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MEASURING DISTRIBUTIVE AND PROCEDURAL JUSTICE IN BUYER/SUPPLIER RELATIONSHIPS: AN EMPIRICAL STUDY OF UK SUPERMARKET SUPPLY CHAINS[1]

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ABSTRACT

The report on UK supermarkets published by the Competition Commission in October 2000 concluded there was evidence that supermarkets were abusing their position of power and engaging in practices that adversely affected the competitiveness of suppliers. To address these adverse affects it was recommended that a code of practice be introduced to govern supermarket-supplier relationships. This paper presents the findings of an empirical study of suppliers' perceptions of their trading relationships with the UK supermarkets, using a conceptual framework based on Kumar's (1996) theory of justice. The results provide evidence of considerable heterogeneity in the nature of relationships between account managers (suppliers) and supermarket buyers, with evidence of good practice in some supermarket relationships but considerable room for improvement in others. Most significantly, the results suggest that a retail strategy based on low prices does not necessarily imply an abuse of market power on the part of the respective supermarket or unfair treatment of their suppliers.

KEYWORDS: Buyer/supplier relationships, Trust, Fairness, Justice, UK supermarkets

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1. INTRODUCTION

The UK food retailing industry is dominated by four major supermarkets (Tesco, Asda, Sainsbury's, Morrisons), who together account for over two thirds of UK retail food sales (IGD, 2003). The fact that the major retailers control access to consumers means that they are increasingly in a position to exercise buyer power. This is because distribution through these outlets is critical to manufacturers and suppliers as these suppliers have no other viable means of setting up distribution that offers the same scale and economic benefits (Dobson, Waterson and Chu 1998). Evidence of excessive retailer power was highlighted in November 1999 when the supermarket chain Safeway attempted to pass the costs of an in-store promotion onto farmers. Suppliers and growers with direct supply contracts were asked for a £20,000 donation per product line towards the promotion, which Safeway said would guarantee the availability of its key products (NFU, 1999). Therefore some suppliers faced bills in excess of several hundred thousand pounds.

In recent years, retail concentration has been accompanied by product rationalisation, driven by the implementation of category management post-ECR (Fearne et al, 2001) and supplier rationalisation in those categories dominated by private label (fresh produce, meat, dairy products) as UK supermarkets have recognised that a) transaction costs can be reduced by dealing with fewer suppliers (Fearne & Duffy, 2003); b) dealing with fewer, larger, more sophisticated suppliers reduces the risk of problems associated with quality and food safety (Hornibrook & Fearne, 2001, 2002); and c) the supply base is a source of competitive advantage that requires strategic investment, which is infeasible and carries significant risk if attempted with large numbers of small suppliers (Fearne & Hughes, 1999). Continued supplier rationalisation means that the major supermarkets now deal with just a handful of suppliers in each product area (Fearne & Dedman, 2000). These suppliers are typically large packers or processors that have invested heavily to meet the needs of the multiples. In some cases retailers have nominated one supplier to be the category leader or "category captain" (O'Keefe & Fearne, 2002). This supplier might be the sole supplier in a category to a retailer or the main link between the retailer and other suppliers (Fearne & Duffy, 2003).

The Competition Commission conducted an investigation into supermarket operations in response to public concerns, raised by the Director General of Fair Trading in 1999, that the price of groceries in the UK was perceived to be higher than in other comparable EU countries and the USA. In addition, an apparent disparity between the farm-gate and retail prices was seen as evidence by some that retailers were profiting from the crisis in the farming industry (NFU, 2000).

The report on supermarkets was published in October 2000 and the Competition Commission concluded that it was satisfied that the industry was broadly competitive and that excessive prices were not being charged or excessive profits earned (Competition Commission, 2000). However, the report did recommend that a code of practice should be introduced to govern relationships between retailers and suppliers. This was deemed necessary as during the investigation the Competition Commission received many allegations from suppliers about the behaviour of the supermarkets in the course of their trading relationships. Supermarkets were presented with a list of 52 alleged practices and asked to identify which practices they had engaged in during the last five years. The Competition Commission found that a majority of these practices were carried out by many of the supermarkets. These included the request from some of their suppliers for various non-cost related payments or discounts; imposing charges and making changes to contractual arrangements without adequate notice and unreasonably transferring risks from the supermarket to the supplier.

