

Relationship resilience and exogenous events: The role of relational dynamics

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ABSTRACT

The paper investigates the main relational dynamics induced by an exogenous event and to what extent these dynamics contribute to relationship resilience. The paper also discusses the pre-existing conditions at the relationship level that favour relationship resilience. Methodologically, this exploratory study relies on in-depth interviews and content analysis, taking the Italian fashion industry as the empirical context under study. The paper conceptualizes relationship resilience in the case of a disruptive exogenous event as the combined effect of pre-existing conditions at the buyer-supplier relationship level and relational dynamics emerging in response to exogenous events. It identifies five pre-existing conditions: stable long-term relationships, with the supplier being irreplaceable for the know-how possessed and the importance of the buyer in terms of purchase, interdependencies generated by specific investments in technologies and innovations in production processes, relational proximity related to the geographical proximity, social bonds as a relevant part of business relationships, adoption of digital tools for the digitalization of the relationship. Theoretical and managerial contributions are also provided.

1. Introduction

Early research carried on by the Industrial Marketing and Purchasing (IMP) group highlighted that many business-to-business relationships lasted over time in continuous processes of adaptation and change (Håkansson, 1982). In this respect, the business marketing literature shows that business relationships between customers and suppliers are dynamic by nature, and this intrinsic dynamism is due to actors' action, reaction, and interaction, as well as the influence of the interconnections with other actors, and even exogenous events (Håkansson & Ford, 2002; Håkansson & Snehota, 1995). Thus, we refer to relational dynamics as all the changes that originate on a relationship level between counterparts, which in turn can influence the larger business network in which at least one counterpart is embedded (Tunisini & Bocconcelli, 2009; Guercini and Runfola, 2012). Relational dynamics can be particularly relevant in turbulent times (Runfola, Milanese, & Guercini, 2021) when companies experience instability due to environmental, technological, political, social, and economic changes. Such turbulence is even truer since the COVID-19 pandemic broke out in early 2020, throwing companies into a situation of extreme uncertainty and the impossibility of making long-term forecasts. The pandemic has rapidly involved

industrial markets with a twofold impact: the stop of production during lockdown periods and the domino effect on supply chains (Rapaccini, Saccani, Kowalkowski, Paiola, & Adrodegari, 2020; Runfola et al., 2021). Cortez and Johnston (2020) discussed the severe impact of the pandemic on business-to-business companies, which led to intra- and inter-organizational tensions and called for new ways to manage business operations. Thus, companies are operating in a fast-evolving scenario under conditions of great uncertainty and tension, in which relying on existing business relationships appears to be a way to navigate over the crisis, following an effectuation logic that takes the means at hand as the starting point from which different results can be achieved (Sarasvathy, 2001). At the same time, business relationships can be a burden and contribute to propagating the effects of the crisis through interdependence in the business network (Abosag, Yen, & Barnes, 2016).

In general, in the face of a crisis and a disruptive situation, companies need to be prepared for change, recover fast from adversities and increase their resilience capacities (Williams, Gruber, Sutcliffe, Shepherd, & Zhao, 2017). In business marketing, there is a growing interest in investigating resilience in business-to-business companies (Eltantawy, 2016; Gölgeci & Kuivalainen, 2020). Much attention has been devoted to supply chain resilience, conceptualized as “the ability of a system to

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return to its original state or move to a new, more desirable state after being disturbed” (Christopher & Peck, 2004, p. 2) or, similarly, as the capability of supply chains to respond quickly to unexpected events and restore operations to the previous performance level, or a new and better one (Pereira, Christopher, & Lago Da Silva, 2014). Many contributions have addressed supply chain resilience in pandemic times (e.g., Modgil, Singh, & Hannibal, 2022; Ozdemir, Sharma, Dhir, & Daim, 2022), but studies focusing on the business relationships level are limited (e.g., Runfola et al., 2021). Kaufmann, Esslinger, and Carter (2018) discuss relationship resilience with a focus on buyer-supplier dyads as “the extent to which a buyer-supplier dyad can absorb negative events and recover - potentially to an even more desirable state” (Kaufmann et al., 2018, p. 63).

Nevertheless, relationship resilience requires further development, and there is a lack of research that sheds light on the role of relational dynamics in building relationship resilience during a crisis caused by an exogenous event. Adopting a business marketing perspective with the IMP lenses allows for shifting the focus on what is going on between companies in terms of relational dynamics, which might suggest that resilience capacities can be developed in the interaction between actors. Following this line of reasoning, this paper investigates the relational dynamics stemming from an exogenous event, how these dynamics contribute to relationship resilience, and the pre-existing conditions of relationship resilience. The research questions that guide our study are the following:

RQ1: What are the main relational dynamics induced by an exogenous event, and to what extent do these dynamics contribute to relationship resilience?

RQ2: What are the pre-existing conditions at the relationship level that favour relationship resilience?

