practices, goods and services to fit their partner's business to provide improved performance for the supply chain (Coulter and Coulter, 2002).

Information sharing

Maintaining and building trust between supply chain partners relies on continued commitment to communication together with sharing information and planning (Kwon and Suh, 2005; Myhr and Spekman, 2005).

3. Research Methodology

3.1 Significance of the Study

The focus of the study is on the factors influencing trust among vendors in a supply chain relationship. It is of great interest from both academic perspective and managerial one to understand the forces that affect trust in a relationship. The research tries to analyse the prominent factors responsible for influencing trust among vendors in supply chain. It also attempts to analyse the impact of demographics factors of the respondents i.e (IT Vendors) on the factors influencing trust through Independent T-test.

3.2 Research Model

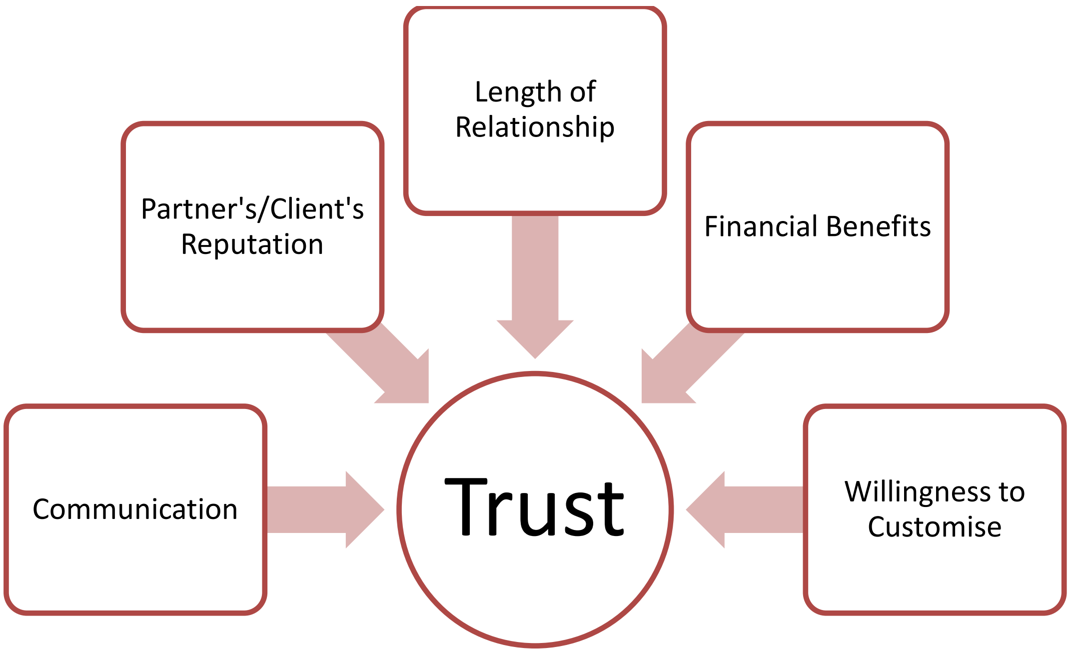

Figure 3. 1 : Research Model

3.3 Scope of the Study

The focus of the study was confined to analyse the factors influencing trust among IT service providers or vendors in Supply chain perspective. The respondents were suitably selected from the target audience i.e IT vendors and did not take into consideration the manufacturing/automotive vendors at all.

3.4 Research Design

The research design refers to the overall strategy that you choose to integrate the different components of the study in a coherent and logical way, thereby, ensuring you will effectively address the research problem; it constitutes the blueprint for the collection, measurement, and analysis of data.

Broadly there are three categories of research design :

I. Exploratory research
II. Descriptive research
III. Causal research

The type of research design used in this study is Descriptive research design.

3.5 Data Collection & Research Tool

An email questionnaire survey was chosen to supply the data needed to test the hypotheses. The questionnaire was being sent to IT vendors in order to collect there responses.