The Competition Commission concluded that these types of practices, when carried out by any of the major buyers, could adversely affect the competitiveness of some of their suppliers and distort competition in the supplier market. The result would be that suppliers would be less likely to invest and would spend less on new product development and innovation, leading to lower quality products and less consumer choice. Some of the practices were also believed to give the major supermarket buyers substantial advantages over other smaller retailers, whose competitiveness could suffer as a result, again leading to a reduction in consumer choice.

In conclusion, the report asked for a legally binding code of practice to govern relationships between retailers and suppliers to address these adverse affects caused by the undue exercise of buyer power. In response to these recommendations a code of practice was introduced in March 2002, that was legally enforceable for the top four food retailers, namely Tesco, Sainsbury, Asda and Safeway. It was recommended in the report that the code should exemplify best practice in commercial relationships and be underpinned by three key principles. The first was the need for all parties to recognise the competitive pressures of the market place and the need to respond quickly to customers to deliver value. The second was that all supply chain participants, in whatever sector, would benefit if they worked together to expand the market for their products and develop a profitable and sustainable business. The third principal was that all trading partners should be treated fairly and reasonably. It is the third principal that we focus on in this study.

The remainder of the paper is split into four parts: the conceptual framework adopted for this study is presented in the next section, followed by an explanation of the research methodology, a presentation of the key findings and the conclusions and recommendations for further research.

2. Measuring Justice in Exchange Relationships

In approaching the measurement of justice in buyer-supplier relationships a review of the literature was undertaken. From the organisational and inter-organisational literature it emerged that two perspectives on justice exist. The first is associated with the economic price or outcomes actually achieved and the second is associated with the process used to determine those outcomes or the process used to manage the exchange relationship (i.e. Kumar 1996, Maxwell, Nye and Maxwell 1999).

Organisational and inter-organisational theorists commonly refer to these two types of justice as *distributive* and *procedural justice*. Organisational theorists have used these two types of justice to measure justice in the domains of managerial fairness and employee performance appraisals (i.e. Gilliland 1993, Schmitt and Dorfel 1999, Andrews and Kacmar 2001, Aryee, Budhwar and Chen 2002, Lam, Schaubroeck and Aryee 2002), whilst in the inter-organisational literature these two types of justice have been used to identify how fairly one exchange partner treats another (i.e. Kumar 1996, Hertel, Aarts and Zeelenberg 2002). A number of researchers have also investigated one specific aspect of fairness, most commonly the perceived fairness of price or exchange outcomes. Theories that focus on this aspect of fairness include the *principal of dual entitlement* and *equity theory* (Martins and Monroe 1994, Maxwell, Nye and Maxwell 1999).

2.1 Distributive Justice

In the organisational literature, distributive justice refers to the perceived fairness of the outcomes that employees receive regarding pay or promotions in relation to the amount of effort they have put into their job (Andrews and Kacmar 2001). In terms of exchange relationships, distributive justice deals with how the profits are shared and how the benefits and burdens are divided or allocated between two parties (Kumar 1996, Hertel, et al 2002).

In determining the fairness of the outcome of price negotiations Maxwell, Nye and Maxwell (1999) argue that the preferred price (i.e. what one wants) and a fair price (i.e. what one believes to be just) are distinct variables. They draw on the findings of Messick and Sentis (1983) that showed that the level at which people would like to be paid is much higher than what people think would consider to be fair. As such Maxwell et al (1999) state that a buyer's determination of a fair price incorporates both a concern for himself/herself and a concern for the seller.

Perceived fairness of an outcome is also reflected in the principle of dual entitlements (Martins and Monroe 1994, Maxwell et al 1999). This is based on the recognition by both buyers and sellers that their opponents have a right to their expected price. For example, Maxwell et al (1999) state that even when the outcome is against the interests of buyers, they recognise the rights of sellers to maintain profits when they are determined by a fair procedure of cost-plus pricing. Conversely, using this line of reasoning sellers will also recognise the rights of buyers to reduce the price they pay to sellers if they are able to buy a comparable product at this lower price from another seller.

