



Strategic Management Journal, Volume **19**, pp.775-792, 1998

**THE CLOSE BUT ADVERSARIAL MODEL OF SUPPLIER RELATIONS IN
THE US AUTO INDUSTRY**

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Abstract

While cooperative buyer-supplier relations are an important source of sustainable competitive advantage, non-cooperative behavior persists widely. This paper tests a model incorporating non-cooperative behavior within a context of formal commitment, using data from the US auto industry. This 'close, but adversarial' model appears to be reasonably well supported by the data, suggesting that even within professed cooperative buyer-supplier relationships adversarial behavior persists. In contrast, a small but significant minority of the relationships were found to be characterized by high levels of trust as well as informal commitment. The results suggest specific strategies for developing cooperative supplier relations.

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