Methodologically, this exploratory study relies on in-depth interviews and content analysis, taking the Italian fashion industry as the empirical context under study. The fashion industry has been harshly hit by the pandemic, with significant losses for the entire industry due to the forced closure of stores and limits to international mobility. The decline in sales of the main global fashion retailers implied a domino effect in the production chains, negatively affecting the suppliers. Additionally, the Italian fashion industry is particularly interesting for the aim of this study because it is characterized by the presence of clusters in which global luxury fashion brands, highly internationalized medium-sized companies, and a network of first-, second-, and even third-tier suppliers coexist. Thus, many long-standing buyer-supplier relationships with continuous exchanges and interactive processes make the Italian fashion industry a relevant empirical context for studying relational dynamics during a crisis (Runfola et al., 2021). The paper is structured as follows. Section 2 includes the theoretical background of the paper concerning the main relational dynamics emerging from the IMP literature and how they are linked to exogenous events. Section 3 presents the study’s research method and empirical context. Section 4 proposes the findings emerging from the 27 interviews with 15 respondents involved in the fashion industry, followed by a discussion of the research questions, theoretical and managerial contributions (Section 5), and limits and avenues for future research (Section 6).

2. Theoretical background

Relational dynamics are crucial in studying business-to-business relationships and are strongly related to the concept of interaction developed within the IMP group. The idea that interaction between business actors is a primary characteristic of the business landscape becomes the focus of the research carried out by IMP scholars, for which the attention is on what happens between companies in business-to-business relationships (Ford, Gadde, Håkansson, Snehota, & Waluszewski, 2008; Håkansson, 1982; Håkansson & Snehota, 1995). Interaction implies the mutual adaptation of counterparts’ resources and activities, resulting in interdependence (Håkansson & Ford, 2016).

Thus, business-to-business relationships last over time in continuous processes of adaptation and change (Håkansson, 1982). Then, relational dynamics can be conceived as the changes that occur on a relationship level between the counterparts of interaction (Freytag & Ritter, 2005). Such dynamics can generate a change in the network’s structure (Guercini & Milanese, 2019), even affecting the broader business network in which at least one counterpart is embedded (Tunisini & Bocconcelli, 2009). Relational dynamics can be the consequence of deliberate behaviours of the counterparts or induced by exogenous events (Halinen & Tähtinen, 2002; Ping & Dwyer, 1992). Hence, a recurring theme in the literature concerns the factors that push toward specific relational dynamics: on the one hand, the intentional behaviours of the actors; on the other hand, the intervention of external factors and exogenous events.

Over the years, IMP scholars have devoted attention to discussing the specific relational dynamics that can result from such factors. A stream of research has focused on changing relationships, looking at how trust and commitment evolve between the actors involved in the interaction. In particular, the decision to keep alive or end a business relationship has been interpreted in terms of “relationship strength” and “relationship weakening” (Holmlund-Rytkönen & Strandvik, 2005).

Relationship strength concerns the increasing role of commitment among counterparts, creating stronger bonds. Consequently, the strengthening dynamic is related to the reluctance to end a relationship, with value, satisfaction, quality, and commitment as antecedents (Holmlund-Rytkönen & Strandvik, 2005). Relationship thickening is a dynamic closely linked to strengthening and refers to a more direct and greater interaction among customers and suppliers, with some relationships thicker than others (Håkansson, 2006). Such deep relationships can represent an advantage for counterparts but also a burden as they may have a dark side (Anderson & Jap, 2005), preclude opportunities outside the dyad, and generate exit barriers, risk of unstable supply, and worse negotiation position (Mitrega & Zolkiewski, 2012).

On the contrary, relationship weakening is a degenerative process that can lead to business relationship decline or closure. Relationship weakening can result from opportunistic behaviour among parties (Wang, Kayande, & Jap, 2010) or increased conflict/tension in interaction. Discrepancy and incoherence in buyer-seller exchange can weaken the relationship due to a higher level of conflict among the parties (Humphreys, Williams, & Goebel, 2009). Other scholars have stressed the role of externalities in creating tensions, especially in the case of an “anomalous event or extraordinary occurrence that has the potential to induce major, possibly catastrophic disruptions for a firm” (Grewal, Johnson, & Sarker, 2007, p. 399).

Hence, the relational dynamics of strengthening/thickening or weakening may derive from stress factors that generate “relationship stress”, including critical events that create tension and stress among actors. Gronhaug, Henjesand, and Koveland (1999) identify stress factors in the business relationship coming from the more general context surrounding it. However, Edvardsson and Strandvik (2009) argue that it is impossible to isolate single factors or a combination to explain relationship stress and the changing nature of business relationships. According to the two authors, instead of interpreting relationship stress as a matter of critical events, critical incidents, precipitating or negative events, the idea of “critical time” seems to be the more appropriate, meaning a stress period that can increase relationship sensitivity and lead to changes.