Martins and Monroe (1994) suggest that another approach to evaluating the fairness of exchange relationships is equity theory. This is a social comparisons theory in which individuals evaluate the ratio of the investments they make to a particular exchange to the profits they derive from it, relative to the investments and profits allocated to their exchange partners. Equity theory posits that, for an equitable exchange relationship to exist, the parties involved have to have equal ratios of perceived profits, or gains, to perceived investments, or losses. Therefore Martins and Monroe (1994) state that two potential ways to reduce inequity in an exchange may be to decrease the losses of the short-changed individual or increase the losses of the individual experiencing an unfair advantage.

2.2 Procedural Justice

The concept of procedural justice originates in the organisational literature and is concerned with the perceived fairness of procedures used in making decisions. Organisational researchers such as Thibaut and Walker (1975) and Gilliland (1993) contend that procedures are perceived to be 'more fair' when affected individuals have an opportunity to either influence the decision process or offer input. Gilliland (1993) also states that perceptions of procedural justice are influenced by the extent to which procedural rules are satisfied or violated. Procedural rules, listed by Leventhal (1980), suggest that in order to be fair decisions should be made consistently; without personal biases; with as much accurate information as possible; with interest of affected individuals represented in a way that is compatible with their ethical values, and with an outcome that can be modified. Other justice researchers have suggested additional rules such as the importance of two-way communication (Greenberg 1986).

Procedural justice is also concerned with the fairness of decision-makers' behaviour during the enactment of procedures; a perspective that has been labelled *interactional justice* (Gilliland 1993, Lupfer et al, 2000). Interactional justice suggests that perceptions of fairness are increased if explanations are given for decisions. It also suggests that interpersonal treatment influences perceptions of fairness and draws attention to issues of respect and courtesy (Gilliland 1993). Therefore, researchers such as Gilliland (1993) and Greenberg (1990) state that procedural justice consists of three components. These are (1) the formal characteristics of procedures, (2) the explanation of procedures and decision making and (3) interpersonal treatment.

Researchers have extended these concepts and adapted them to the context of inter-organisational exchange relationships. For example, Kumar (1996) states that procedural justice describes the fairness of a party's procedures and policies for dealing with its vulnerable partners and refers to the fairness of the means used to determine the outcomes in the relationship. Kumar (1996) suggests that due process or procedural justice has stronger effects on relationships than distributive justice does, in that the weaker partner sees the powerful partner's system of procedural justice as reflecting more accurately the latter's real attitudes towards the former. Drawing on theories from the organisational literature Kumar (1996) states that six principles can be used to determine whether a relationship is procedurally just. These are bilateral communication, impartiality, refutability, explanation, familiarity and courtesy. These six principles encompass the three key components of procedural justice suggested by organisational theorists such as Gilliland (1993).

In a similar vein to procedural justice, Maxell et al (1999) suggest that the fairness of the process used in negotiations is judged by the whether or not the process used by one party demonstrates a concern for the other party. They state that a concern for social utility has implications for negotiations as it can reduce the conflict between partners and facilitate the negotiation process. When negotiators have a concern for the other party, they tend to exhibit more co-ordinating behaviour as opposed to the use of competitive behaviours. These co-ordinating behaviours tend to expedite the negotiation process and increase the possibility of mutual satisfactory win-win agreements.

2.3 Chosen Theoretical Approach

The theoretical approach that was chosen to guide this study into relationships between supermarkets and their suppliers was that of Kumar (1996). This approach encompasses both perspectives of fairness identified in the literature and clearly describes how each type of fairness can be measured. In this way it offers a comprehensive approach to the measurement of fairness in inter-organisational relationships. The approach is also consistent with previous research as a two-dimensional conceptualisation of fairness is widely adopted in the extant literature (Lupfer et al, 2000).

