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# Relational Benefits and Costs in Channel Distribution: A Dyadic Research From Buyers and Sellers Perspective

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**RELATIONAL BENEFITS AND COSTS IN CHANNEL DISTRIBUTION  
A DYADIC RESEARCH FROM BUYERS AND SELLERS PERSPECTIVE**

by

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## **ABSTRACT**

### **RELATIONAL BENEFITS AND COSTS IN CHANNEL DISTRIBUTION: A DYADIC RESEARCH FROM BUYERS AND SELLERS PERSPECTIVE**

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Old Dominion University, 2007  
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The benefits from having long-term relationships with customers have become a focal topic and have been widely discussed in the marketing literature (Dwyer, Schurr and Oh 1987; Reichheld and Sasser 1990; Reichheld 1993; Morgan and Hunt 1994; Walter, Ritter and Gemuden 2001). However, careful review of the literature indicates that the literature is deficient in several ways: 1) relational benefits are mostly examined in term of economic benefits, especially in b2b and channel distribution contexts, 2) there is limited number of studies examining cost dimensions, 3) there is lack of studies examines both benefits and costs from dyadic perspective (i.e. data collected from both sides of the relationship – buyers and sellers), and 4) little is known about the interactions between relationship benefits/ costs with other important relational construct, e.g. relationship commitment.

In light with these problems, we need a systematic framework (Walter, Ritter, and Germunden 2001), which should not only examine relational benefits and cost from a dyadic perspective, but also investigate the interactions between relational benefits and costs with other important relational constructs such as relationship commitment. Building and testing this kind of framework, thus, is the major purpose of this research.

Four studies, two qualitative and two quantitative, were conducted in Hochiminh City, Vietnam, to test the proposed framework. The result shows that there are four groups of benefits that buyers and sellers expect to have from long-term relationships: economic benefits, social benefits, confidence benefits and informational benefits. Relationships, however, are not without costs. Maintenance costs including time, efforts, and resources are major type of costs that buyers and sellers are facing in long-term relationships. Both relational benefits and costs strongly impacted the commitment in the relationship, but in opposite directions. While relational benefits positively impacted commitment, relational costs negatively impacted commitment. Study limitations, managerial implications, and recommendations for future research are also presented.

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# CHAPTER I

## INTRODUCTION

### STATEMENT OF THE PROBLEM

The importance of forming, maintaining and developing marketing relationships has received increasing attention since its inception in 1980s (Ambler and Styles 2000). Relationship marketing has been applied in contexts ranging from services marketing (Berry 1995; Bitner 1995; Shemwell *et al.* 1994; Gwinner *et al.* 1998; Grayson & Ambler 1999; Patterson 2001), business and industrial marketing (Dwyer *et al.* 1987; Wilson 1995, Anderson 1995; Morgan & Hunt 1994; Simpson & Wren 1997; Cannon & Homburg 2001; Sheth & Sharma 1997; Ambler & Styles 2000), channel marketing (Weitz & Jap 1995; Frzier 1995; Gassenheimer *et al.* 1995; Barringer 1997; Kozak & Cohen 1997), to consumer marketing (Sheth & Parvatiar 1995; Bagozzi 1995; Pels 1999; Singh & Sirdeshmukh 2000; Garbarino & Johnson 1999; Wulf *et al.* 2001; Yu & Dean 2001; Sirdeshmukh *et al.* 2002), and international marketing (Palmer 1995, 1997; Johnston, Lewin and Spekman 1999; Conway & Swift 2000; Haugland 1999; Lee & Jang 1998; Styles & Ambler 2000; Leonidou *et al.* 1998, 2002). Relationship marketing has been considered a “new-old concept” (Berry 1995, p.236), which can be traced back to the pre-industrial era (Palmer 1995, 1997; Sheth and Parvatiyar 1995b). The return of relationship marketing has received great attention from both academics and practitioners (Ambler and Styles 2000) and is seen as a new paradigm shift in marketing (Sheth and Parvatiyar 1995b; Gronroos 1994).

