MASTER
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FINAL MASTER WORK
DISSERTATION

UNDERSTANDING BUSINESS RELATIONSHIPS BETWEEN SME SERVICE PROVIDERS AND ELECTRONIC MARKETPLACES

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SUPERVISION:

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Abstract

The study seeks to analyze and understand the business relationship between SME service providers and Electronic Marketplaces. These platforms have increasingly stood out in the market, as the final consumers frequently use them to satisfy their needs. In this way, developing a business relationship with a Marketplace can be a good growth opportunity for SMEs.

The study objective was pursued through a qualitative and multiple case study. Data collection included continuous participant observation over a 12-month internship on a company owing a Marketplace platform, through interviews with seven small and micro companies from different sectors that establish or have already established business relationships with these platforms, and secondary data. The interviewees in this study were the top managers and/or founders of the companies studied.

The main conclusions are the perception of value is the decisive factor for companies to continue or break their business relationships. From the moment they no longer reflect a competitive advantage, it no longer makes sense to be partners. Furthermore, certain characteristics such as informal competition, customer perception of the service, customer ‘distrust, and the need to reach certain audiences lead SMEs to establish business relationships with Marketplace.

Keywords: Business relationships; networks: value creation; SME service providers; Marketplaces

Resumo

O estudo apresentado procura analisar e compreender a relação de negócio entre PME prestadoras de serviço e Eletronic Marketplaces. Estas plataformas têm-se destacado cada vez mais no mercado, pois os consumidores finais utilizam-nas frequentemente para conseguir satisfazer as suas necessidades. Desta forma, o desenvolvimento de uma relação de negócio com um Marketplace pode ser uma boa oportunidade de crescimento para as PME.

O objetivo do estudo foi concebido através de um estudo de caso qualitativo e de múltiplos casos de estudo. A recolha de dados incluiu observação participante contínua ao longo de um estágio de 12 meses na empresa detentora de uma plataforma Marketplace, através de entrevistas a sete pequenas e microempresas de diferentes setores que estabelecem ou já estabeleceram relações comerciais com estas plataformas, e dados secundários. Os entrevistados deste estudo foram os principais gestores e/ou fundadores das empresas estudadas.

As principais conclusões são que a perceção de valor é o fator decisivo para as empresas continuarem ou romperam as suas relações de negócio. A partir do momento que não refletem mais uma vantagem competitiva, deixa de fazer sentido serem parceiros. Para além disso, certas caraterísticas como concorrência informal, a perceção do cliente sobre o serviço, a desconfiança do mesmo e a necessidade de chegar a determinados públicos leva as PME a estabelecerem relações de negócio com Marketplace.

Palavras Chaves: Relações de negócio; redes; criação de valor; PME prestadoras de serviço; Marketplace

Acknowledgment

First, my sincere thanks to my supervisor, Professor José Novais Santos, for his availability, calm, patience, and motivation throughout all the process.

Then, a very special thanks to my family, especially to my mother who has given me so much support and love. I would also like to thank my dad, brother and sister-in-law who have always encouraged me. To my boyfriend, I would like to thank his patience and help, giving me love and advice.

And finally, to all my friends and classmates, especially Maria Ana and Karolina, who helped me a lot and took this journey with me.

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1. Introduction

Marketplaces are increasingly common and essential for the growth and permanence of several businesses. A Marketplace is an intermediary between customers and sellers to exchange products/services and information (Bakos,1991). They are related to quick growth, because of the network effect between the demand and supply side (Hagiu & Wright, 2015). In this way, several companies establish business relationships with marketplaces, which can be characterized by mutual orientation and commitment (Håkansson & Senhota, 1995). These platforms also need to establish business relationships to guarantee the provision of the services, while SMEs often resort to these partnerships to access resources. If they were alone would be difficult (Anderson, Narus & Narayandas, 2009). Most of them have a lot of technical know-how about the service, but they lack investment, technological and management knowledge. Thus, all the parties seek to create value through the development of these relationships (Ford et al, 2009).

There is little knowledge about the business relationships between SMEs and Electronic Marketplaces. These relationships are very important for the well-being of both actors, as they depend on each other to position themselves in the market. For SMEs, being associated with a Marketplace can boost their business by attracting more customers much easier. In this way, the research problem is to understand business relationships between SME service providers and Electronic Marketplaces, and it is divided into three research questions:

RQ1: What are the internal and external factors influencing the creation of business relationships between SMEs and Marketplaces?

RQ2: How does the perception of value creation influence the development of business relationship between SMEs and Marketplaces?

RQ3: How do the characteristics of the service provided affect the business relationship between SMEs and Electronic Marketplaces?

The dissertation is structured into six chapters. After this introduction, the next chapter is the literature review that addresses in more detail theoretical concepts about business relationships, value creation and electronic marketplaces. Then, the methodology explains the methodology choices used in this qualitative study. Aiming at answering the research questions, this study employs a multiple case study in which seven companies from different sectors were interviewed to collect data. The method of continuous participant observation over a 12-month internship was also included. The chapter four refers to the case studies of each relationship. And finally, the last two chapters cover the discussion showing a within, and cross analysis of the case studies and the conclusion highlighting the main contributions of the study.

2. Literature review

2.1. Business relationship

According to Håkansson & Senhota (1995, p. 26), “a relationship is a result of an interaction process where connections have been developed between two companies that produce a mutual orientation and commitment.” The main objective of a business relationship is to “work together” in order to obtain better results, such as increasing profit and market performance, and obtaining factors like technology access that would not be possible to achieve if they were operating alone (Anderson, Narus & Narayandas, 2009). It is also possible to have different levels of interactions between actors, and it can be from the basic level such as a simple telephone call, to the top level which would be a partnership (Holmund, 2004).

When discussing business relationships, the ARA Model (Håkansson & Johanson, 1992) allows to explain how relationships between companies are intentionally initiated and developed (Håkansson & Snehota, 1995). This model identifies three elements: activity links, resource ties, and actors' bonds that are seen as sources of analysis and understanding about relationship networks (Ford et al., 2008). A network is formed by two or more business relationships between organizations, and it can connect its actors directly (Anderson, Narus & Narayandas, 2009), or indirectly through interactions between them (Holmund & Törnroos,1997).

The activities performed between two companies are the center of their relationship and it can affect their activity structure. They are defined as a set of planned actions and their activity links affect the results of both organizations (Håkansson & Senhota, 1995). The exchange, development, and adaptation of resources between actors originate activities in a relationship (Håkansson & Johanson, 1992). Both parties rely on technical, administrative, or commercial requirements to develop their activities together (Håkansson & Johanson, 1992).

The way companies manage and use their resources is impacted by their business relationships because different elements from the actors can be tied together. Furthermore, when establishing a relationship, there are expectations from both parties to access distinct types of resources from each other, not only tangible ones, such as products, but also intangible resources, like technical, commercial, or administrative know-how and they can be interesting business tools (Håkansson & Senhota, 1995). For a company to be able to perform activities, it is necessary to have resources that support them (Ford et al., 2008). In this case, the benefit of being in a business relationship is not only the resource's acquirement and access, but also its confrontment and combination between resources from the two partners (Håkansson & Senhota, 1995). Companies can combine their features (Håkansson & Snehota, 1995) which is a great opportunity to innovate and create new activities between actors (Pagani & Pardo, 2017).

Resources are transformed and transferred by actors during activities (Lenney & Easton, 2009). According to Håkansson and Johanson (1992) actors are essential elements with important roles, regarding their level of interaction they can be characterized into five categories: the ones who perform the activities; Or are responsible for business relationship development; Or are focused on the resource control; Or are focused on the results: Or finally, the ones who have different knowledge over activities. Regardless of their function, actors have the ability to combine, develop, exchange, or destroy resources (Lenny & Easton, 2009).