The data in the study was analysed primary by using the SPSS tool and basic Microsoft Excel functionality. Independent T test was performed for Hypothesis testing for the study.

3.6 Population & Sample Size

A population is the total of all the individuals who have certain characteristics and are of interest to a researcher, Hence for this study the IT Service providers or vendors were our target audience.

A sample is a subset of the population, which represents the size of population on which the study is being performed. In this study the sample size taken was 50.

3.7 Sampling Technique

Convenience Sampling was used in this study, A convenience sample is one of the main types of non-probability sampling methods. A convenience sample is made up of people who are easy to reach.

4. Data Analysis

4.1 Quantitative Analysis

Number of Respondents: 50

Source of Data Collection: Questionnaire floated through E-mail

Demographic Information

Gender	
MALE	30
FEMALE	20

Table 4.1 : Gender Profile

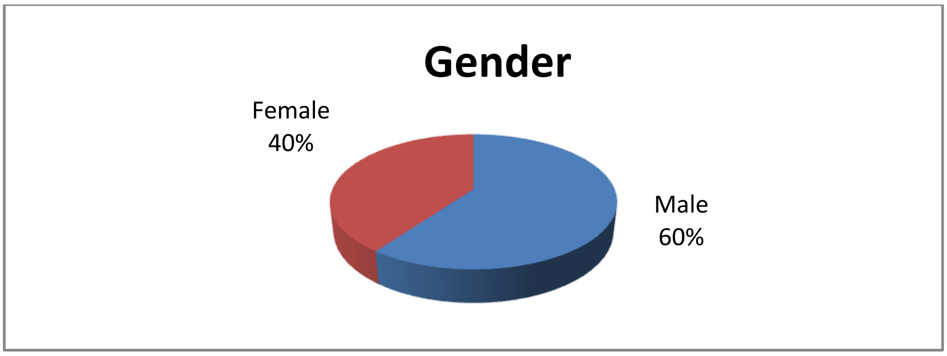

Figure 4.1 : Gender Profile (%)

Age	
Below 25	19
25 & Above	31

Table 4. 2 : Age Distribution

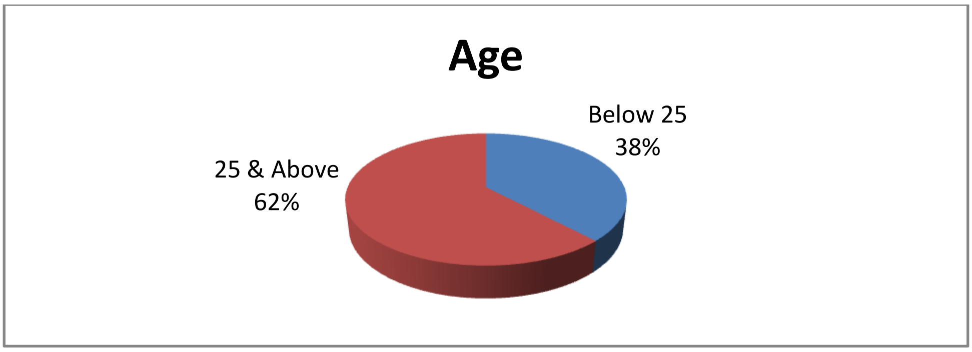

Figure 4. 2 : Age Distribution (%)

After an extensive literature review, five factors were found important in influencing trust. In this section we would analyse determine the most influencing factor among the five factors using descriptive analysis & the impact of demographics (i.e gender & age) on these trust influencing factors based on the given hypothesis using Independent T-test.

Descriptive Analysis

	N	Minimum	Maximum	Mean
C	50	1.00	5.00	4.2600
PR	50	1.25	5.00	3.8200
FB	50	2.00	5.00	3.7950
LR	50	1.00	5.00	4.0850
WC	50	1.00	5.00	3.9800
Valid N (listwise)	50			

Table 4. 3 : Descriptive Analysis

Descriptive Statistics was computed using SPSS module in order to identify the (independent) factor which has the most influence on (dependent factor) trust by comparing the value of means for the responses under each factor.