Other streams of research within the IMP debate have related stress factors to other specific relational dynamics, including “relationship fading” or/and “relationship ending”. Fading and ending are autonomous conceptual categories, with the former defined as a “phase in which relationship seems to be weakening and declining” (Olkkonen & Tuominen, 2008, p. 204). Relationship fading can lead to temporary relationship weakening when actors decide to remain in the relationship anyway or generate a business relationship ending (Tuominen & Ketunen, 2003). Some authors associate relationship fading with

discontinuity in business relationships, with alternating periods of activity (Easton & Araujo, 1994; Runfola, Guercini, Gregori, & Perna, 2013). According to Gronhaug et al. (1999), fading can be active if an actor seeks a decline in the relationship, but it can also be passive if it takes place with no deliberate actions. In other words, relationship fading may result from an intentional behaviour of one of the actors involved in the relationship or result from an unplanned behaviour. The fading outcome is unknown a priori but is commonly associated with a relationship ending.

Relationship ending is a general term used to identify various situations that have in common the end of all the activities and resources in the interaction between actors (Tähtinen & Halinen-Kaila, 2000). Tidström and Åhman (2006) underline that the concept of ending has been addressed with different terms such as dissolution (Alajoutsijärvi, Möller, & Tähtinen, 2000), divorce (Perrien, Lalonde, & Filiatrault, 1994), exit (Håkansson & Snehota, 1995), closure (Havila & Medlin, 2012), and termination (Ping & Dwyer, 1992). According to Halinen and Tähtinen (2002), it is possible to identify different ending types depending on the business relationship's specific nature. The ending can be chosen, forced, natural, desired, or predetermined. Relationships can end due to a deliberate intention of one of the two actors (chosen ending) or to a more general event or exogenous event that occurs in the context in which the relationship is embedded (forced ending). Relationships can also end due to the relationship's general fading following the changing stage in the life cycle (natural ending). In the case of terminal relationships, namely those that can be considered burdens, but closure is not possible (Michalski, 2004), the actors' willingness to end the relationship will be realized as soon as circumstances can permit it (desired ending). Finally, there is also the case of episodic relationships, namely those developed for a common goal, that end when the common goal is reached (predetermined ending).

When discussing termination, Havila and Wilkinson (2002) focus on the relationship aftermath and introduce the idea of the relationship energy created over time in a business relationship, which cannot be destroyed after termination, but only transformed and transferred in other forms to other relationships. Relationship energy can also be seen as an opportunity to reactive the same relationship later in time, and its primary vehicle is the social bonds between actors. It is argued that "the social bonds that develop between the people involved in the relationship do not necessarily cease once trading stops. Once a social bond has been built up between individuals, it is impossible to "destroy" because the individuals are [...] aware of each other as possible counterparts for the future" (Havila & Wilkinson, 2002, p.192). Thus, relationships energy seems closer to "sleeping relationships" (Hadjikhani, 1996), namely former relationships that are put on hold and can be activated when needed with some efforts. The idea that business relationships can be reactivated even after their termination (Hurmelinna, 2018) gives relational dynamics, such as ending, a meaning that is not necessarily negative, as recently highlighted by Gidhagen and Havila (2016) in their study about reactivated relationships after termination, and Petrucci and Milanese (2022) in their study on the aftermath of business failure.

While the IMP debate seems to have addressed the concept of relational dynamics proposing specific types, how these dynamics relate to relationship resilience has received little attention. As noted by Kaufmann et al. (2018), resilience on a relational level implies that the business relationship can be recovered or developed further even after an adverse event. This conceptualization of resilience seems closely linked to relational dynamics. The recent COVID-19 pandemic represents an unprecedented event, which has generated a high degree of uncertainty and tension in the interaction among actors (Kreye, 2022). It can be argued that the pandemic has created environmental uncertainty, namely an unpredictability of the external environment (Milliken, 1987), which can negatively influence relational uncertainty, namely the "inability to predict and explain the actions of a partnering organization due to a lack of knowledge about their abilities and intentions" (Kreye, 2018, p. 91). The sudden spread of the pandemic has stimulated

scholars to understand its effects on business relationships, companies, and the economic context.

3. Research method and empirical context

This study investigates the relational dynamics stemming from an exogenous event, how these dynamics contribute to relationship resilience, and the pre-existing conditions of relationship resilience, focusing on the Italian fashion industry. Since the phenomenon investigated is pervasive, complex, and fast-evolving, and the actors involved are closely linked to the dynamics of the context in which they operate, our study is exploratory and relies methodologically on in-depth interviews and content analysis (Eisenhardt & Graebner, 2007).