There are five major forces responsible for the development of relationship marketing. First, rapid technological advancements, especially in information technology (Berry 1995; Sheth and Parvatiyar 1995b; Aijo 1996), are changing the nature of marketing institutions. With high-tech electronic and computerized communication systems, it is easier for producers and customers to directly interact and to build close relationships that benefit both sides. The second force is the growth of the service economy (Sheth and Parvatiyar 1995b; Berry 1995; Aijo 1996). Today economies and organizations depend upon the revenues from the services sector, which emphasizes “marketing of a performance rather than an object” (Berry 1995, p.237). Marketing of a performance by its very nature depends on the interaction between the provider and the customers of the service, and so will be strengthened by establishing close relationships. High levels of competitive intensity characterize the third force (Juttner and Wehrli 1994; Sheth and Parvatiyar 1995b; Aijo 1996). Trade and investment liberalization, globalization, technological innovations, and shorter product life cycles have combined to create a high level of competitive intensity, forcing marketers to turn to keeping customers as opposed to attracting new customers. Fourth, customer’s demands are more and more sophisticated (Palmer 1995; Berry 1995; Bitner 1995; Aijo 1996) due to the improvement in quality of life and fierce competitiveness that provide them unlimited and better choices. Finally, several changes in organization practices have facilitated the growth of relationship marketing (Sheth and Parvatiyar 1995b). Amongst these, two of the most significant are the total quality movement and changes in organizational purchasing practice. In adoption of Total Quality Management, it is necessary to involve suppliers and customers in implementing the program at all activities of the value chain. Therefore,

close relationships with customers, suppliers, and other important stakeholders should be developed and maintained. In addition, companies are now changing their processes to allow the direct involvement of the users of products and services in purchasing decisions that historically were usually managed by a procurement department as a specialized function. This opens an opportunity for direct interaction and cooperative relationship between producers and users.

In addition to these forces, the recent focus on relationship marketing from academics and practitioners is basically due to the belief that the application of relationship marketing enhances marketing productivity (Sheth and Parvatiyar 1995b, p.400) and that value creation is the essential purpose for a customer firm and a supplier firm engaging in a relationship (Walter, Ritter and Gemuden 2001). Therefore, the benefits from having long-term relationships with customers have become a focal topic in relationship marketing and have been widely discussed in the related literature (Dwyer, Schurr and Oh 1987; Reichheld and Sasser 1990; Reichheld 1993; Morgan and Hunt 1994; Walter, Ritter and Gemuden 2001). Amongst many, it is argued that the benefits of relationship marketing consist of reducing marketing and transactional costs for each customer (Reichheld and Sasser 1990; Reichheld 1993; Sheth and Parvatiyar 1995b; Juttner and Wehrli 1994; Voss 1997; Wilson and Jantrania 1995), increasing sales volume per customer (Juttner and Wehrli 1994; Reichheld 1993; Walterm Ritter, and Gemunden 2001), reducing market uncertainty (Varadarajan and Cunningham 1995, Johnston, Lewin and Spekman 1999, Walterm Ritter, and Gemunden 2001), improving marketing research (Juttner and Wehrli 1994; Walterm Ritter, and Gemunden 2001), and providing social satisfaction (Dwyer, Schurr and Oh 1987; Wilson and Jantrania 1995). Despite the

importance and attractiveness of the topic, our knowledge in this topic is still in its infancy (Ulaga 2003) and the existing literature on relational benefits is predominantly of an exploratory kind (Hennig-Thurau, Gwinner and Gremler 2002). Table 1 provides a classification of previous research on this topic and acts as the basis for the discussion of unsolved problems in this important topic.

Relational benefit research is limited to several conceptual (e.g. Varadarajan and Cunnigham 1995; Wilson and Jantrania 1995; Morgan and Hunt 1999) and empirical studies (e.g. Gwinner, Gremler and Bitner 1998; Patterson and Smith 2001; Hennig-Thurau, Gwinner and Gremler 2002; Walter, Ritter and Gemunden 2001; Baxter and Matear 2004). More have been conducted in the consumer market than in business-to-business (B2B)/ industrial/ channel distribution contexts, even though relationship marketing has been thought to be more applicable in B2B, industrial, and channel distribution contexts rather than in consumer markets (Gronroos 1994). On the other hand, relationship means reciprocity (Sin, Tse, Yau, Chow, Lee, and Lau 2005). In order for the relationship to work, customers should also benefit from the association with the firm. What do we know about the customer's benefits (Bitner 1995), especially in B2B and channel distribution contexts (Gwinner et al. 1998; Patterson and Smith 2001; Walter, Muller, Helfer, and Ritter 2003)? Moreover, several researchers have called for the study of relational benefits other than purely economic benefits (Cannon and Homburg 2001; Walter, Ritter, and Germunden 2001). Except for a few studies (e.g. Gwinner, Gremler and Bitner 1998; Patterson and Smith 2001) examining other relational benefits (e.g. social, confident benefits), our knowledge is limited to the

economic aspects of relational benefits. This is especially true in B2B and channel distributions.