A key advantage of Kumar's approach is that his conceptualisation of procedural justice enables interpersonal issues, the manner in which people are treated, to be examined. This is an aspect of procedural justice that Lupfer et al (2000) state has not been traditionally studied but is now being incorporated into more recent conceptualisations of justice as researchers are recognising that interpersonal criteria are a major influence on fairness judgements.

SURVEY METHODOLOGY

Given the sensitivity of the information being collected a postal survey was deemed the most appropriate method of data collection, as it provides the only means of ensuring the anonymity of respondents. The questionnaire was based on the findings from an earlier study that focussed on the validation of the conceptual framework (Duffy et al, 2003). through a series of interviews with suppliers in the four major commodity sectors – fresh produce (top fruit and potatoes), meat (beef, pork, lamb) and dairy (milk, cheese). In addition to the core elements of procedural and distributive justice, as defined by Kumar (1996), the questionnaire covered one important aspect omitted by Kumar, namely the approach taken by buyers to deal with problems or disputes. This was one issue that the Competition Commission enquiry highlighted as many suppliers reported that retailers used threats and resorted to bullying tactics as a means of conflict resolution.

The questionnaire comprised fifty three questions, of which forty six were statements covering all six aspects of procedural justice and the perceived fairness of the distribution of costs and benefits in the trading relationship between retailers and their suppliers in the fresh meat, milk, cheese and fresh produce sectors.

The questionnaire was exposed to a rigorous testing process and subjected to a pilot prior to its administration. It was finally mailed (twice) to over three hundred fresh produce suppliers, using the database of supermarket suppliers that the Centre for Food Chain Research (CFCR) has built over several years of empirical research in this are, verified by the Fresh Produce Consortium (FPC), sixty dairy companies, using the CFCR database, verified by the Dairy Industry Association (DIAL) and nineteen fresh meat processors, using the CFCR database, verified by the British Meat Manufacturers' Association (BMMA). The covering letter emphasised the fact that all responses would be received in confidence and that the results would only be analysed in aggregate, across all three sectors, to avoid any possibility of reprisals against suppliers reporting negative aspects of their trading relationships with supermarkets.

RESULTS

A total of one hundred and forty useable questionnaires were returned, representing a response rate of 37%, which we regard as extremely good given the sensitivity of the subject matter.

The analysis of the data is in three parts. The questionnaire uses statements in conjunction with a variant of the Likert scale, on which respondents are asked to indicate their level of agreement or disagreement (2=strongly agree, 1=agree, -1=disagree, -2=strongly disagree, 0=don't know). Thus, the higher the score the more compliant the retailer is perceived to be with what we identified as good practice in each of the areas covered[2]. In addition, for each statement, respondents were asked to indicate the significance of the action for his/her business (3=high, 2=medium, 1=low) and the extent to which there had been an improvement since the introduction of the code of practice in March 2002 (2=yes, 1=no). The three questions relating to the use of tendering were excluded from the analysis as almost two thirds of respondents reported that they were not required to tender for either all or part of their business. The average scores for the significance of the remaining 43 questions for the respondents' business were all over 2 (medium importance), which supports our view that the statements reflect what suppliers regard as important issues in their relationships with their retail customers.

The maximum achievable unweighted score is 86 (ie 100% agreement with good practice), with a corresponding minimum score of –86 (ie 100% disagreement with good practice). When the perceived importance of each action is taken into account, the maximum achievable score is 258 (ie 86 x 3 = 100% agreement and high importance attached to all statements) with a corresponding minimum score of –258 (ie –86 x 3 = 100% disagreement and high importance attached to all statements). It was originally intended to use the question relating to improvement in buying practices since March 2002 to weight the scores further, to reward those retailers who have made changes over the past twelve months. However, in the event there was no statistically significant difference in the average level of improvement over the entire range of

[2] In several instances the statement represents an example of bad practice, in which case disagreement is a positive outcome. For these questions the responses were reverse scored, so that disagreement generated a positive score, adding to the total score, rather than a negative one that would reduce it.

questions between the retailers, with very little evidence of any improvement. So the additional weighting was not applied.