According to Håkansson & Snehota (1995), the development of a relationship between two companies implies the development of activity links, resource ties, and actor bonds which depend on the effort of the two parties and how they act and react. As a result of their actions, a business relationship can be improved or deteriorated. It is necessary certain requirements and capabilities that are a result of their existing relationships.

For a relationship to develop over time, it is necessary mutual and continuous adaptations between companies in order to facilitate the coordination of their common activities (Håkansson & Senhota, 1995). It is mandatory to have a certain number of adaptations for the well-being of the business relationship. However, it also generates mutual dependence and opportunity costs because it limits companies to make different adaptations in different scopes. (Ford et al., 2003; Gadde & Snehota, 2000). Consequently, it may be possible to not only adapt regarding technical issues, such as in products and in the production process but also in administrative and logistic activities (Hallén et al., 1991; Håkansson & Senhota, 1995). Investments may also be implied when certain adaptations occur (Hallén et al., 1991). Commitment is seen as a short-term sacrifice and action that organizations need to do for maintaining a relationship (Anderson & Narus, 2004).

According to Anderson & Narus (2004), in a partnership there are some behavior aspects that must be considered such as trust, commitment and conflict resolution which are fundamental behavioral characteristics for the success of the relationship (Mohr & Speckman, 1994; Morgan & Hunt, 1994). Trust is defined as a belief that the actions of partners, will have a positive effect on the business relationship. Trust involves the belief in the goodwill in the partner's actions but also in the vulnerability against him (Morgan & Hunt 1994). Furthermore, without trusting each other, partners would have difficulties in sharing information, because there would be hesitation and suspicion. In this case, companies would not be able to join goal settings and joint problem-solving (Zand, 1972). While commitment is seen as a short-term sacrifice and action that organizations need to do for maintaining a relationship (Anderson & Narus, 2004).

Conflicts of any kind can continue to occur, but if the business relationship is based on commitment, it generally directs partners to constructive solutions. "There is an inherent conflict about the division of benefits from a relationship, but other conflicts also can arise over time" (Håkansson & Senhota, 1995, p.9). There are two methods to resolve a conflict in a business relationship, productive or destructive. Relations can be stressed and ruptured when using a destructive process such as domination and confrontation (Mohr & Speckman, 1994). Lack of communication and different or incompatible goals can be sources of conflict (Rosenberg & Stern, 1970). To keep a relationship healthy, a proportion of conflict might help, and it also influences companies to be innovative. However, conflicts usually disturb established relationships, that is a cooperative posture must be embraced for the relationship not to become a zero-sum game (Stern & EL-Ansary 1992; Håkansson & Senhota,1995).

According to Håkansson and Senhota (1995), companies have the ability to connect different people, activities, and resources, but they always operate with some interdependencies in their development like technology, knowledge, social relations, administrative routines, and legal ties. Regarding technology, companies have a great dependence on its availability because it directly influences their business activities. In a relationship, partners adapt and exchange their technology which impacts the development of products and processes. In addition, to perform some activities is necessary to combine human and physical resources where the knowledge and skills of the individuals have such an important role. The know-how of the company is constituted by the knowledge of its personnel and its partners that are connected through business relationships. In terms of social relations, bonds among individuals are formed in a business relationship and it is an essential element for establishing mutual trust and confidence in the business relationship. Then, administrative routines are necessary rules and norms in order to facilitate the coordination of behavior among different parties. Finally, in a business network, companies have a great dependency on their legal ties with other companies because it can connect different business units with privilege.

2.2. Value Creation

More and more companies have become focused in value creation because it can be achieved through their business relationships with their providers and it is also seen as a sustainable competitive advantage (Sheth and Sharma, 1997). In summary, the interaction between organizations is expected to generate value, and it can happen in the entire network (Frandsen,2016).

There is an assumption that the research and development department of a firm is responsible for value creation (Prahalad & Ramaswamy, 2000). Factors such as trust, flexibility, solidarity, conflicts, time, effort, and energy can measure value in a relationship (Lapierre, 2000). According to Ulaga and Eggert (2005), value creation is characterized as the relationship between benefits and sacrifices /costs, a relationship must be valuable to all parties (Ford et al, 2009). The value functions of business relationships are essentially distinguished between direct functions which influence immediately the partner firms and indirect functions which have an oblique effect on the partners. This distinction is because the business relationship is directly or indirectly connected to other relationships (Walter et al., 2001).

According to Walter et al (2001), direct functions are related to the activities and resources that may create value and do not depend on other relationships, it is presented by three dimensions: profit, volume, and safeguard functions. For the health and survival of a company is obligatory to have profits, that is why the profit function is related to the fact that any supplier should have profitable relationships with customers in order to secure its place in the market. On top of that, with the goal of achieving economies of scale, it is necessary to surpass a certain threshold in the utilization of capacities. Companies are not only interested in the profit they make but also in a certain quantity they sell. Therefore, the Volume function is represented by the business volume, concessions in prices are done to handle large purchased portions. Finally, customer relationship is reflected in the safeguard function. Taking into consideration uncertainties in competitive markets, establishing business relationships is a guarantee of income through contracts with specific customers that are held as a safeguard against crises or other difficulties.

On the other hand, the same authors defend that the indirect functions in a business relationship are connected to other relationships, a specific relationship can be used as a resource. It is associated with innovation, market, scout, and access. First of all, the innovation process is developed with the input of the customers who can bring valuable feedback to improve the products and services available. Then, through an older and specific relationship, the market function gains more importance. A new commercial relationship can be established when a current customer recommends a certain supply or partner which allows the formation of another business relationship. Another indirect function is the scout function which is related to valuable information from other actors outside the organization, providers must have it in order to succeed. Customers act as scouts because they have information about market developments that is relevant to the supplier’s business well-being. In business-to-business markets, there are some profiles that are characterized by a dominant attitude such as banks and official authorities, experience dealing with them can be seen as a strength and it can help a business partner to reduce time- and money-consuming licensing procedures and business negotiations. This type of business relationship is regarding the access function.

Overall, Walter et al (2001) defended that utilizing and developing some resources, such as technological know-how, market information, and goodwill, through a specific relationship may have implications on other relations. Increasingly, companies prefer to focus their resources on their core competencies, resorting to outsourcing other valuable activities. According to this premise, the creation of strong partnerships is fundamental for the outsourcing of those activities (Möller and Törrönen, 2003). Based on direct and indirect functions, the value generated from one partner to the other can be classified as efficiency, effectiveness, and network (Möller and Törrönen, 2003). Efficiency is directly related to the gain of a well existing resources management, which results in lower production costs and, it can be achieved by adapting business processes between partners (Möller e Törrönen, 2003). Efficiency is mainly underlying in the direct functions: Profit Function, Volume function and Safeguard Function. On top of that, the actor's ability to find valuable solutions distinct from the ones that already exist is called effectiveness. These solutions required co-production and cooperation between various entities. For example, through the innovation function, partners can work together in order to produce new products and process solutions (Möller e Törrönen, 2003). Finally, through a business network, an organization can benefit access to actors that have available and relevant resources which has great improvement in the processes (Möller and Törrönen, 2003). Those benefits are generated from links with other providers and entities, a network is related to the indirect functions proposed by Walter et al (2001).

2.3. Marketplaces

Through its open business model, Marketplaces inherently rely on independent participants to co-create value (Evans & Gawer, 2016). The principal goal must be the development of value creation for the customer, delivering and capturing it, the process must convert into value for the company (Teece, 2010). According to Tauscher & Laudien (2018), there are four conditions for classifying a company as a Marketplace. First, on both sides (demand and supply), digital Marketplaces connect independent actors via a digital platform (Bakos, 1998). Second, to perform commercial transactions, the actors involved need direct interactions with each other. Third, the Marketplace platform establishes rules for the transactions (Parker & Van Alstyne, 2014). Fourth, the production of goods and services are not substantially done by the platform. This condition does not include producers or retailers that through their digital platforms allow other parties to offer goods (Hagiu & Wright, 2015).