The choice of the fashion industry as the empirical context is due to at least three reasons. Firstly, the authors have been researching this area for over twenty years. During these pandemic years, they have been able to delve into the ongoing relational dynamics and take advantage of the deep knowledge of the industry and a position of insidership that has favoured the data collection process and the researcher-manager interface. (Guercini, 2004). Secondly, the fashion industry has been severely hit by the pandemic, primarily due to the forced closure of stores and limits to international mobility, with significant losses for the entire industry. The pandemic has reduced the flow of people traveling for leisure and business purposes due to safety restrictions. The combined effects of these aspects have reduced sales for many companies in the fashion industry. As a result, all the fashion brands and retailers have suffered a marked decline in domestic and foreign market sales. The decline in sales implied a domino effect in the production chains, given that the downstream markets were essentially at a standstill. Another dimension of the general context concerns the logistical problems that impacted the international transport system, with the borders' closures and increased transport costs compared to the pre-pandemic period. Finally, the fashion industry is characterized, especially in Italy, by the presence of clusters in which global players, such as luxury fashion brands, highly internationalized medium-sized companies, and a network of first-, second-, and even third-tier suppliers coexist. Suppliers are specialized in single processing phases and are often holders of know-how and skills that are difficult to reprehend and find elsewhere. In this context, buyer-supplier relationships are often long-standing, characterized by continuous exchanges, and fundamental for the qualitative and innovative content of the fashion product. Thus, with its interactive processes, the fashion industry is a relevant empirical context for studying relational dynamics during a crisis (Runfola et al., 2021).

As for companies' selection, we started from a list of 25 Italian fashion companies with which we had developed relationships in previous years during many research projects, allowing for closer and more productive collaboration and enhancing the richness and depth of the interviews. The willingness of companies to participate was fundamental for the screening, and 15 companies were available in the end. These companies were operating at different levels of the fashion supply chain (luxury fashion brands and their first- and second-tier suppliers, fashion retailers), and this ensured an interactive perspective. We then defined selection criteria in order to identify the respondents: at least five-year experience in the fashion industry to ensure a broader perspective and a critical view of the current scenario; top positions in such companies (entrepreneurs and/or top managers). Respondents' belonging to fashion companies operating at different levels of the fashion supply chain guaranteed multiple perspectives on the topic under investigation and limited self-reported biases that may compromise the reliability of the research. We did a total of 27 interviews (see Table 1). In some cases, a single interview session was not enough to complete all the contents of the interview guide and a second session was necessary. Furthermore, based on the availability and willingness of the respondents, we repeated the interview after some time to grasp the main changes.

The interviews followed a semi-structured interview guide with

Table 1
Background information of the Respondents (R).

| R | Role | Company | N. interviews** |
|----|-----------------------------------|---|-----------------|
| 1 | Owner/CEO | Luxury fashion company | 5 |
| 2 | Marketing & Communication Manager | (women's clothing) | |
| 3 | Owner/CEO | Leather manufacturer (bags and accessories) – brand/supplier* | 3 |
| 4 | Brand & Communication Manager | Fashion jewelry company – brand/supplier* | 3 |
| 5 | CEO | Luxury fashion company (women's clothing) | 2 |
| 6 | Owner/CEO | Luxury fashion company (men's shoes) | 2 |
| 7 | General Manager | Luxury fashion company (clothes and accessories) – global player | 1 |
| 8 | Marketing Manager | Fashion accessories manufacturer – supplier | 1 |
| 9 | Quality Assurance Manager | Fashion company & retailer | 2 |
| 10 | Marketing Manager | Luxury fashion company (women's and men's clothing) | 2 |
| 11 | CEO | | |
| 12 | Owner/General Manager | Luxury fashion company (men's and women's clothing) – brand/supplier* | 1 |
| 13 | Supply Chain Manager | Luxury fashion company (clothes and accessories) – global player | 1 |
| 14 | CMO | Online luxury fashion retailer | 3 |
| 15 | Owner/Marketing Manager | Fashion company | 1 |

* brand/supplier: the company has its own brand and also works as supplier for luxury fashion companies.

** From March 2020 to November 2021.

questions about the respondents' background (seniority, professional experience, role) and a brief company profile. The interview guide then included the following sections: (i) the impact of the pandemic crisis on the fashion industry and the company; (ii) the impact of the pandemic crisis on business relationships; (iii) business relationships heavily affected by the pandemic crisis; (iv) initial reactions within business relationships to the pandemic crisis; (v) relational dynamics to cope with the crisis; (vi) outcomes and conditions that favoured/hindered such dynamics.

The interviews started in March 2020 and continued until November 2021; they were carried out in the native language of the respondents (Italian) and then translated into English. The interviews lasted from 90 to 120 min and were recorded and transcribed, resulting in a Word file of about 30,000 words of transcripts for content analysis conducted by all the research team members. Due to the complexity of the topic and the lack of an established analytical framework, the transcripts were analysed without the use of software. We adopted the qualitative content analysis method (Forman & Damschroder, 2007). As a first step, we engaged with the raw data to achieve a comprehensive view. In the next step, data were arranged into themes and thematic areas, removing those parts deemed irrelevant. We then identified the emerging topics and significant verbatim statements (Moustakas, 1994), and collected our findings under these topics, thus organizing data into themes. These steps were carried out by the authors individually in the first phase, to then discuss the individual results to reach a total consensus. The results of the data analysis are presented in the next section.