The average scores are presented in Table 1[3]. It is important to note that the differences in the scores reported are statistically significant at the 5% level of significance. Moreover, the differences in the means scores for individual questions were statistically significant at the 5% level for 31 of the 43 questions used in the scoring. However, given the extremely small sample sizes for some of the retailers we recognise the need for caution when drawing inferences from these results.

Table 1 Summary Scores

Supermarket	Sample Size	Mean Score* (unweighted)	Rank	Weighted mean score** (weighted by significance to the business)	Rank	Mean progress since 2002***
A	31	12.6	7	31.1	7	1.18
B	37	-5.1	9	-16.0	8	1.14
C	12	28.0	2	70.6	2	1.22
D	17	28.1	1	70.8	1	1.17
E	17	-14.0	10	-36.5	10	1.08
F	8	14.5	6	35.9	4	1.11
G	9	19.9	3	45.7	3	1.18
H	4	-4.7	8	-27.5	9	1.14
I	1	15.0	5	35.0	6	1.84
J	4	17.7	4	45.2	5	1.09

[3] Given the small sample sizes for some of the retailers, the data was analysed using a simple parametric test (ANOVA), treating the data as metric, and a simple non-parametric test (chi-square), treating the data as categorical. However, the type of test used had no effect on the statistical significance of the results, thus only the mean scores are reported here.

Total	140	8.1	-	18.6	-	1.16

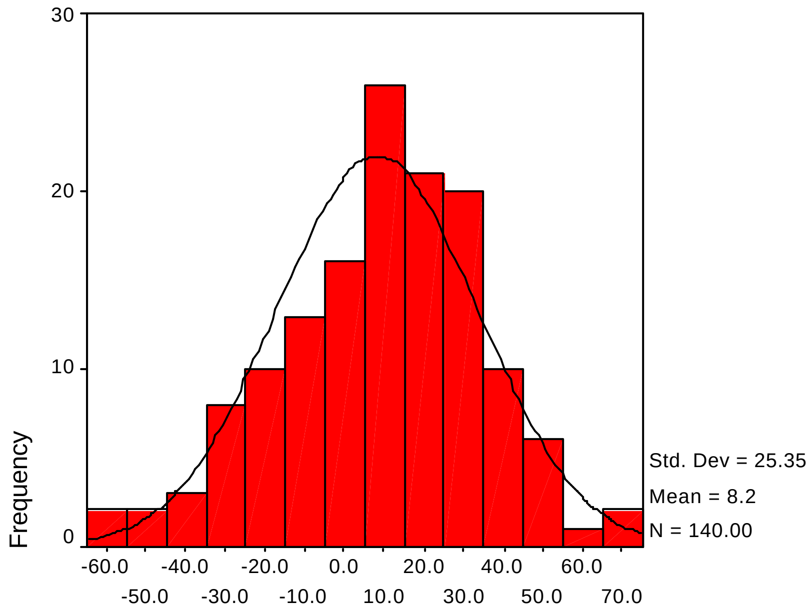
* Maximum/Minimum = 86/-86

** Maximum/Minimum = 258/-258

*** 2=yes, 1=no

The overall average of 8.1 suggests a 'neutral' performance – neither bad nor good. The distribution of both unweighted and weighted scores is approximately normal (figure 1), showing relatively few extreme results, with 95% of the unweighted scores within the range of +/- 50 and the 95% confidence interval estimate indicating a population mean score of between 3.9 and 12.4.

Figure 1 - Distribution of scores (full sample)



Retailers C and D are tied for first place, on the basis of the mean scores (not withstanding the small samples), but when we take account of the distribution of scores, retailer D is a clear winner: all the scores are positive and the distribution of marks has the lowest standard deviation of all the retailers, suggesting a higher level of consensus amongst suppliers with respect to the way they are treated. However, what is most interesting about this result is that it provides evidence to support the hypothesis that a retail strategy based on everyday low prices (such as that adopted by retailer C) does not necessarily mean that suppliers must suffer, relative to the value-added strategies adopted by niche retailers like retailer D.