On top of that, it is essential to highlight the Electronic Marketplaces (EM) which are characterized by the utilization of telecommunications through the exchange of information to generate connections between supply and demand parts and therefore are seen as a network (Zheng, 2006). Electronic Marketplace platforms are represented by several benefits. It is possible to bring together several types of customers and providers with different characteristics in a single location (Grieger, 2003). Second, electronic platforms can offer personalized customer support, establish business relations with important partners, and lower transaction costs (Tumolo, 2001; Bakos, 1998). Third, another significant benefit is the updated information provided by electronic Marketplaces, because it can instantly update the products' characteristics, add new products and services, and upload prices. Finally, from the provider side, Electronic Marketplaces can be a great support for their business. Through the support services offered in order to monitor and guide the buying and selling process, it is possible to anticipate the provider's needs and improve the service for the buyers (Stanoevska-Slabeva & Schmid, 2000). Companies that can benefit from establishing business relationships with Electronic Marketplaces are small or medium-sized companies, because of their versatility, being flexible to adapt to the environment are a great competitive advantage (Stockdale & Craig Standing, 2004).

Alternatively, according to Grieger (2003), there are three main disadvantages related to having a business relationship with Electronic Marketplaces. It is usual to have an aggressively competitive environment between the providers, they need to lower the prices of their products/ services in order to capture the buyer. The fact that several suppliers offer the same product/service turns the competition quite aggressive. On the supplier's side, this situation becomes very complicated, as they end up having to reduce their margins to sell on Marketplaces. Some platform administrators do not take suppliers into account, putting pressure on them to reduce the price.

3. Methodology

The study presented has a deductive approach. This approach is used when a clear theoretical position is adopted and there is an intention to test it through data collection (Saunders et al., 2015). Regarding time horizontal, it is a longitudinal study because it focuses on the process of change and evolution. In this way, it intends to analyze and explain the “what” and “how” of various individual and collective actions carried out over time (Pettigrew, 1997). Additionally, this study is also characterized as qualitative where data collection is focused on the interviewed' opinion (Saunders et al., 2015). Moreover, the purpose of the study is exploratory, and according to Robson (2002), it aims to obtain meaningful and relevant insights to understand or clarify a relatively recent topic of interest that does not have so much research.

In this study, the research strategy adopted is case studies. According to Easton (2010), this method is the most popular one among industrial marketing studies. A case study concentrated on the experience of a small number of organizations allows a profound understanding of the interaction between the phenomena and its context (Dubois and Gadde, 2002; Easton, 2010). Therefore, this method is a research strategy based on several sources where an empirical investigation is carried out on a specific contemporary phenomenon in the context of real life (Robson, 2002). According to Yin (1984), the case study is characterized by focusing on understanding facts rather than measuring them and it can be used when there is an intention to investigate a complex social phenomenon.

Regarding the sample, it is non-probabilistic, since the research strategy used is the case study (Saunders et al., 2015). More specifically, this study adopted a purposive sampling technique. According to Obilor, E. I. (2023), in a purposive sample, the researcher selects interesting cases that match the objective of the study. Therefore, the researcher's judgment and knowledge about the context is fundamental for the sampling process and this technique is used to obtain detailed knowledge about a specific phenomenon, instead of making statistical inferences. In this way, seven SME service providers from different sectors were purposely selected, taking into consideration that their experience with Marketplaces would be an asset for this study. The participants were always the managers or founders of these companies, which allowed a very broad view about their experiences.

Data collection was carried out from 10 interviews with the managers of the selected small Portuguese companies. However, it was selected seven cases studies, because the data was more relevant for the study and the information was starting to be saturated (Saunders et al., 2015). Different companies from different sectors were chosen to understand whether the business relationship would have differences or not. Companies' names are fictitious to keep their anonymity. In addition, the interviews were semi-structured, using a script (Annex I) for support and guidance. All interviews were conducted in Portuguese, and those that were authorized were recorded, however, notes were always taken. Furthermore, the participant observation method was also used to collect data, as I carried out a 12-month internship on a Marketplace platform.

The table below refers to the duration and position of the participant from each company for the interview. Regarding the analysis of case studies, it was a within-case and a cross-case-analysis.

Company	Participant	Duration
Company A	Manager	30 minutes
Company B	Manager	40 minutes
Company C	Manager	30 minutes
Company D	Manager	45 minutes
Company E	Manager	50 minutes
Company F	Manager	45 minutes
Company G	Manager	30 minutes

Table 1- Interviews Schedule

4. Case studies

During the pandemic, Marketplaces in Portugal gained more prominence among consumers and since then it has gained their trust in scheduling various types of services. There are platforms for the most diverse needs, such as scheduling a vacation spot, cleaning, fixing an electronic, among others. In this market, some of the big players in Portugal belong to large and well-known groups with great investment capabilities and access to diverse resources.

For example, in 2019 Fidelidade, one of the largest insurance companies, developed a Marketplace platform called FIXO. Then, in 2017, the Ingka group, owner of the Ikea chain, bought the TaskRabbit Marketplace. This platform arrived in Portugal 1 year ago and it already had "more than one hundred thousand reservations" and 5300 partners to provide the services. Additionally, another player is Zassk, a Marketplace that was purchased in 2021 by Worten from Sonae group, having around 15 thousand registered partners.

4.1. Company A

Company A is a small family business dedicated to renting houses for tourists. The managers signed up on their own initiative to be able to publicize and grow their business. Their expectation with the platform was to attract more customers. In the tourism sector, they are aware that being registered on this kind of platform allows them to reach foreign customers, otherwise would not be possible. The growth was so exponential that in the first month, they had the summer fully booked, because of that Company A hired two more employees. Although most of their customers come from the Electronic Marketplace, they always try to prioritize their regular customers and those who contact them directly, because of the platform commission. They have also accepted a last-minute reservation, in these situations, an extra effort is needed to prepare everything quickly for the customer's arrival.

On top of that, Company A is aware that many customers suggest their services to family and friends. However, they also realized that even with a recommendation, some of these customers prefer to book through the platform rather than directly with them. This partnership mainly made it easier to reach a foreign public who is usually willing to pay more, and it gave them more notoriety in the international market. Otherwise, it would be impossible to reach them, as foreign customers are afraid of being scammed and feel platform is safer.

Regarding adaptation, they never had any cultural or technical problems or challenges with it. However, rules and policies are totally defined by the Marketplace and partners are obliged to accept it to continue. The only challenge they felt was the payment in 30 days. Company A is a recent and a very small company, it did not have much capital available to support the expenses. In order to solve the problem, the owners invested their own money to cover it. Furthermore, Company A does not feel the platform supports them because they rarely have an answer to any support request and never had any feedback or training sessions. The lack of support led to the only conflict they had: a customer caused many damages and Company A tried to contact the platform to look for some support, but it immediately discarded responsibility.

To conclude, this company decided to continue with the partnership because of the easy and quick access to foreign customers. Besides that, a positive aspect is the security of the payment, they do not have to worry if it is legit or not. On the other hand, its delay causes many challenges and they do not feel supported or protected by the platform's policies. The final customer is always right, even when he is not. However, overall, the positives outweigh the negatives.

4.2. Company B

Company B is a micro-company from 2015 and for 5 months, they had a partnership with a domestic services platform. Company B decided to accept the partnership because it was considered a good opportunity for them to grow and gain more customers. Their managers wanted to have access to a vast portfolio of clients without investing their time and money. The expectation was to increase the business volume and publicize their services, attracting more loyal customers. In the beginning, Company B contributed a lot with their technical knowledge, as they were the first partners in this sector. They defined together what should be included and excluded and initially, they felt the Electronic Marketplace also tried to adapt to their way of working.