By analysing the value of means for the responses under each factor, one could easily interpret that according to respondent’s, frequency & quality of Communication plays the most significant role in building trust followed by length of relationship, willingness to customise, partners/clients reputation, financial benefits respectively.

Hence on the basis of Descriptive Analysis on respondent's inputs, one could prioritise the major influencing factors of trust in descending order as :-

I. Communication
II. Length of Relationship
III. Willing of Customise
IV. Partners/Clients Reputation
V. Financial Benefits

In order to analyse the impact of demographic factors on the trust influencing factors being under study, we did hypothesis testing on below given hypothesis using Independent T-test.

1. **H_0** (Null Hypothesis) – (Male & Female) Vendors do not significantly differ on the need of frequent & quality communication.
   H_A(Alternate Hypothesis) – (Male & Female) Vendors significantly differ on the need of frequent & quality communication.

		Levene's Test for Equality of Variances		t-test for Equality of Means		
		F	Sig.	T	df	Sig. (2-tailed)
C	Equal variances assumed	1.794	.187	-.619	48	.539
	Equal variances not assumed			-.698	45.470	.489

Table 4. 4 : Independent T-test (Need of frequent & quality communication w.r.t Gender)

The Significance value for the Levene's Test for Equality of variances helps you to determine whether the variances score for the two groups are the same, in simpler terms we can say that if the significance value for the Levene's test is >0.05, we consider the first row, which says Equal variances assumed for calculating the significance value for the t-test.

Hence in this case it is evident that, Significance value for the Levene's test is 0.187 which is greater than 0.05, so we would consider the first row for proceeding with t-test analysis, which gives us significance value of 0.539 for t-test which is >0.05, hence we would have to accept the null hypothesis based upon significance value for t-test.

So, based upon the above results we can say that, (Male & Female) Vendors do not significantly differ on the need of frequent & quality communication.

2. **H_0** (Null Hypothesis) – (Male & Female) Vendors do not significantly differ on the need of analysis of partners reputation.
   H_A(Alternate Hypothesis) – (Male & Female) Vendors significantly differ on the need of analysis of partners reputation.

		Levene's Test for Equality of Variances		t-test for Equality of Means		
		F	Sig.	T	df	Sig. (2-tailed)
PR	Equal variances assumed	0.004	.950	-.254	48	.801
	Equal variances not assumed			-.251	39.689	.803

Table 4. 5 : Independent T-test (Need of analysis of Partner's reputation w.r.t Gender)

Hence in this case it is evident that, Significance value for the Levene's test is 0.950 which is greater than 0.05, so we would consider the first row for proceeding with t-test analysis, which gives us significance value of 0.801 for t-test which is >0.05, hence we would have to accept the null hypothesis based upon significance value for t-test.

So, based upon the above results we can say that, (Male & Female) Vendors do not significantly differ on the need of analysis of partners/clients reputation.

3. **H_0** (Null Hypothesis) – (Male & Female) Vendors do not significantly differ on providing favours to profitable clients.
   H_A(Alternate Hypothesis) – (Male & Female) Vendors significantly differ on the providing favours to profitable clients.

		Levene's Test for Equality of Variances		t-test for Equality of Means		
		F	Sig.	T	df	Sig. (2-tailed)
FB	Equal variances assumed	0.305	0.584	-1.685	48	.099
	Equal variances not assumed			-1.724	43.938	.092

Table 4. 6 : Independent T-test (Favours to profitable clients w.r.t Gender)

Hence in this case it is evident that, Significance value for the Levene's test is 0.584 which is greater than 0.05, so we would consider the first row for proceeding with t-test analysis, which gives us significance value of 0.099 for t-test which is >0.05, hence we would have to accept the null hypothesis based upon significance value for t-test.

So, based upon the above results we can say that (Male & Female) Vendors do not significantly differ on providing favours to profitable clients.