Of the remaining retailers, only A, B and E have samples of sufficient size to warrant comment. Retailer E emerges from this pilot exercise as the retailer with most to do in terms of supplier relationships, with the largest negative mean score. The difference between the scores for retailers A and B is statistically significant, but both retailers have a long way to go if the fairness of their treatment of suppliers is to match their respective market shares.

There were no statistically significant relationships between the means scores and a) the value of the specific retail account (one might expect larger accounts to be better managed and represent a more significant share of the retailers' requirements and therefore score better than small accounts) b) the number of years trading with a particular retailer (one might expect trading relationships to improve over time) or c) the number of retailers being supplied (one might expect the more dependent the supplier is on fewer customers the more vulnerable he/she is to perceived malpractice by retail buyers). However, there was a strong positive relationship between the means scores and the percentage of the supplier's turnover accounted for by the specific retail account, suggesting that the greater the supplier dependency the better the perceived trading relationship.

Finally, at the end of the questionnaire respondents were invited to give examples of good and bad practice in their treatment by the retail customer in question. Answers to these questions give interesting insights into those activities that suppliers value as well as those that they find particularly problematic. Examples of the comments given are presented below.

Retailer A is particularly good when it comes to…

"Building long term relationships"

"Communication & openness"

"Confidentiality regarding new products"

"Creating focus on needs of end customer"

"Giving clear guidance on strategy and policy"

"Loyalty and prompt payments"

"Market forecasts and forward planning"

"Treating suppliers with contempt!"

"Getting what they want!"

Retailer A is particularly bad when it comes to…

"Bullying"

"Accepting any cost increases in the supply chain"

"Finding the person with time to speak to you"

"Having to match Asda-Walmart prices"

"Putting "partnership" into action when they want to cut price"

"Sharing quality information"

"Working together with unique product improvements and giving the info to other suppliers"

"Negotiating rates i.e. transport that suppliers have to pay"

"Meeting NPD deadlines"

Retailer B is particularly good when it comes to…

"Acknowledging good quality products, being generally pleasant and non-confrontational in meetings"

"Collaborative promotional activity"

"Clear quality standards and expectations"

"Continuity in its buying team"

"In-store theatre and display"

"Listening to new ideas and market changes"

"Technical issues, product launching"

"Wanting more margin!"

"Talking out their arses!"

Retailer B is particularly bad when it comes to…

"Administrative adherence to ensure smooth business development; communication; forward planning; forecasting; time keeping for decisions; adhering to verbal agreements; supply chain development with suppliers"

"All communication, internal and external"

"Competition with Tesco and Asda who are leaner and keener operations"

"Execution of tactical change to any aspect of the business"

"Explaining its strategy, listening to our ideas"

"Getting new lines on the shelf"

"Site visits, price pressure, keeping experienced staff, communication"

Retailer C is particularly good when it comes to…

"Clear joint strategy and objectives"

"Involvement in Planning"

"Sharing good practise between suppliers"

"Value engineering"

"Courteous, treating with respect"

Retailer C is particularly bad when it comes to…

"Allowing us to increase prices despite increasing labour and overhead costs"

"Answering their phones"

"Confidence in continued supply"

"Stability within the buying department"

Retailer D is particularly good when it comes to…

"Being open minded and helpful"

"Conducting supplier briefing meetings"

"Dealing with any problems that may arise"

"New product development, supporting suppliers"

"Payments, communications"

"Understanding needs of niche and smaller suppliers"

"Recognising seasonal supply difficulties"

"Supporting and loyal to suppliers and growers"

Retailer D is particularly bad when it comes to…

"Actual sales forecasts"

"Heightening their profile - never leave their offices!"

"Making decisions for change"

"Nothing - they are delightful to deal with!"

"Ordering systems"

Retailer E is particularly good when it comes to…

"Discussing timing of promotions"

"Sharing information on strategy and giving new products a trial"

"Asking for additional finance!"