However, the partnership did not go as well as expected, the requests that came up were few and always for little financial value. Because of that, they were used only to fill the schedule and never were a priority. In fact, for Company B the partnership was a great disappointment, they thought that being associated with a new and innovative platform would facilitate the business. But it did not happen, they found out that the traditional method of “word of mouth” was much more efficient. Furthermore, the requests were mostly outside their preferred geographic area. Being based on Montijo, it was very complicated for Company B to travel to Lisbon to carry out a small repair. The cost of tolls, gasoline and the time lost in transit did not compensate them. At first, Company B did not want to cancel the services, because they wanted to give this partnership a chance. Afterwards, the situation became unsustainable, and they got tired of continuing to receive these services. A major conflict was generated when Company B was contacted by the platform's management team to understand why they were canceling the services. The platform even asked them to accept, but Company B refused it. This situation was not beneficial, they were not attracting more customers and did not like the “pressure” exerted. Because of that, Company B decided to give up. As this Company mentioned:” It was not with this partnership that we would take the leap with our business”.

To conclude, the main challenge they faced was managing expectations. They hoped to be able to improve their business, but it was not with this partner that they would succeed. Their high expectations generated their dissatisfaction and as Company B mentioned "it was not worth continuing it, if we did not manage to obtain benefits”. Regarding the exit, they had no problems. In general, as a positive aspect, they consider the technology provided to organize the orders, while the negative aspects are the services outside of the preferential zone and the pressure exerted by the platform. For Company B, in general, the negative aspects outweigh the positive ones.

4.3. Company C

Company C was founded in 2017 in the engineering and architecture sector. Since 2021, they have been working with a service delivery platform. Company C accepted the partnership because they believed it would be an asset to be associated with such an innovative project. Company C's main objective was to have access to more customers to increase their business volume. As their manager mentioned: “This platform has a lot of capacity and knowledge in managing social media and advertising which are fundamental tools for growing a business. We do not have that knowledge or ability to invest as much as they do. All customer acquisition costs are borne by the platform. We just take the order and do the job.”

In addition, this partnership made them operationally easier, attracting customers without having to do any work or expense. On this Marketplace, Company C exclusively provides energy certification services, so for this activity, they are 100% dependent on requests from the platform. They feel that they never had any adaptation problems, and the relationship with the Marketplace administration was always very cordial. As they are the first and only partners for energy certifications, they feel that the Marketplace also adapts to their way of working. Details such as the service description, inclusions, and exclusions were defined together. Occasionally, they hold several feedback meetings, in which Company C makes suggestions for improvement, such as changing the deadline for delivering the certification and additional clarifications about the service.

In the beginning, they immediately had a large increase in volume, and it was needed to hire two more employees. They feel their growth has been healthy and careful. They accept the services they can, and the rest try to re-schedule. On top of that, Company C also has access to an application provided by Electronic Marketplace, which manages all schedules. Then, regarding sacrifices, Company C mentioned that they have a preferential area, which is Lisbon and Loures. However, sometimes they receive many requests that are outside of that area, and they never reject them, nor do they intend to. They always seek to adapt to be able to provide the service. "We know that with some services, we earn more, and others earn less, but it is part of the partnership. We don't want to refuse requests”, said the manager. Moreover, the only conflict Company C had was because a customer managed to cancel the service for free in less than 1 hour. To try to solve it, it was agreed on a value with the platform.

Finally, the main challenge felt was not being able to predict the business volume. There are times when they manage to completely fill the agenda and others when they have no services. Then, there was a big challenge with the payments in 30 days. Company C had expenses to pay and needed more cash flow, in order to resolve this issue, they negotiated with their suppliers to looked for more competitive options. Company C intends to continue, because it provides free dissemination of its services and gives them the opportunity to provide one more service. In general, the positive aspects are not having advertising costs; access to a vast portfolio of diversified clients; and safe payments. While the only negative aspect was the fact that they cannot raise prices. To conclude, the positives outweigh the negatives.

4.4. Company D

Company D is a micro-enterprise dedicated to the laundry and ironing business. They voluntarily signed up on a Marketplace with the main objective to access more customers and retain them, as they were new. The management team was aware that these platforms invest a lot in resources and manage to reach a large audience, which could be a great opportunity. Therefore, with this business relationship, Company D stopped worrying so much strategically and became more focus on the quality of the service. For example, they no longer invest in advertising, as the platform bears this cost, saving more money to buy better products.

Regarding operational issues such as service information, details about it, inclusions, and exclusions, Company D considers that the platform tries to adapt to its partners. As for more sensitive issues such as payment and merchandising, the partner is obliged to adopt the platform's practices. Despite not having trouble in adapting, Company D feels that it is the platform team that has the final word. On top of that, technology is provided for managing requests, which Company D considers an added value. Then, sporadically, there are feedback meetings where Company D has already suggested new merchandising and a price change regarding the ironing service. However, on the issue of prices, no changes were made, and they feel that it is always a delicate matter to address with the Marketplace team. In addition, Company D feels that this partnership has given them more notoriety, because the Marketplace guarantees customer support, if necessary.

Requests from this platform occupy almost 100% of Company D's agenda and it is their main source of income. However, they do not want to lose control of their activity and they do not want to grow much more. Company D only accepts services up to a certain point (7-10 services per day) as they do not want to compromise on quality. They refuse what they must refuse, not wanting to burden their collaborators. In addition, they do not accept services outside their preferred geographic area, as they do not consider them profitable. The prices on the Marketplace had a commercial discount and the problem started when Company D had to pay taxes and needed to raise them, as otherwise, it would not be possible to continue with the partnership and meet the financial burden. The dependency from the platform's services were so big that giving up was not a solution. They had to insist and adopt a more aggressive posture to find a solution.

To conclude, Company D continues with the partnership because they do not have to worry about customer management and publicizing the business. In general, the positive aspects are easy access to several clients, and speed in filling the agenda. The only negative is the 30-day payment. The positives outweigh the negatives.

4.5. Company E

Company E is a cleaning company and for 9 months, they worked with a Marketplace. They signed up because they were having a hard time getting new customers. They didn't have much capital to invest in advertisements, nor the adequate knowledge. Company E expected to get help to increase their revenue and to access a more varied portfolio of customers.

They became 100% dependent on the Marketplace`s clients. However, adapting was not easy, as they needed to train their employees. Some of their them were not Portuguese and had cultural challenges in the cleaning methods. Before this partnership, they felt more distrust from some customers. According to the company's manager: "People are always afraid of who they put inside of their house. With the platform, they feel safer, because they know that there is a support team that helps them whenever necessary. It is easier for customers to get a refund". Therefore, this Marketplace gave Company E more notoriety.

Another benefit is the technology provided for organizing the partner´s workday and access all the request. Moreover, there were feedback meetings between these two partners where Company E made improvement suggestions such including an extra service.

Company E decided to continue with the partnership because they believed it would help them grow. They felt relieved not having to worry about customer management. Company E were already so dependent on the platform´s customers that it was not an option for them to leave. As this business didn't want to lose business opportunities, they hired 4 more employees. Furthermore, Company E accepted services outside of their operation area. They essentially operated in Lisbon, but accepted services in Almada even not compensating because of the expenses with transport and tolls.

The growth was sudden, and, in the end, they thought it would be more beneficial. They hired more employees with the expectation to get more services, but this growth brought some problems. Currently there is a great lack of labor and to keep their employees, Company E paid them every week. The problem started because the Marketplace only pays within 30 days. According to the manager: "We spent a long time just dedicating ourselves to this partnership and it was our main source of income. Our sense of commitment was very strong, and it reached to a point where we no longer felt valued". Because of that, Company E decided to end the partnership and close the company, they were unable to maintain their financial responsibilities. As they were so dependent on the platform, they stopped investing on their own customers to continue. Besides that, Company E also had some debts. The payment issue was also the only conflict, they tried to negotiate, but Marketplace has always showed a very rigid posture. In general, the positive points were the easy access to clients and to technology. While the negative was the payment conditions. The negatives outweigh the positives.