4. Findings from the fashion industry

Data from the interviews show how the exogenous event caused changes in business relationships as relational dynamics induced within the investigated buyer-supplier relationships. Despite the pandemic hitting the fashion system and consumption, the emerging relational

dynamics propose interesting and surprising evidence. We found consensus among interviewees about a general trend toward maintaining current business relationships and keeping relationships with existing counterparts alive. Before considering relational dynamics induced by the pandemic, it is interesting to note the reasons that motivate the importance of existing business relationships for both counterparts in interaction. In the following paragraphs, we first dedicate specific attention to this topic. Moreover, in most cases, the pandemic has also strengthened and thickened buyer-supplier relationships with positive effects on a relational level. Hence, after considering the rationales under the importance of existing relationships, we discuss the primary relational dynamics induced by the pandemic in the subsequent paragraphs. All these topics are presented by considering the informants' perspectives and reporting exemplificative quotes.

To better consider the finding of our empirical investigation, first, we must consider the interviewees' opinions about their existing business relationships in a pre-pandemic period. In this respect, the words of one interviewee are emblematic *"we had (and still have) stable relationships with our suppliers... in particular, we manage continuous relationships with small high-skilled and specialized manufacturers"* (R7). The continuity of relationships with suppliers is fundamental for the buyers involved in this study. Another interviewee adds, *"we have established relationships with suppliers for a long time; the skills and know-how owned by these companies are important and not easy to find from other suppliers in other locations"* (R1). The same opinion is expressed on the suppliers' side. Suppliers recognize the importance of having stable relationships with large fashion brands. Take, for example, the words of a supplier of important luxury fashion brands who highlights how *"we have relationships with the same large fashion customers for several years ... some for over 20 years for example ... over time we have tried to offer new propositions and enriched the services both in terms of both product and production process innovation"* (R3). Relationships are long-lasting and fed by competencies and skills. These aspects are essential to comprehend how buyer-supplier relationships evolved and reacted to pandemic potential disruptions according to the informants considered in our empirical investigation.

Not only were relationships stable and long-lasting, but they were also geographically concentrated in most cases. Many relationships concern suppliers belonging to industrial districts and large customers, some international, who, however, have headquarters and production sites in the same territories. *"Being in this territory is important for us; it is a source of inspiration"* (R4), states a fashion brand. *"We produce in different locations in Italy; we have production facilities and local networks of specialized suppliers"* (R11), adds another informant. Similarly, *"we have invested in facilities, and we have collaborations in the territory"* (R13).

Hence, to manage the inevitable consequences of the exogenous event, as highlighted above, all interviewees agreed on the search for feeding buyer-supplier relationships to maintain the continuity of exchanges and interactions. One interviewee posits, *"during the pandemic, we maintained relationships with our suppliers, who are local suppliers, as they have important competencies and know-how"* (R7). In other words, instead of sleeping (or, at worst, ending) suppliers' relationships during the pandemic, these business relationships remained active. In this sense, it is necessary to interpret the words of one of the interviewees *"during the most difficult months of the pandemic, in 2020, we supported our suppliers, keeping orders and also understanding their operational difficulties"* (R1). The decision to keep the continuity from large customers was not without difficulties for them. The interviewee points out, *"we had to close our stores following the pandemic, but even after the reopening, many people no longer visited the stores, with drops that even reached 80% of visits to our stores... The warehouses were loaded with goods while the sales were blocked; costs increased while cash decreased"* (R1). Along the same line of thinking, another interviewee states that *"the shops had stocks of merchandise for three seasons, and three seasons are like three years for a fashion company"* (R11). Investing in existing relationships was also the

result of the conversion of production of some brands. It is the case of a fashion brand that, while waiting to return to normal after the pandemic, highlights that *“the company has decided to convert part of its productions very quickly for the production of surgical masks, obviously obtaining the certifications for sale”* (R5).

Sales decline within the fashion system implied a domino effect in the production chains, given that the downstream markets were at a standstill in the early period of the pandemic. However, the potential disruption interplayed with the need for many brands to keep supply chains active. Even informants from suppliers interviewed confirmed this issue. For example, one of the interviewees, a supplier of important luxury leather goods brands, confirms that *“actually, we received orders from our largest customers to keep the production lines active”* (R8). We then may argue that maintaining the continuity of buyer-supplier relationships can be connected to technological investments and production processes carried out over time by both actors. These behaviours may relate to the intention to avoid the loss of skills that are functional both to the value proposition of suppliers and to search for solutions from customers (especially for luxury players). In fact, as a supplier of global fashion brands states, *“we continue to participate in initiatives that aim at training the transmission of local knowledge and skills, and which are important for this sector”* (R3). However, it should be noted that in some cases, it seems that second and third-tier suppliers have suffered more from the effects of the pandemic and have seen their relationships become somehow discontinuous. For example, one of the informants, a first-level supplier, explains, *“some companies in the upstream of the supply chain had greater difficulties, especially small third-tier suppliers”* (R8). However, this discontinuity seems only to be a short-term effect rather than an antecedent of a potential ending of supply chain relationships. For example, an interviewee from a brand managing global value chains argues, *“we kept production in our traditional supply markets. It is not easy for our model to rethink the structure of suppliers”* (R9).