"Forcing supplier prices down"

Retailer E is particularly bad when it comes to…

"Asking huge volumes at times of promotion then spreading the stock for months"

"Changing products in the range with no notice & excessive design cost charges (circa 45% more expensive than 'free market')

"Communication and single point of content"

"Measuring quality and reporting back to suppliers"

"Promotional forecasts and in-store implementation"

"Rebate demands and margin expectations"

"Sharing information"

What is striking about these comments is that they highlight the extent to which relationships differ between buyers and different suppliers (e.g. one supplier highlights communication with a particular retailer as a strength while another supplier identifies it as an area of weakness). This is not surprising given the general trend towards category management and supply base rationalisation that has resulted in the classification of suppliers as 'core' or secondary, with whom relationships are bound to differ. In the future it might help to have a question at the outset that establishes how the supplier perceives their status – you would expect higher scores from 'core' suppliers than secondary or marginal suppliers. It also suggests that some distinction should be made between behaviour that is dependent upon the status of the supplier (e.g. core suppliers might expect to have greater involvement in planning and decision making than secondary suppliers) and that which might be considered as generic, such as courteousness.

What is also striking is the lack of emphasis on prices, profits and financial issues in general. Numerous references were made to price pressure and cost control but the majority of comments made highlighted procedural issues, primarily associated with communication , planning, decision-making, execution and competence in key functional areas (e.g. demand forecasting, promotional planning). This is consistent with the academic literature on justice, which indicates that procedural justice is of greater concern for suppliers than distributive justice, particularly in commodity markets in which prices are acknowledged to be largely determined by 'market forces' beyond the control of the buyer.

CONCLUSIONS

The results of this pilot study provide strong support for the proposed conceptual framework and survey instrument. The results indicate a wide level of support for the items being measured (all the statements achieved mean importance ratings in excess of 2 = “medium significance for the business” on a scale from 1 to 3) and the proposed scoring system generates adequate variation to capture the relative performance of each supermarket. There were no problems associated with the completion of the questionnaire and the level of response from suppliers, given the sensitivity of the data collected, is encouraging and indicates that the questionnaire was not deemed too daunting or time consuming to complete.

The results provide some evidence to support the hypothesis that not all supermarkets are ‘bad’ (good practice is clearly being adopted by some) but practices and perceptions vary significantly between and within retailers and, on average, there is considerable room for improvement. However, contrary to popular belief, these results suggest that a retail strategy based on everyday low prices (such as that adopted by retailer C) does not necessarily mean that suppliers must suffer, relative to the value-added strategies adopted by niche retailers like retailer D).

Turning to the future and the further development of the conceptual framework and survey instrument, there are several aspects that warrant further attention. The single biggest problem is the sampling method - ideally all suppliers (account managers) should be asked by their respective buyers to complete the questionnaire, anonymously and return it to an independent organisation for analysis, in order to ensure complete coverage of the respective supermarket’s supply base. However, this would require support from the supermarket buyers, many of whom might fear they have more to lose than to gain from co-operating in this way

As far as the questionnaire is concerned, the differential status of some suppliers (e.g. category captains versus marginal suppliers) means that some examples of best practice are more relevant for some suppliers than others (e.g. joint planning and forecasting, collaborative product development and consumer research etc), potentially giving rise to anomalies in the interpretation of the results. This might require a reduction in the number of questions to include only those practices relating to ‘justice’ that apply to all suppliers regardless of status.

The survey method as it stands does not extend beyond tier one suppliers, yet much of the current interest in/concern about supermarket behaviour and their potential abuse of market power relates to the impact on farmers. Thus, consideration needs to be given to extending the exercise upstream, to map the link from supermarket/tier one supplier relationships to tier one/tier two relationships.

Finally, the conceptual framework, the survey method and the justification for the study as a whole are all based on the premise that supermarkets exploit their position of market dominance and treat their suppliers unfairly. The lack of justice in supermarket/supplier relationships is thus assumed to be due entirely to the unethical behaviour of supermarket buyers. However, there is plenty of anecdotal evidence to suggest that suppliers do not always act with integrity in their dealings with supermarkets. Thus, consideration might be given to including the buyers' perspectives on supplier behaviour, in order to achieve a balanced view of the sources of injustice and bad practice in these relationships, as well as the examples of good practice, as perceived by both trading partners.

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