4.6. Company F

Company F is a micro-enterprise focused on repair services, electricity, and plumbing. For 6 months, this company worked with a Marketplace, because it would be an excellent opportunity to attract new customers and grow. Company

F were having some difficulties in disclosing their business, as they are a small company with a lot of technical knowledge, but they needed more management knowledge to be able to attract new customers.

Company F continued to prioritize their own customers because of the commission charged by the Marketplace. They also agreed on a commercial discount to have competitive prices. However, Company F expected this partnership to be more impactful, as they expected to attract even more customers.

Moreover, Company F had some adaptation problems. As it is the platform that establishes all the rules, this small company was forced to accept it, even the ones who did not agreed with. Company F never had any training, but they had feedback meetings in which they suggested a chat to communicate with customers, but it was never implemented. Additionally, this company also received requests outside their preferential zone. In the beginning, they accepted it, but they were aware that it wasn't worth it, because of the tolls, distance, and time lost in traffic. Apart from that, the Marketplace provided them technology to organize their workdays and the partnership brings them more notoriety. The platform is responsible for selecting partners and providing customer support, which reassures clients as they feel more protected and less suspicious. Company F knows that some customers have recommended their services to friends who prefer to book through the platform, because of the security.

The biggest challenge and conflict felt was the payment in 30 days, which led to the breakdown of this partnership. Currently, there is a huge problem with manpower and to guarantee their employees, this company pays them every two-weeks. As a small company, they cannot wait that long to receive, because it is impossible to bear the costs. Company F tried to negotiate with the Marketplace, but it had showed a very rigid posture about it. Additionally, there were also some conflicts because of the required rules, especially about the service cancelation time.

In general, the positive aspects are access new customers, and investments in advertising. While the negatives are the delay in the payment and being “forced” to accept rules. Unfortunately, the negatives outweigh the positives.

Company F decided to end this partnership because of the payment issue, as the manager said: "I was not able to manage all the company's expenses, especially the employee payments. We had high expectations, and we were disappointed which totally influenced our decision to leave."

4.7. Company G

Company G is a moving company founded in 2019. They signed up on their own initiative to attract more customers and increase their volume. In the moving sector, there is a large informal market that is very difficult to compete because of the prices. In this way, they consider that it could be an advantage to be associated with a digital platform with much more resources, which allowed them to reach more customers.

Company G tries to reconcile all services as much as possible. However, they always give priority to their direct customers, as they can charge a higher price because of the platform commission. And, unfortunately, the requests from the Marketplace do not occupy their entire agenda. On top of that, Company G accepted some services outside of their preferential zone due to pressure exerted by the platform. As they essentially work in the Lisbon area, traveling to Setubal to carry out just one service does not compensate them. Apart from it, this business relationship gives Company G notoriety among customers. According to the manager: "Customers prefer to contact us through the platform because there is customer support that helps them if something goes wrong. The informal market has many scams, and some customers prefer not to take that risk and use a certificated Marketplace. Customers feel safer and it gives us more notoriety."

Company G also had no problems in adapting, but they are fully aware that the rules were already defined by the Marketplace, and they cannot do anything about it. In addition, they never had any feedback meetings.

The challenge felt was the payment delay. As the manager mentioned: "The fact that we receive in 30 days, puts us in a very vulnerable position. We had to reorganize ourselves, in order to be able to pay our expenses on time." Initially, to overcome this problem, the owner of Company G invested his own money to pay the expenses. Company G needed this partnership because of the high competition in the market. In general, the positive points are the promotion of the business and access quickly to new customers. The negatives are the delay in payment and being “forced” to accept the rules required by the platform. However, the positives outweigh the negatives.

5. Analysis

5.1. Within-case-analysis

5.1.1. Company A

Through the business relationship, Company A has the main objective to publicize and grow their business. In this way, Company A seeks to work together with the platform to obtain a better result: attract more customers. Without the Marketplace it would be difficult to access technology for booking houses, as the literature review predicted. Regarding activity’s links, its development was not exactly a teamwork. There was no resource development, but there was exchange and adaptation. Company A accessed intangible resources such as the technology and Marketplace´s knowledge to capture new customers. While the Marketplace benefits from a tangible resource provided by Company A, which is the place to host customers. By exchanging and adapting these resources, both actors originate their activities: Company A can host more customers and Marketplace can satisfy the final consumers.

It is necessary mutual adaptation to coordinate activities (Håkansson & Senhota, 1995), but with Company A it was not mutual. All the rules were defined by the Marketplace, and Company A needed to accept them for the business relationship's well-being. Since the Marketplace dismisses its responsibility and does not change the payment terms, placing company A in a difficult position, they do not believe in its goodwill which demonstrated lack of trust (Morgan & Hunt 1994). Additionally, lack of support created a conflict, and instead of adopting a cooperative posture, the Marketplace immediately discarded responsibility. This source of conflict was generated because both actors have different goals (Rosenberg & Stern, 1970), as the literature review predicted. While the platform is focused on the final customer, Company A must worry about the place´s reservation. Company A demonstrates their commitment by accepting last-minute services, requiring extra effort to ensure that the room is ready for the customer's arrival: they sacrifice for those customers (Anderson & Narus, 2004).

As the literature review predicted, the development of this partnership created interdependence (Håkansson and Senhota, 1995). To attract foreign customers, Company A is dependent on the Marketplace´s knowledge about digital marketing to reach the audience and technology to receive the reservations.

The value generated gives Company A competitive advantage (Sheth and Sharma, 1997), as the benefits compensate the sacrifices (Ulaga and Eggert, 2005), the positive aspects outweigh the negatives. Additionally, some direct value functions were identified (Walter et al (2001). The first dimension is profit, Company A reaches customers who are willing to pay more and consequently achieve more profit. And the second one is volume: because of the Marketplace, Company A managed to sell out. Regarding indirect functions, the access dimension is identified since the relationship with the Marketplace allows Company A to access a foreign public. The Marketplace's experience in dealing with these customers is seen as a competitive advantage, reducing time consuming for Company A. Although they continue to prioritize their direct customers and have payment challenges, this partnership continues to be valuable because it gives them access to customers who pay more.

5.1.2. Company B

Company B needed to grow, so they began to work with the Marketplace to obtain a better result: access a vast portfolio of customers and consequently manage to grow. Otherwise, it would be difficult to get it alone (Anderson, Narus & Narayandas, 2009). Regarding their activity links, both actors exchange, develop and adapt their individual resources to originate activities, as they defined everything together about the service. In this way, Company B accessed intangible resources from the Marketplace like technology to receive the orders and knowledge to capture new customers. Apart from that, the Marketplace had access to Company B´s technical know-how and resources to perform the service. In this way, both actors originate their activities: Company B can grow the business, while the platform can satisfy the final consumer’s needs.

Company B and the Marketplace had mutual adaptation to facilitate the coordination of their common activities and to maintain the well-being (Håkansson & Senhota, 1995). In the beginning, Company B accepted several services outside their activity area which was a short-term sacrifice (Anderson & Narus, 2004). Company B carried them out as proof of their commitment. Regarding conflict, its source was different objectives among actors (Rosenberg & Stern, 1970): Company B sought to attract new customers and financial benefits, while the Marketplace was focused to meet the final consumer´s needs at the best possible price. Unfortunately, the Marketplace did not adopt a cooperative posture by exerting pressure and confrontation against Company B (Mohr & Speckman, 1994). This situation ended up breaking the business relationship, as the literature review predicted. Regarding trust, at the beginning, both actors seemed to trust each other, because they shared information (Zand, 1972), as supported by the literature review. However, with the deterioration of the relationship, trust was affected. Company B did not believe in the goodwill of Marketplace´s actions (Morgan & Hunt 1994), because they did not feel supported and were "forced" to accept services.