Interestingly, some relational dynamics with adverse effects on the relationships, such as discontinuity, emerged in our study. However, insights from informants show how the pandemic has substantially entailed the reluctance to end existing relationships with the strengthening of the relationships. Therefore, it is possible to note a thickening of relationships with positive effects on the relationships. The response to the pandemic implied recourse to personal contacts and meetings between buyers' and suppliers' representatives. The need to keep supply chains active and the importance of the know-how generated in the interactions between customers and suppliers have prompted companies to question how to deal with the pandemic. Social bonds behind business relationships were considered a way to face the uncertainty of the exogenous event. As one of the interviewees stated, referring to the first dramatic months of the pandemic, *“we organized meetings with our customers to understand what kind of initiatives to undertake jointly”* (R3). Specifically, the interviewees continue, *“during the pandemic period, we held meetings with the main buyers and brands present in our territory to face the situation”* (R3). Therefore, many fashion players in the context of our empirical investigation reacted by trying to keep the supply chains active and, in some way, protect their suppliers. Arguably, the geographical proximity between suppliers and buyers made strict social relationships easier.

Personal face-to-face interactions between buyers and suppliers are relevant, according to interviewees. As one of the informants explains, *“I perceive the desire to return to the relationships that existed before the pandemic”* (R11). In addition, another informant adds, *“Our customers used to find time to come and visit our factories at the trade fairs held here in Italy ... this was not possible but will remain an important aspect for us after the pandemic”* (R6). Furthermore, one of the interviewees highlights how *“much of the relationship also occurs in informal moments such as dinners”* and continues, *“they were not possible during the pandemic”* (R9). Hence, nurturing relationships with convivial and informal moments has always characterized the relationships investigated. Remarkably, this informal feature of buyer-supplier relationships was valuable during the

pandemic and has favoured the facing of the pandemic's potential disruptions.

However, while offline and face-to-face meetings and visits were substantially prevented in the pandemic's early phases, the relationship development was nurtured by investment in digital tools. We must consider that digitalization was already a path underway. For example, one informant from a fashion brand explains, *“we decided to invest and concentrate our sales solely in the digital channel by selling our products only on a multi-brand e-commerce site”* (R15). Another interviewee points out that *“e-commerce sales in fashion will develop further”* (R14). Hence, while digitalization, especially in the form of e-commerce and new digital channels, was already a trend in the fashion industry, the pandemic accelerated the use of some digital tools to manage buyer-supplier relationships specifically.

In some cases, digital tools represented a stimulus for creating innovation to be spent in client relationships. As one interviewee states, *“before the pandemic, I traveled often. I spent much time on the plane to visit my customers. The fact that I could no longer travel made me focus on production and be more innovative”* (R6). Another informant, located in an industrial district, explains, *“during the pandemic period, we increased the use of digital tools of relationships in the business markets through a customer relationships management system”* and continues, *“we invested in digital tools before the pandemic...and fortunately... we were prepared to manage most of the relationships through digital means”* (R3). Hence, the pandemic has paradoxically led to the thickening of supply relationships through digital means. *“Our product managers travel and make many intercontinental trips to visit suppliers and sourcing offices... as it was no longer possible, we increased our IT systems, even with very advanced systems... one thing is touching a fashion item with your hand, another is seeing it on the screen through a camera”* (R9).

5. Discussion and final remarks

In this section, we discuss the previously outlined research questions, present future research avenues, and final remarks.

Regarding the first research question (*RQ1: What are the main relational dynamics induced by an exogenous event, and to what extent do these dynamics contribute to relationship resilience?*), our study shows that the exogenous event induces business actors to maintain their existing relationships. Even if the exogenous event and its disruptive force may push toward a sudden closure of business relationships or an irreversible fading (Grewal et al., 2007), our empirical investigation shows that companies are not overwhelmed by the uncertainty generated by the crisis and develop relational dynamics to counterbalance the dynamics threatened by the pandemic. Rather than discontinuity that could be forced by the exogenous event (Runfola et al., 2013), the continuity of existing relationships represents the companies' main goal, especially in the relationship between global players and first-tier suppliers. Hence, our empirical investigation shows that a strengthening dynamic positively affects the relational level. We can also observe a thickening dynamic (Håkansson, 2006) with positive effects on the relationship. More than decreasing the opportunities for interaction, the exogenous event can generate the opposite effect, namely increasing interaction between suppliers and customers to tackle the negative effects on the general business context. Thus, the data show that the actors in the fashion industry try to counter the boosts of the adverse effects on the relational dynamics through specific behaviours aimed at stopping the threats of the exogenous event. For example, instead of ending or weakening the relationships, fashion actors keep them at a maintenance level through financial support to their suppliers. Therefore, we can argue that the relational dynamics induced by the exogenous event have relationship resilience as an outcome. In other words, relationship resilience is the outcome of relational dynamics emerging from an exogenous event, with effects on the continuity of the buyer-supplier relationship.