4. **H_0** (Null Hypothesis) – (Male & Female) Vendors do not significantly differ on giving importance to relatively older clients based on length of relationship.
   H_A(Alternate Hypothesis) – (Male & Female) Vendors significantly differ on giving importance to relatively older clients based on length of relationship.

		Levene's Test for Equality of Variances		t-test for Equality of Means		
		F	Sig.	T	Df	Sig. (2-tailed)
LR	Equal variances assumed	0.000123	0.991	-1.823	48	.075
	Equal variances not assumed			-1.960	47.919	.056

Table 4. 7 : Independent T-test (Importance to relatively older clients w.r.t Gender)

Hence in this case it is evident that, Significance value for the Levene's test is 0.991 which is greater than 0.05, so we would consider the first row for proceeding with t-test analysis, which gives us significance value of 0.075 for t-test which is >0.05, hence we would have to accept the null hypothesis based upon significance value for t-test.

So, based upon the above results we can say that, (Male & Female) Vendors do not significantly differ on giving importance to relatively older clients based on length of relationship.

5. **H_0** (Null Hypothesis) – (Male & Female) Vendors do not significantly differ on importance to customise in Supply chain.
   H_A(Alternate Hypothesis) – (Male & Female) Vendors significantly differ on importance to customise in Supply chain.

		Levene's Test for Equality of Variances		t-test for Equality of Means		
		F	Sig.	T	df	Sig. (2-tailed)
WC	Equal variances assumed	0.574	0.452	-2.123	48	0.039
	Equal variances not assumed			-2.347	47.362	0.023

Table 4. 8 : Independent T-test (Importance to customise w.r.t Gender)

Hence in this case it is evident that, Significance value for the Levene's test is 0.452 which is greater than 0.05, so we would consider the first row for proceeding with t-test analysis, which gives us significance value of 0.039 for t-test which is <0.05, hence we would have to reject the null hypothesis based upon significance value for t-test.

So, based upon the above results we can say that, (Male & Female) Vendors significantly differ on importance to customise in Supply chain.

6. **H_0** (Null Hypothesis) – Vendors age group do not significantly differ on the communication frequency & quality.
   H_A(Alternate Hypothesis) – Vendors age group significantly differ on the communication frequency & quality.

		Levene's Test for Equality of Variances		t-test for Equality of Means		
		F	Sig.	T	df	Sig. (2-tailed)
C	Equal variances assumed	1.632	0.208	-1.117	48	0.270
	Equal variances not assumed			-0.963	23.66	0.345

Table 4. 9 : Independent T-test (Need of frequent & quality communication w.r.t Age groups)

Hence in this case it is evident that, Significance value for the Levene's test is 0.208 which is greater than 0.05, so we would consider the first row for proceeding with t-test analysis, which gives us significance value of 0.270 for t-test which is > 0.05, hence we would have to accept the null hypothesis based upon significance value for t-test.

So, based upon the above results we can say that, Vendors age group do not significantly differ on the communication frequency & quality.

7. **H_0** (Null Hypothesis) – Vendors age group do not significantly differ on need of analysis of partners/clients reputation
   H_A(Alternate Hypothesis) – Vendors age group significantly differ on need of analysis of partners/clients reputation

		Levene's Test for Equality of Variances		t-test for Equality of Means		
		F	Sig.	T	df	Sig. (2-tailed)
PR	Equal variances assumed	2.120	0.152	-2.239	48	0.030
	Equal variances not assumed			-2.055	28.728	0.049

Table 4. 10 : Independent T-test (Need of analysis of partner's reputation w.r.t Age groups)

Hence in this case it is evident that, Significance value for the Levene's test is 0.152 which is greater than 0.05, so we would consider the first row for proceeding with t-test analysis, which gives us significance value of 0.030 for t-test which is < 0.05, hence we would have to reject the null hypothesis based upon significance value for t-test.

So, based upon the above results we can say that, Vendors age group significantly differ on need of analysis of partners/clients reputation.