Contrary to what the literature review predicted; the development of this business relationship did not create any interdependence. Although Company B considers the technology provided as an added value, it did not directly influence their business activities and therefore did not generate dependency. Company B found that the method of "word of mouth" were much more effective to get more customers than the Marketplace´s platform.

In addition, this business relationship ended because it was not valuable for Company B. The sacrifices/costs outweighed the benefits (Ulaga and Eggert, 2005), that is, the negative points outweigh the positives. Company B was looking to increase volume, a direct function (Walter et al., 2001). However, their elevated expectations were not meet and they were not able to get much more clients with this partner.

5.1.3. Company C

Company C works with a Marketplace to obtain a better result: accessing more customers and resources, otherwise, it would be difficult to get it alone

(Anderson, Narus & Narayandas, 2009). By jointly planning the service details, Company C and the Marketplace develops their activities in which both actors exchange, develop, and adapt their resources. In this way, Company C accessed intangible resources provided by the Marketplace, such as technology to accept and manage orders, as well as its knowledge of digital marketing, while the Marketplace accessed Company C's technical know-how and resources to perform the service. Thus, by exchanging, developing, and adapting these resources, both actors carry out their activities in the relation: Company C perform more services and the Marketplace satisfy the needs of the final consumers.

In this case, actors resorted to mutual adaptation to coordinate their activities (Håkansson & Senhota, 1995). Company C adapted operationally while the Marketplace adapted the service, considering the technical know-how of Company C. However, the small business is who adapted the most, since the Marketplace refuses to adapt on issues like payment conditions. Additionally, as predicted, there is trust in this relationship, because both actors share information and suggest improvements. Therefore, both believe in the goodwill of their partner's actions (Morgan & Hunt 1994). Then, Company C also never rejects any service, even if it is outside of their activity area which demonstrates a great commitment. This company makes a sacrifice to serve all customers in the best way. However, the lack of communication generated a conflict (Rosenberg & Stern, 1970). As some rules were not well explained, the customer was able to cancel the service with a short notice, harming the company's agenda. As predicted, Company C adopted a cooperative posture to solve it. Both partners spoke and tried to reach a fair agreement for both sides.

As predicted in the literature review, the development of this business relationship generated interdependencies (Håkansson and Senhota, 1995). By providing the service exclusively on the marketplace, company C is 100% dependent on their technology and knowledge to receive the orders.

On top of that, the value generated gives Company C a competitive advantage (Sheth and Sharma, 1997), as they can attract new customers without bearing the costs and worry so much about it: the benefits outweigh the sacrifices/

costs. As predicted, the direct value function of volume is identified (Walter et al, 2001). Company C's main objective was to increase business volume that is why they accept all orders. This partnership is valuable because it allows them to grow, obtain more customers and sell more.

5.1.4. Company D

Since Company D was new and was having trouble capturing new customers, they started to work with the Marketplace. Company D obtained factors like technology that otherwise would be very difficult (Anderson, Narus & Narayandas, 2009). Both actors exchange, develop and adapt their resources when they defined together the service details. In this way, Company D accessed intangible resources provided by the Marketplace, such as the technology and knowledge to receive and manage orders. While the Marketplace accessed Company D's technical know-how and resources to carry out the service. By accessing these resources, both actors originate their activities in the relation.

Although Company D considers there is mutual adaptation, they are who adapt the most to maintain the well-being of the relationship. As the literature review predicted, both actors share information and suggest improvements which demonstrates trust. Therefore, both believe in the goodwill of their partner's actions (Morgan & Hunt, 1994). However, Company D does not accept services outside of their preferred area or that require extra effort which demonstrates lack of commitment Then, as the literature review predict, the source of conflict was different objectives: the Marketplace is focused on satisfying their final consumers at the best possible price, while Company D is concerned about their growth and profitability. Therefore, a conflict over payment was generated, Company D needed to adopt a more aggressive posture to reach a constructive solution, contradicting the literature review.

The development of the activities generated interdependencies. (Håkansson and Senhota, 1995). Company D is dependent on the technology, without it, Company D would not be able to operate. They are also dependent on the Marketplace´s knowledge to attract more customers since they trust the Marketplace to assume this role for them.

The value generated gives Company D a competitive advantage (Sheth and Sharma, 1997), as they can benefit from a significant increase in their business volume and reach more customers, without having to worry about the acquisition costs. According to the literature review, Volume, a direct value function, was identified. A commercial discount was agreed with the Marketplace so Company D could increase their volume (Walter et al, 2001).

5.1.5. Company E

As Company E needed to grow, they started to work together with the Marketplace to obtain a better result: access more customers and consequently manage to grow. Company E was also looking to obtained factors such as technology that is difficult to get alone (Anderson, Narus & Narayandas, 2009). Regarding the activity's development, it was not a teamwork between both actors, the Marketplace defined everything. And, therefore, there was no resources development, but there was exchange and adaptation. Both parties accessed and adapt each other's resources, as predicted by the literature review. Company E accessed intangible resources such as technology to accept orders and its know-how to attract customers while, the Marketplace accessed technical know-how and resources to perform the service. By linking resources actors form their activities in this business relation.

In the case of Company E, adaptation was not mutual as they were "forced" to adapt to all the rules to maintain the well-being of the business relationship. The Marketplace shows its lack of adaptation by refusing to change the payment conditions. As the literature review predicted, it seems that Company E and the Marketplace had no trust issues, because they share information (Zand, 1972), have feedback meetings, and both suggest improvements to the service. Additionally, Company E also demonstrated their commitment by accepting unprofitable services outside their preferential area. Regarding conflict, in this case there was two sources: lack of adaptation and different goals (Rosenberg & Stern, 1970). Company E sought to make their business more profitable, while the Marketplace was focused on satisfying customer needs at the best possible price. In this way, the Marketplace did not want to adapt the payment terms. Company E tried to adopt a cooperative posture by trying to negotiate, but the Marketplace continued to force the partner to accept it. This situation led to the breakdown of the relationship (Mohr & Speckman, 1994).

As predicted in the literature review, the activities´ development generated interdependencies (Håkansson and Senhota, 1995). Company E was 100% dependent on the technology and knowledge to attract all customers.

Regarding the value creation, Company E's perception changed over the course of this partnership. Initially, it was considered as a competitive advantage (Sheth and Sharma, 1997) because Company E, a micro-company with few resources, was able to access technological factors and reach more customers in a faster way. However, the conflict and difficulties felt by the Company E were too many, the sacrifices/costs exceeded the benefits (Ulaga and Eggert, 2005), and the business relationship were no longer valuable. So, they decided to end it because the business relationship should be a benefit and not a problem. Company E was looking to achieve two direct value functions (Walter et al, 2001): volume and profit. They established commercial discounts to obtain more orders, and consequently, getting more profit to maintain their place. However, it did not work as planned.

5.1.6. Company F

Through this business relationship, Company F sought to obtain better results: increase business volume and achieve more profitability. In this way, they work with the marketplace to obtain factors such as invest in advertising. If they were operating alone, it would not be possible (Anderson, Narus & Narayandas, 2009). In activities development there were no resources development, only exchange and adaptation. Sine the marketplace defined everything alone, Company F needed to adjust their activity structure to maintain the relationship. In this way, both parties accessed each other's resources, as predicted by the literature review.