However, the analysis of our empirical context demonstrates how relational dynamics are a necessary but insufficient condition for

developing relationship resilience. Therefore, regarding the second research question (RQ2: *What are the pre-existing conditions at the relationship level that favour relationship resilience?*), we can discuss some conditions that, if pre-existing to the exogenous event, can favour relationship resilience. We identify at least five pre-existing conditions at the relationship level, interrelated to each other, that can favour relationship resilience in the presence of an exogenous event.

The first condition is that the exogenous event impacts a relational context characterized by *stable long-term relationships, with the supplier being irreplaceable for the know-how possessed and the importance of the buyer in terms of purchase*. These characteristics make the business relationship relevant for the counterparties. Therefore, if this condition is present, in the case of an exogenous, disruptive, and unexpected event such as the pandemic, relationship resilience results from the actors' behaviours aimed at maintaining the relationship's stability.

The second condition is that there are *interdependencies generated by specific investments in technologies and innovations in production processes* to meet the buyer's demands. In the fashion industry, over the years - as also emerged from the interviews - there have been numerous investments that suppliers have made at the request and incentive of customers, aimed at introducing new production technologies and innovating processes. The stickiness of the relationship can represent a negative side of the business relationship. In the case of an exogenous event, it may instead represent a condition that guarantees the resilience of the relationship. Interdependence is one of the dimensions that guarantees the absorption of the negative consequences of the event because it pushes the actors to find solutions so as not to lose the investments made in the past.

The third condition is the *relational proximity related to the geographical proximity* between suppliers and customers in local clusters. Resilience is fostered by the geographical proximity of buyers' and suppliers' facilities within the same territory. Such embeddedness in a local cluster, with a concentration of resources and knowledge, increases the relational proximity and amplifies the importance of keeping relationships active. In the presence of an exogenous event, therefore, both actors move to protect and not disperse the territorially embedded resources and knowledge and the relational proximity generated by the geographical one, fostering relationship resilience.

The fourth pre-existing condition is that *social bonds are a relevant*

part of business relationships. Social bonds (Havila & Wilkinson, 2002), even those of an informal nature, foster resilience because they generate a process of socialization of the problem, which is faced not only as a buyer/supplier but also as people who must come up with a disruptive event even beyond the boundaries of the company. It is, therefore, easier in the presence of this condition to find moments of confrontation and discussion in which social bonds represent a boost toward relationship resilience.

The fifth condition is the *adoption of digital tools for the digitalization of the relationship* before the exogenous event. The face-to-face, interpersonal relationship between actors is one element that characterizes business relationships, particularly in the fashion industry where "touching" fabrics or yarns is essential. In the case of an exogenous event, this can fail. In the fashion industry, many suppliers had previously adopted digital tools to facilitate interaction with those geographically distant customers. Having already invested in tools that make the relationship digital, therefore, represents a further condition for interacting and carrying out the relationship in the face of potential disruption.

Thus, we argue that relationship resilience is the outcome of relational dynamics that, in turn, can be explained by some pre-existing conditions at the relationship level before the exogenous event. Fig. 1 shows our reasoning. The exogenous event induces relational dynamics conceived as changes in the relationship between the counterparts in interaction. Two main relationship dynamics emerge, relational strengthening and relational thickening. Five interrelated pre-existing conditions favour these two dynamics. Relationship resilience can be conceived as the outcome of the two relationship dynamics having positive effects at the relational level.

Our study provides some theoretical contributions. Considering the answers to the first and second research questions, this paper conceptualizes relationship resilience in the case of a disruptive exogenous event as the combined effect of pre-existing conditions at the buyer-supplier relationship level and relational dynamics emerging in response to an exogenous event. Compared to the previous literature (Kaufmann et al., 2018), our conceptualization of relationships resilience delves into the determinants of resilience rather than dwelling on its definition. More specifically, this paper emphasizes two aspects: the relational dynamics to cope with the exogenous event and the pre-