8. **H_0** (Null Hypothesis) – Vendors age group do not significantly differ on providing favours to profitable clients.
   H_A(Alternate Hypothesis) – Vendors age group significantly differ on providing favours to profitable clients.

		Levene's Test for Equality of Variances		t-test for Equality of Means		
		F	Sig.	T	df	Sig. (2-tailed)
FB	Equal variances assumed	0.285	0.596	-1.926	48	0.060
	Equal variances not assumed			-1.851	33.508	0.073

Table 4. 11 : Independent T-test (Favours to profitable clients w.r.t Age groups)

Hence in this case it is evident that, Significance value for the Levene's test is 0.596 which is greater than 0.05, so we would consider the first row for proceeding with t-test analysis, which gives us significance value of 0.060 for t-test which is > 0.05, hence we would have to accept the null hypothesis based upon significance value for t-test.

So, based upon the above results we can say that, Vendors age group do not significantly differ on providing favours to profitable clients.

9. **H_0** (Null Hypothesis) – Vendors age group do not significantly differ on giving importance to relatively older clients based on length of relationship.
   H_A(Alternate Hypothesis) – Vendors age group significantly differ on giving importance to relatively older clients based on length of relationship.

		Levene's Test for Equality of Variances		t-test for Equality of Means		
		F	Sig.	T	df	Sig. (2-tailed)
LR	Equal variances assumed	2.470	0.123	-0.930	48	0.357
	Equal variances not assumed			-0.795	23.047	0.435

Table 4. 12 : Independent T-test (Importance to relatively older clients w.r.t Age groups)

Hence in this case it is evident that, Significance value for the Levene's test is 0.123 which is greater than 0.05, so we would consider the first row for proceeding with t-test analysis, which gives us significance value of 0.357 for t-test which is > 0.05, hence we would have to accept the null hypothesis based upon significance value for t-test.

So, based upon the above results we can say that, Vendors age group do not significantly differ on giving importance to relatively older clients based on length of relationship..

10. **H_0** (Null Hypothesis) – Vendors age group do not significantly differ on importance to customise in Supply Chain.
    H_A(Alternate Hypothesis) – Vendors age group significantly differ on importance to customise in Supply Chain.

		Levene's Test for Equality of Variances		t-test for Equality of Means		
		F	Sig.	T	df	Sig. (2-tailed)
WC	Equal variances assumed	3.775	0.058	-0.959	48	0.342
	Equal variances not assumed			-0.821	23.112	0.420

Table 4. 13 : Independent T-test (Importance to customise w.r.t Age groups)

Hence in this case it is evident that, Significance value for the Levene's test is 0.058 which is greater than 0.05, so we would consider the first row for proceeding with t-test analysis, which gives us significance value of 0.342 for t-test which is > 0.05, hence we would have to accept the null hypothesis based upon significance value for t-test.

So, based upon the above results we can say that, Vendors age group do not significantly differ on importance to customise in Supply Chain.

4.2 Findings & Conclusion

Following are the key findings of the study :

I. Factors (under consideration) influencing trust were prioritised on the basis of respondent's inputs as follows in descending order of priority :

1) Communication
2) Length of Relationship
3) Willing of Customise
4) Partners/Clients Reputation
5) Financial Benefits

II. (Male & Female) Vendors do not significantly differ on the need of frequent & quality communication.

III. (Male & Female) Vendors do not significantly differ on the need of analysis of partners/clients reputation.

IV. (Male & Female) Vendors do not significantly differ on providing favours to profitable clients.

V. (Male & Female) Vendors do not significantly differ on giving importance to relatively older clients based on length of relationship.

VI. (Male & Female) Vendors significantly differ on importance to customise in Supply chain.

VII. Vendor's age group do not significantly differ on the communication frequency & quality.

VIII. Vendor's age group significantly differ on need of analysis of partners/clients reputation.

IX. Vendor’s age group do not significantly differ on providing favours to profitable clients.

X. Vendor’s age group do not significantly differ on giving importance to relatively older clients based on length of relationship..