Relationship, however, not only brings benefits, but also generates costs. Building and maintaining a relationship requires time, efforts, and resources (Lapierre 2000; Wang, Lo, Chi, and Yang 2004). Partners in a long-term relationship face several types of costs including maintaining costs (Dwyer, Schurr and Oh 1987; Johnston, Lewin and Spekman 1999; Wilson and Jantrania 1995; Palmer 1996), opportunity costs (Dwyer, Schurr, and Oh 1987; Barringer 1997; Johnston, Lewin and Spekman 1999), and loss of control (Hakansson and Snehota 1995). Cost, therefore, is another essential side of the relationship. In order to understand a relationship better we have to look at both sides, i.e. benefits and costs (Hakansson and Snehota 1995; Blois 1995). The study of costs is no argument against the need to develop relationships but it is important to consider in order to have realistic expectations (Hakansson and Snehota 1995). As shown in Table 1, there are very few studies that examine cost dimensions of the relationship. Our knowledge is limited to several conceptual discussions (see Hakansson and Snehota 1995; Barringer 1997) with very little empirical evidences (except for Calycomb and Frakwick 2004; Lapierre 2000; and Wang, Lo, Chi, and Yang 2004).

Table 1: Classification of past research examining relational benefits and costs

		Consumer Markets		B2B/ Industrial/ Channel Distribution	
		Theory-based	Empirical-based	Theory-based	Empirical-based
Seller perspective	Benefits				Walter, Ritter and Gemunden 2001; Baxter and Matear 2004
	Costs				
	Benefits and costs				
Buyer perspective	Benefits	Bitner 1995	Gwinner, Grembler and Bitner 1998; Patterson and Smith 2001; Hennig-Thurau, Gwinner and Gremler 2002		Cannon and Homburg 2001 Walter, Muller, Helfer and Ritter 2003
	Costs				Claycomb and Frankwick 2004
	Benefits and costs		Wang, Lo, Chi, and Yang 2004	Ulaga 2003 (grounded theory approach)	Lapierre 2000
Dyadic perspective*	Benefits	Berry 1995		Varadarajan and Cunnigham 1995; Wilson and Jantrania 1995; Morgan and Hunt 1999	
	Costs			Hakansson and Snehota 1995	
	Benefits and costs			Dwyer, Schurr and Oh 1987 Barriger 1997; Johnston, Lewin and Spekman 1999	

\* Empirical papers are only classified as having a dyadic perspective if data is collected from both sides of the relationship.

The need for research in relational costs, therefore, remains substantial (Hakansson and Snehota 1995; Blois 1998; Walter, Ritter, and Germunden 2001). It should also be emphasized that costs and benefits are two sides of the same phenomenon. In order to better understand the relationship, the study of benefits should go hand in hand with the study of related costs. Researchers have long called for the study of costs along with the study of benefits in the same research setting (Hakansson and Snehota 1995; Blois 1998; Walter, Ritter, and Germunden 2001; Patterson and Smith 2001). Unfortunately, this request has not been paid much attention to in the contemporary literature. Most studies have either examined benefits or costs but not both. Exceptions are Wang, Lo, Chi, and Yang 2004; and Lapiere 2000, but these authors only applied a limited view of relational costs (e.g. time/ effort/ energy).

It is self evident that relationships involve two parties, and that the perceptions, attitudes, and behaviors of one side impact those of the other. Therefore, the study of a relationship is only in its fullest sense when it examines both sides of the relationship, e.g. a seller and a buyer. Recent developments in business practice strongly suggest that dyadic relationships between firms are of paramount interest (Anderson, Hakansson, and Johanson 1994). However, most studies do not distinguish the dyadic relationship itself from what is in the head of the two partners. Thus a seller, a buyer, and a seller-buyer relationship are three different things and yet researchers usually examine the relationships by asking, usually, just one side about perceptions and behaviors without making those distinctions (Ambler and Styles 2000). As illustrated in Table 1, except for several conceptual papers examining the relational benefits and costs from both parties' perspective (Dwyer, Shurr and Oh 1987; Barriger 1997; Johnston, Lewin and Spekman



1999), we have no empirical studies examining this topic by getting data from both sides; most either acquire data from a seller side (Walter, Ritter and Germunden 2001; Baxter and Matear 2004) or from a customer side (Gwinner, Grembler, and Bitner 1998; Patterson and Smith 2001; Wang, Lo, Chi and Yang 2004; Cannon and Homburg 2001). This creates a big gap in the literature. As Ambler and Styles (2000) state, “dyadic studies should become the rule rather than the exception in relational research, whether qualitative (e.g. case study based) or quantitative (e.g. survey)” (p.503).