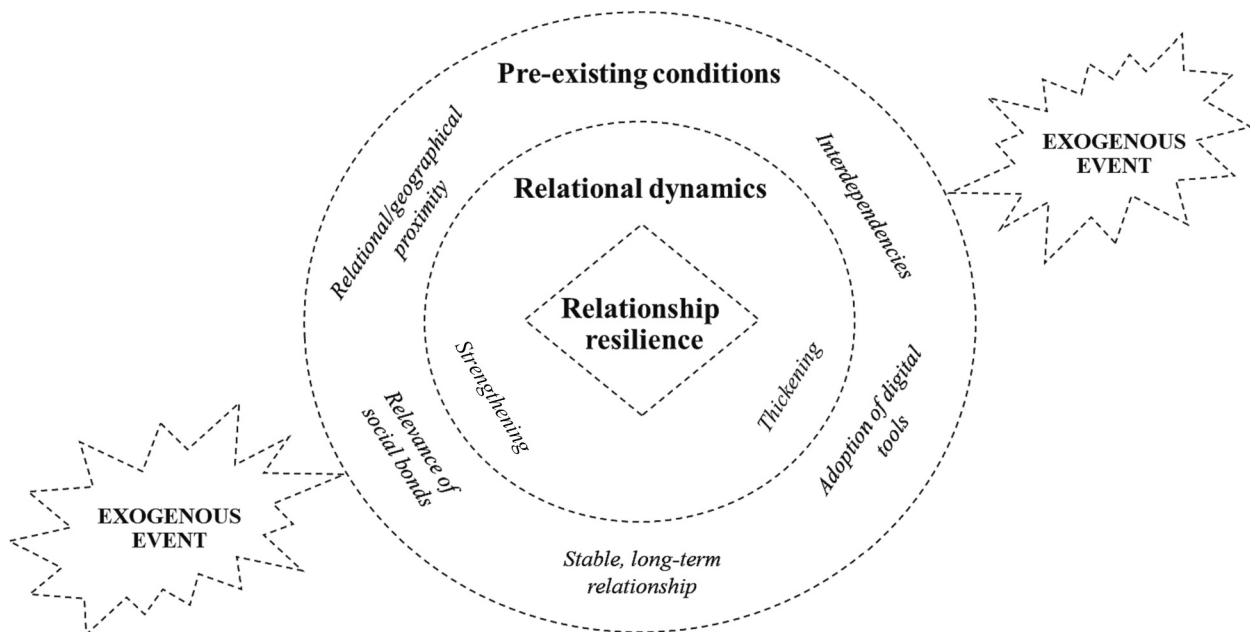


Fig. 1. Relationship resilience and exogenous events: the interplay between pre-existing conditions and relational dynamics. (Source: authors' conception)

existing conditions at the relationship level before the exogenous event. Relationship resilience derives from the interplay of these two elements.

The paper also presents some implications for entrepreneurs and managers of business-to-business companies facing a crisis. Entrepreneurs and managers can counteract the adverse effects or capture the positive ones through business relationships. In other words, while disruption deriving from an exogenous event may result in the impossibility of making reliable forecasts, activating actions in business relationships may help navigate the crisis. As shown, fashion companies have leveraged existing relationships and activated relational dynamics to overcome the most critical periods of the pandemic. In other words, from a managerial point of view, the paper advances the idea that managers can exploit interdependencies from existing relationships and counterparts to recover and achieve relationship resilience to disruptive events with unpredictable effects.

Additionally, managers and entrepreneurs should invest in maintaining and strengthening those relational pre-conditions that have fostered relationship resilience. These conditions were pre-existing to the exogenous event, resulting from the interactions between actors and the context's features, and proved to be fundamental during the pandemic with unexpected, serendipitous effects. Our study wants to suggest that managers and entrepreneurs become aware of these conditions, which are not only functional to the performance of the business as usual but allow them to face the challenges posed by an exogenous disruptive event.

6. Limits and future research agenda

Our paper is not free from limitations, which can also be directions for future research. First, the proposed qualitative analysis focuses on a specific industry, the fashion one. Although fashion represents an important empirical context where many companies operate in global and local supply chains, future research should study the effects of exogenous events on the relational dynamics in business-to-business contexts with different characteristics. It could be interesting to verify if an exogenous event generates similar relational dynamics with relationship resilience as an outcome in other industries where the conditions in this study exist. Second, the paper investigated the issue of exogenous events taking as a reference the shock generated in the fashion supply chain by the COVID-19 pandemic. This event has characteristics that can make it different from other types of exogenous events, so much so that some authors refer to the COVID-19 pandemic as a black swan or, in any case, an outlier (Runfola et al., 2021; Verma & Gustafsson, 2020). Therefore, future research should investigate the effects on relational dynamics and relationship resilience of different types of exogenous events, comparing them with the effects of the pandemic scenario. An example is the Russo-Ukrainian war, which started on February 24, 2022, which has generated a situation of extreme turbulence for companies, in part linked to the increase in the costs of energy, raw materials, and a generalized increase in inflation. Third, the paper considers some relational dynamics, such as fading and ending, as adverse outcomes to contrast during the pandemic and thickening and strengthening as positive dynamics. Future research could understand to what extent business actors consider such relational dynamics as opportunities to capture. In other words, based on theoretical and empirical elements, we have proposed an interpretation of some relational dynamics in a negative sense; however, business actors could give a positive meaning, considering, for example, the ending as a desired relational dynamic. Finally, two more possible future research avenues concern how the issue of relationship resilience can be linked to supply chain resilience and the presence of resilient buyer-supplier relationships when the majority in a supply chain can contribute to the resilience of the entire supply chain. Moreover, the pandemic has speeded up some processes related to internationalization and offshoring, particularly de-internationalization and reshoring processes, which have significantly impacted the international organization of

supply chains and buyer-supplier relationships. These phenomena open interesting scenarios for research on relational dynamics and relationship resilience.

Data availability

The data that has been used is confidential.

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