XI. Vendor’s age group do not significantly differ on importance to customise in Supply Chain.

4.3 Limitations & Future scope of study

The key limitation of the study is the sampling frame owing to time and budget constraints. We cannot generalise the findings of the study as the sample size is pretty small. However, the study can be replicated in other geographic regions with a bigger sample size. Moreover the sampling technique used was convenience sampling, which might not depict the actual picture of the population.

Moreover, further literature could be reviewed and some more variables can be added into this study.

5. References

1) Achim Walter, T. A. (2010). The impact of satisfaction,trust and relationship value on commitment.

2) Anupam Ghosh Jane Fedorowicz, (2008),"The role of trust in supply chain governance", Business Process Management Journal, Vol. 14 Iss 4 pp. 453 - 470

3) Abdulghadar Awheda Mohd Nizam Ab Rahman Rizauddin Ramli Haslina Arshad , (2016),"Factors related to supply chain network members in SMEs", Journal of Manufacturing Technology Management, Vol. 27 Iss 2 pp. 312 - 335

4) Andaleeb, S. S. (1996), "An Experimental Investigation of Satisfaction and Commitment in Marketing Channels: The Role of Trust and Dependence", Journal of Retailing, Vol. 72 No. 1, pp. 77-93.

5) Daisy Mathur Jain Reema Khurana , (2016),"A framework to study vendors' contribution in a client vendor relationship in information technology service outsourcing in India", Benchmarking: An International Journal, Vol. 23 Iss 2 pp. 338 - 358

6) Doney, Patricia M. and Joseph P. Cannon (1997), "An Examination of the NAture of Trust in Buyer-Seller Relationships," Journal of Marketing, 61 (April), 35-51

7) Gaurav Tejpal R.K. Garg Anish Sachdeva, (2013),"Trust among supply chain partners: a review", Measuring Business Excellence, Vol. 17 Iss 1 pp. 51 - 71

8) Ganesan, S. (1994), "Determinants of long-term orientation in buyer-seller relationships", Journal of Marketing, Vol. 58 No. 2, pp. 1-26.

9) Handfield, Robert B. and Christian Bechtel (2002), "The role of trust and relationship structure in improving supply chain responsiveness.," in Industrial Marketing Management Vol. 31: Elsevier Science Publishing Company, Inc.

10) Janjaap Semeijn, L. C. (2008). Trust and its antecedents in supply chains.

11) 11) Kwon, I.-W. G. (2004). Factors affecting the level of trust & commitment in supply chain relationship. *Journal of Supply Chain Management · February 2004*.

12) Mohammed Laeequddin B.S. Sahay Vinita Sahay K. Abdul Waheed, (2010),"Measuring trust in supply chain partners' relationships", Measuring Business Excellence, Vol. 14 Iss 3 pp. 53 - 69
13) Ryu SoonHu So Chulmo Koo, (2009),"The role of partnership in supply chain performance", Industrial Management & Data Systems, Vol. 109 Iss 4 pp. 496 - 514
14) SONJA MLAKER KAČ, I. G. (2005). Influence of relationship commitment & trust on collaborative behaviour in supply chain. *Promet – Traffic&Transportation, Vol. 27, 2015, No. 1, 77-84* .

15) Sahay, B.S. (2003), “Understanding trust in supply chain relationship”, Industrial Management & Data Systems, Vol. 103 No. 8, pp. 553-63.
16) Sirdeshmukh, D. J., Singh, J. and Sabol, B. (2002) “Consumer trust, value, and loyalty in relational exchanges”, Journal of Marketing, Vol. 66 No. 1, pp. 15-37.
17) Stephen L. Jones Stanley E. Fawcett Amydee M. Fawcett Cynthia Wallin, (2010),"Benchmarking trust signals in supply chain alliances: moving toward a robust measure of trust", Benchmarking: An International Journal, Vol. 17 Iss 5 pp. 705 - 727
18) Xhuvani, A. (2012). Exploring factors affecting trust & relationship quality in a supply chain context. *Journal of Business Studies Quarterly 2012, Vol. 4, No. 1, pp. 74-90* .