Adaptation was not mutual between the actors: Company F was forced to adapt to all conditions. The Marketplace has always demonstrated a very rigid position by not facilitating the payment conditions. There is also lack of trust because the Marketplace does not consider suggestions from Company F. However, they show commitment by accepting unprofitable services outside their preferential area, thus making a sacrifice to maintain the relationship (Anderson & Narus, 2004). Additionally, the main sources of conflict were lack of adaptation and different objectives between partners (Rosenberg & Stern, 1970): Company F sought to make their business more profitable, while the Marketplace was focused on satisfying customer needs at the best possible price. In other words, the lack of adaptation on the payment conditions was the center of the conflict. To resolve it, Company F tried to negotiate, but the Marketplace adopted a destructive method by forcing the partner to accept it. This situation led to the breakdown (Mohr & Speckman, 1994), as predicted in the literature review.

Contracting the literature review, no interdependencies were identified: the technology provided was an added value, but they do not need it to operate. Most of their customers contact them directly to book a service.

Company F's value perception changed over the course of this partnership. Initially, it was considered as a competitive advantage (Sheth and Sharma, 1997) because Company F, a micro-company with few resources, was able to access technological factors and a varied portfolio of customers. However, the conflict and difficulties felt change it. The sacrifices/costs exceeded the benefits (Ulaga and Eggert, 2005), and the business relationship were no longer valuable for Company F. So, they decided to end it because their elevated expectations were not matched. Company F was not managing to achieve their objective: attract more customers and grow as expected. Company F intended to achieve two direct value functions: volume and profit (Walter et al, 2001). They established commercial discounts to obtain more orders and consequently, they were expecting more profit to maintain their place in the market. Unfortunately, it did not happen.

5.1.7. Company G

Company G needed to attract more customers, so they work with a Marketplace to obtain factors like invests in advertising to promote their services. Otherwise, they would not access it alone, because Company G is a very small company with very limited access to resources (Anderson, Narus & Narayandas, 2009). Both actors did not originate their activities together, the Marketplace planned everything alone. In this case, there was only exchange and adaptation of resources. As predict, Company G accessed intangible resources from the Marketplace such as technology to accept orders and know-how to reach a more varied public which are interdependencies (Håkansson and Senhota, 1995), while the Marketplace accessed resources to perform the service.

As Company G needed to adapt to all the rules required by the marketplace, the adaptation was not mutual. They demonstrate commitment by sacrificing themselves for accepting unprofitable services outside their preferred area. Additionally, Company G never had any feedback meetings or training sessions with the Marketplace, which implies a lack of trust in the relationship, as there is difficulty in sharing information.

The value generated provides Company G a competitive advantage (Sheth and Sharma, 1997), as it gives them more notoriety. Because of the informal market, Company G can conquer the most suspicious customers, as they feel more confident booking from the Marketplace. According to Walter et al (2001), Company G was looking for the direct value function: volume. That is why they agreed on a commercial discount to have more orders. For company G, this partnership is valuable, as it allows them to grow, obtain more customers and access customers that otherwise would be difficult.

5.2. Cross-case-analysis

5.2.1. Establishing business relationships

Business relationships are established with the aim of obtaining a better result when working "together" (Anderson, Narus & Narayandas, 2009).

Company	A	B	C	D	E	F	G
Sector	House renting (tourism)	Plumbing	Engineering and architecture	Laundry	Cleaning	Plumbing	Moving

Table 2 - Companies sectors across case studies

All the companies studied were seeking to obtain the same result: grow their business, that is, attract new customers and consequently increase business volume and profitability. However, it is necessary to highlight some aspects: Companies A, in the tourism sector, needs to reach foreign customers and resort to the Marketplace resources for that; Company G uses the relationship to combat informal competition and gain customer trust; And

Company D establishes the relationship because they were new in the market and need help in promoting services.

Overall, all companies seek to access Marketplace resources, as they are small organizations with very little capacity or knowledge.

5.2.2. Adaptation

The table below presents the case studies in which adaptation was mutual or not mutual.

Adaptation / Company	A	B	C	D	E	F	G
Not Mutual	X				X	X	X
Mutual		X	X	X			

Table 3 - Adaptations across case studies

With the goal of maintaining the well-being and facilitating the coordination between common activities, in the case studies of Companies B, C, and D there were mutual adaptations (Håkansson & Senhota, 1995). However, both Companies C and D were the ones who adapted the most. The Marketplaces tried to adapt to some topics, other refuses to. In the cases of Companies, A, E, F, and G, they had to adapt to all the rules. In the end, Marketplace has the final word. All companies, except B, mention the payment conditions as the most difficult topic to adapt to. For these companies adapting to payment within 30 days is very complicated, which is why some couldn't resist and ended the business relationship.

5.2.3. Trust

The table below represents the three main results regarding trust.

Trust / Company	A	B	C	D	E	F	G
Strong trusting			X	X	X		
Has changed		X					
Lack of trust	X					X	X

Table 4 - Trust across case studies

In the case of companies C, D, and E, there is evidence of trust, because both actors share information which mean they believe in the goodwill of their partner's actions (Morgan & Hunt, 1994). While in Company A, F e G is the opposite: A does not trust the Marketplace because it does not take responsibilities. Marketplace does not trust F e G because it does not share information or does not consider their ideas for improvement. Finally, Company B used to trust the Marketplace by sharing information, but it changed because of the pressure to accept unprofitable services.

5.2.4. Commitment

The table below shows the three positions observed in the interview.

Commitment / Company	A	B	C	D	E	F	G
Highly committed	X		X		X		X
Has changed		X				X	
Lack of commitment				X			

Table 5 -Commitment across case studies

Companies A, C, and E are firmly committed, as they are willing to accept last-minute services or services outside their preferred area. The sense of commitment from B and F changed: in the beginning, they were highly committed by sacrificing themselves to perform unprofitable services. However, their value perception affected their sense of commitment. Finally, Company D demonstrated a lack of commitment because they will not accept services if they do not benefit.

5.2.5. Conflict

Except G, all companies were able to identify a moment of conflict.

Conflict source/ Company	A	B	C	D	E	F	G
Lack of adaptation					X	X	-
Different goals	X	X		X	X	X	-
Lack of communication			X				-

Table 6 - Conflict across case studies

Both companies A, B, and D mention that the source of the conflicts was different objectives between actors (Rosenberg & Stern, 1970). In other words, the Marketplaces are focused on the final customers, on their needs, and on getting the best possible price. While these businesses have other concerns such as their profitability and conservation of their business. Furthermore, in the cases of Companies A and B, the Marketplace did not adopt a cooperative posture to resolve the conflict, which broke up the relationship with Company B. Company A remained, because they need the Marketplace to reach foreign customers. While in the case of Company D, it was the small business that adopted a rigid posture to achieve a constructive solution.

Additionally, in the business relationship of each Company E and F, lack of adaptation from the Marketplace and different objectives between both actors are identified as sources of conflicts. In these cases, both companies tried to adopt a cooperative posture, but the Marketplace was always inflexible which ended up destroying these two business relationships Finally, Company D was the only one who mentioned lack of communication as a source of conflict. In this case, the small company adopted a cooperative posture and reached an agreement with Marketplace. In general, the conflicts were due to the payment conditions or the fact that the Marketplace forced partners in some aspect. Companies as small as these are unable to withstand certain conditions or pressures and end up giving up on the relationship. Others remain because they have no option.

5.2.6. Interdependencies

According to the literature review, the development relationships generate interdependence (Håkansson and Senhota,1995). However, this did not occur in all cases.

Interdependencies / Company	A	B	C	D	E	F	G
Knowledge	X		X	X	X		X
Technology	X		X	X	X		X
Not applicable		X				X	

Table 7 - Interferences across case studies

In general, practically all business relationships operate with some type of interdependence. In this way, the case studies of Companies A, C, D, E, F and G depend on factors such as technology and knowledge provided by Marketplaces. Technology is a crucial factor to receive and manage requests, and knowledge to attract more customers. However, Companies B and F consider these factors as an added value but are not dependent on them to operate.