In addition, the study of relational benefits and costs from a dyadic perspective makes more sense when it examines the interactions of relational benefits and costs with other important relational constructs such as relationship commitment (Reynolds and Beatty 1999; Walter, Ritter, and Germunden 2001; Ulaga 2001 and 2003). Little is known about the impacts of relational benefits and costs on relationship commitment and the impact of one party commitment to other party benefits as commitment is considered the most significant construct in studying long-term relationships (Morgan and Hunt 1994; Lewin and Johnston 1997; Wetzels et al., 1998; Fontenot and Wilson 1997; Wilson 1995; Dwyer et al., 1987; Conway and Swift, 2000; Grossman, 1998; Takala and Uusitalo, 1996; Day 1995). This investigation is important because after we understand the benefits and costs of long-term relationships, we need to understand the preconditions for these benefits and costs (Walter, Ritter, and Germunden 2001). If A in a relationship want to maximize the benefits from A-B relationship, it is very essential for A (and B too) to realize that in order to gain benefits A should commit itself to the A-B relationship. The A's commitment would have a positive impact on B's commitment, which acts as the major driver in the creation of A' benefits. The same holds true for B.

In summary, four major issues in this topic remain unresolved at this juncture: 1) relational benefits other than economic benefits in B2B and channel distribution contexts, 2) the study of relational costs together with relational benefits, 3) relational benefits and costs from a dyadic perspective, i.e. data collected from both sides of the relationship, 4) the interactions between relationship benefits/ costs with another important relational construct, e.g. relationship commitment. These four issues appear to be related and could be resolved together.

### PURPOSE OF THE RESEARCH

In light of these problems, we need a systematic framework (Walter, Ritter, and Germunden 2001) that should not only examine relational benefits and costs from a dyadic perspective, but also should investigate the interactions between relational benefits and costs with other important relational constructs such as relationship commitment. Building and testing this kind of framework, thus, is the major purpose of this dissertation. Specifically, this research has three major objectives. The first objective is to understand the motivations or benefits that buyers and sellers enjoy in entering and maintaining long-term relationships in channel distribution contexts. A second objective is to explore the dark sides or costs of having long-term relationships. And the final objective is to examine the interactions of relational benefits and costs with relationship commitments.

The objectives of this dissertation will be achieved first by searching the existing literature on relationship marketing with special focus on relational benefits/ costs, value creation in long-term relationships, and the interactions of relational benefits/ costs with relationship commitment. Based on an intensive review of the literature, a list of

relational benefits and costs from both a seller and a buyer side will be formulated. Then the conceptual framework will be proposed. In order to test the framework, two studies will be designed and conducted. In study 1, qualitative in-depth interviews with 20-24 buyers and sellers in channel distribution of the Information Technology (IT) industry in Viet Nam will be conducted in order to explore and refine the potential list of benefits and costs from long-term relationships. Based on this study, the list of relational benefits and costs will be finalized and the measuring items for each construct will be formed. This list and items will serve as the inputs for designing questionnaires used in the second study. In study 2, quantitative questionnaires with personal interviews will be employed as the data collection method to test the proposed conceptual framework. 100-120 matched pairs of buyers-sellers will be surveyed.

## CONTRIBUTIONS OF THE RESEARCH

This dissertation makes several major contributions to the relationship marketing literature. First, it examines both the benefit and cost structure of long-term relationships between suppliers and dealers in a channel distribution context. This is important because the advantages and disadvantages of entering into and maintaining a long-term relationship should be considered at the same time to better facilitate the partner selection decision making process. Second, this research extends the contemporary literature by examining the relational benefits and costs from both sides of the relationship, i.e. suppliers and dealers in channel distribution. This contribution is essential because despite the basic tenet that relationship means reciprocity and that the study of a relationship should examine both sides of the relationship, most previous studies only look at one side (either buyers or sellers). This problem is due to the fact that dyadic data