6. Adherence Sheet

Sr. No.	Phases	Expected date to finish the task	Actual date to finish the task
I	Proposal discussion	5th April 2016	
II	Data Collection and Analysis	12th April 2016	
III	First draft	19th April 2016	
IV	Final report submission	26th April 2016	

7. Annexure

7.1 Questionnaire

*Required

Gender *

- Male
- Female
- Other:

Age *

- Below 25
- 25 - 34
- 34 - Above

Occupation *

Communication

1. There should be frequent communication between vendor & client in order to improve business tie ups *

	1	2	3	4	5	
Strongly Disagree						Strongly Agree

2. There should be direct interaction between vendor & client (not involving third party to transfer information in between) *

	1	2	3	4	5	
Strongly Disagree						Strongly Agree

3. To strengthen business relationships consistent/transparent communication is necessary *

	1	2	3	4	5	
Strongly Disagree	○	○	○	○	○	Strongly Agree

4. I think Timely communication helps the vendors to plan better for satisfying client needs *

	1	2	3	4	5	
Strongly Disagree	○	○	○	○	○	Strongly Agree

Clients Reputation

5. Vendor should analyse client's market reputation before signing contracts *

	1	2	3	4	5	
Strongly Disagree	○	○	○	○	○	Strongly Agree

6. I feel that your clients brand image helps you promote your business *

	1	2	3	4	5	
Strongly Disagree	○	○	○	○	○	Strongly Agree

7. Clients brand image has significant impact on vendors market value *

	1	2	3	4	5	
Strongly Disagree	○	○	○	○	○	Strongly Agree

8. Vendors supply deliverables on credit on clients reputation *

	1	2	3	4	5	
Strongly Disagree	○	○	○	○	○	Strongly Agree

Financial Benefits

9. I feel vendors tend to do favours for profitable clients *

	1	2	3	4	5	
Strongly Disagree	○	○	○	○	○	Strongly Agree

10. I feel earning profits is the sole reason for running a venture *

	1	2	3	4	5	
Strongly Disagree	○	○	○	○	○	Strongly Agree

11. I feel vendors should end unprofitable long business dealings *

	1	2	3	4	5	
Strongly Disagree	○	○	○	○	○	Strongly Agree

12. Vendors efficiency differs for its different clients based upon the profit margins made from respective clients *

	1	2	3	4	5	
Strongly Disagree	○	○	○	○	○	Strongly Agree

Length of Relationship

13. I feel a vendor should (prefer/give priority to) older clients in business operations *

	1	2	3	4	5	
Strongly Disagree	○	○	○	○	○	Strongly Agree

14. The vendor must try to build healthy relationship with clients *

	1	2	3	4	5	
Strongly Disagree	○	○	○	○	○	Strongly Agree

15. I feel quality & span of business dealings has an significant impact on acquiring new projects *

	1	2	3	4	5	
Strongly Disagree	○	○	○	○	○	Strongly Agree

16. Vendors tend to be more comfortable while working with older clients *

	1	2	3	4	5	
Strongly Disagree	○	○	○	○	○	Strongly Agree

Willingness to Customise

17. I feel vendors should modify their operations according to clients need *

	1	2	3	4	5	
Strongly Disagree	○	○	○	○	○	Strongly Agree

18. Vendors are ready to customize for clients in expectation of more future contracts with same client *

	1	2	3	4	5	
Strongly Disagree	○	○	○	○	○	Strongly Agree

19. I feel clients should take into consideration the view point of vendors in scheduling the project phases *

	1	2	3	4	5	
Strongly Disagree	○	○	○	○	○	Strongly Agree

20. In todays world the extent to customise plays an important role in getting contract for vendors *

	1	2	3	4	5	
Strongly Disagree	○	○	○	○	○	Strongly Agree