5.2.7. Value creation

The perception of value of each company is the decisive factor in whether to continue or end their partnerships. In the table below shows companies that consider or not their relationship with a Marketplace as a competitive advantage.

Value creation / Company	A	B	C	D	E	F	G
Competitive advantage	X		X	X			X
Not a competitive advantage		X			X	X	

Table 8 - Value creation across case studies

Unfortunately, the business relationships between Companies B, E and F and a Marketplace became less valuable, the negative points (sacrifices/costs) exceeded the positive (benefits) (Ulaga and Eggert, 2005). In both cases, the perception of value changed throughout the relationship, but in the case of Company B there was clearly a disappointment. They had elevated expectations that were not met, but the pressure exerted to accept services outside their preferential area was the main cause for the value lost. In the cases of Companies E and F, the problem regarding the payment conditions affected the perception of value, the relationship was not valuable for these companies because it created tensions, problems in their profitability and in paying employees. These three companies broke up the studied business relationship, because they were no longer valuable for their business well-being.

In the cases of Company, A and G, the competitive advantage is directly related to their sectors: Company A, in the tourism sector, uses Marketplace´s resources to access foreign customers who bring them more profits. While Company G uses Marketplace resources to gain a competitive advantage over their competitors in the informal market. Additionally, the value created in the cases of Companies C and D generate a competitive advantage, because it gives them the opportunity to access more customers and factors such as knowledge and technology. To conclude, in Companies A, C, D, and G, the value created generate a competitive advantage, because it allows them to focus their resources on services provision, that is, on their core competencies, being able to resort to the Marketplace for outsourcing regarding other valuable activity, as the literature review predicted (Walter et al, 2001). In general, all companies sought to achieve volume and/or profit which are value functions (Walter et al, 2001). They often agree to commercial discounts to sell more and seek to secure their position through profitable relationships.

6. Conclusion

Aiming to understand the business relationships between SME service providers and Electronic Marketplaces three main conclusions, matching the three research questions can be drawn.

First, regarding what are the internal and external factors of the SME that influence the creation of business relationships with Marketplaces? Internal factors such as desire to grow their business; be able to access resources such as technology, investment in advertising and knowledge; are relatively new companies that need help to position themselves in the market and win over customers; And finally, the fact that they have valuable technical know-how about services, but do not have much knowledge about management, digital marketing, advertising and social media influences the companies in the case studies to establish business relationships with Marketplaces. On the other hand, external factors such as the need to reach certain types of customers who mostly book only through these platforms, because of the reward guarantee and the need to keep up with the aggressive informal competition also influence these companies to establish business relationships.

Second, addressing how does the perception of value creation influence the development of the business relationship? The perception of value is the factor that most influences the companies to continue or break up their business relationships. Once the negative aspects (sacrifices/costs) exceed the positive aspects (benefits), the relationship ceases to be valuable, and it no longer makes sense to be in a partnership from which they do not benefit. Companies will not make an effort, to invest time, money, and resources in a business relationship that does not bring them a competitive advantage, instead, it creates discomfort for the business, tensions, problems in their profitability, and in paying employees. In this study, we have the example of companies B, E, and F which the perception of value decreased throughout the relationship, leading to its breakdown. If at the beginning, they even saw the partnership as an opportunity for growth, after conflicts, problems, and disappointment with their high expectations, the perception of value changed, and it no longer made sense to continue. The rest of the companies remain because they still have something to gain from it: market position, access to technology, easy and quick access to new customers, among other aspects. Therefore, business relationships are established with the purpose of all parties to profit from them. If, with their development, the value created does not generate a competitive advantage, it does not make sense to maintain the relationship, as it influences the individual well-being of each partner.

Third, regarding how do the characteristics of the service provided affect the business relationship between SMEs and Electronic Marketplaces? The continued development of business relationships is conditioned by the nature of the offer, that is, some characteristics of the services lead SMEs to establish business relationships with Marketplaces. In this way, two situations were identified in which some services characteristics directly influence the relationship.

On the one hand, more complex services, which involve a certain level of technical know-how from the supplier, are less likely to be requested through a Marketplace. Customers are unable to assess prissily the service quality because they do not understand how it should be carried out. These cases are related to repair, electrical and plumbing services, which customers sought a recommendation to find a reliable supplier. Therefore, for this companies the method of "word of mouth” is much more efficient for attracting customers than establishing business relationships with Marketplace. On the other hand, services that involve placing a stranger inside the customer's home or that are related to their comfort have more tendency to be requested through a Marketplace. These services are related to sectors such as moving, cleaning and accommodation, in which customers feel more comfortable ordering through the platform, as they are afraid of being scammed. Customers know that the Marketplace has a support team who will listen and reward them if there is a problem. These characteristics mean that this companies need to establish business relationships with the Marketplaces to provide their services and gain customer trust.

Regarding research limitations, the Marketplaces' perception of these business relationships was not obtained. There were also some difficulties in finding companies within the scope of the study that would accept the interview and that were from the same sector, to compare better the information. And finally, lack of information or studies about business relationship between these Marketplaces and companies. Most of the studies involving Marketplaces are related to the final consumer and not their partners, perspective Used is B2C and there is not much information about B2B.

For future studies, it is recommended that the B2B side be further explored regarding digital platforms such as Marketplaces. Therefore, it would be interesting if future studies were focused on a specific marketplace to study its business relationships with its partners who provide the services or focus on a certain sector.

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Appendix

Annex I - Interview guide

Since this study used semi-structured interviews to collect primary data, their structure and questions were adapted during the conversation. The objective was to let participants speak freely about their business relationship with a marketplace.

Questions:

1. Why did you sign up on the marketplace? What was your goal with this partnership?
2. What were your expectations when the partnership began? What did you expect to gain?
3. How has this partnership made your business easier? Can you give concrete day-to-day examples/situations?
4. Can you achieve notoriety for your company by being associated with the marketplace?
5. How do you manage the marketplace´s orders? Do you give them priority, or do you just use them to fill gaps in your agenda?
6. Do you feel that requests from the platform have provided growth in your business? Has your business volume increased?
7. Did you need to increase the number of employees to respond to the requests that arose from this partnership?
8. How was the adaptation? Did you have any problems with your employees? Can you please give examples?
9. Has the platform integrated any of your practices or ideas? Did the marketplace adapt to your working practices? Can you give examples?
10. Did the marketplace provide any type of training? How this training helped you?
11. Did the Platform provide any type of technology to manage requests? Did you find it beneficial for your business? Why?
12. Did you have any type of feedback sessions? Were them beneficial for the partnership?

13. Do you feel that these sessions make a difference in the business? Could you give an example? For example, a change in a service, the inclusion of new services, the availability of new material…
14. Could you give an example of how do you sacrificed for this partnership? Did you change your schedule to meet the platform's requests? Or go the extra mile to accept a last-minute request? Or perform a service that was outside your preferred geographic area?
15. Why did you continue with the partnership?
16. Overall, what were the positive and negative aspects? Could you give 3 examples of each? Do the positives outweigh the negatives?
17. What influenced you to end this partnership?
18. Have you ever had any type of conflict with the marketplace´s management team? Can you explain it and how did you solve it?

Annex II - Companies Summary

Company	Year foundation	Sector	Relationship Objective	Value functions	Relationship Status
A	2017	House renting (tourism)	Attract more customers	Volume Profit Access	Continuing
B	2015	Plumbing	Attract more customers	Volume	Ended
C	2017	Engineer-ing and architec-ture	Attract more customers	Volume	Continuing
D	2021	Laundry	Attract more customers	Volume	Continuing
E	2016	Cleaning	Attract more customers	Volume Profit	Ended
F	2009	Plumbing	Attract more customers	Volume Profit	Ended
G	2019	Moving	Attract more customers	Volume	Continuing

Table 9 - Companies summary