is more difficult to collect and analyze. Third, this research proposes and tests a systematic framework that investigates: 1) the impacts of relational benefits and costs on the commitment of each side of the relationship, and 2) the impacts of one side's commitment to the other side's relational benefits. Finally, data in this research is collected from firms in Viet Nam – a developing country that is undergoing reforms from a central planned economy to a market economy. Comparatively speaking, less related knowledge has been accumulated to provide special guidance in developing countries than that for developed countries (Wang, Lo, Chi, and Yang 2004). Moreover, international data can provide a significant contribution for theory development as Cannon and Homburg (2000) observe: “Most empirical research in relationship marketing has been based on the data collected in the United States. Hypothesis testing with international data is a valuable contribution to theory development” (p.39). This study conducted within the context of the transitional economy of Viet Nam, can help to redress this imbalance in empirical work.

## ORGANIZATION OF THE RESEARCH

This dissertation consists of five chapters, references and appendixes. Chapter 1 presents the problems, purposes and potential contributions of the research. Chapter 2 first reviews the related literature in relationship marketing, relational benefits and costs, and relationship commitment. Then based on these reviews, the conceptual framework of the research will be proposed. Chapter 3 deals with methodology issues employed to conduct the research. Four studies, two qualitative and two quantitative, will be conducted in this research. In this chapter, the details of four studies including methods, sampling, company and key informant selection procedures, measurement of research constructs,

questionnaire design and pretest, data collection techniques and data analyzing techniques, will be discussed. Chapter 4 presents and discusses the findings from studies 1, 2, 3, and 4. The final chapter provides analysis of the results in a conclusion, limitations of the research, discussion of the managerial implications of the research, and directions for future research.

## CHAPTER II

### LITERATURE REVIEW

#### RELATIONSHIP MARKETING

Relationship marketing has different meanings for different people. Berry (1983) defines “relationship marketing as attracting, maintaining, and – in multi-service organizations – enhancing customer relationships”(Berry 1995, p.236). His definition is limited to service organizations and the focus is put on customer relationships. Gronroos (1989) shares a similar view and states that (relationship) “marketing is to establish, develop, and commercialize long-term customer relationships, so that the objectives of the parties involved are met”. This is done by a mutual exchange and keeping of promises. His definition also focuses on long-term customer relationships, but extends Berry’s definition by adding mutual exchange and the keeping of promises, both very important concepts of services marketing. Obviously, the definitions proposed by Berry (1983) and Gronroos (1989) come from the services marketing perspective. In the mid 1990s, the concept of relationship marketing was significantly extended. Although customer relationship is still a focal point, the concept has been extended to include other relationships as well. According to Hunt and Morgan (1994), “relationship marketing refers to all marketing activities directed toward establishing, developing, and maintaining successful relational exchanges in the suppliers, lateral, buyer, and internal partnerships” (Hunt and Morgan 1994, p.22). In this definition, in addition to buyers (or customers), suppliers, lateral and internal partnerships are added. Furthermore, the four major types of partnerships are further divided into ten discrete forms of relationship marketing. It is essential to note

that Morgan and Hunt (1994) argue that there are no buyers and sellers in relational exchanges but partners exchanging their resources in order to maintain successful relational exchanges. At the same time, Gummesson (1994) defines relationship marketing as relationships, networks and interactions. He also suggests the transition from the 4Ps to the 30Rs. He classifies his thirty relationships into five major groups, i.e. nano relationships, individual relationships, mass marketing relationships, inter-organizational relationships, and mega relationships. In more general terms, Gronroos (1996) states “marketing is to manage the firm’s market relationship” (Gronroos 1996, p.8). He further explains the fundamental notion of marketing as a phenomenon basically related to the relationships between firms and their environment, consisting of relationships with customers, distributors, suppliers, and networks of co-operating partners.

In summary, the review of the most well known definitions of relationship marketing shows that the core concept of relationship marketing involves establishing, developing, and maintaining successful long-term relationships with not only customers but also with all related parties including employees, suppliers, competitors, government agencies, etc. However, long-term relationships between buyers and sellers remains the central concept of relationship marketing theory. And through building long-term relationship the objectives of parties involved are met.

#### GENERAL ASSESSMENT OF THE LITERATURE IN THE TOPIC

The major motivation for why firms and their customers want to build long-term relationships rather than doing business on a transactional basis is the belief that long-term relationships are more productive (Sheth and Parvatiyar 1995b; Walter, Ritter and

Gemunden 2001). It is argued that every transaction involves transaction costs in search, negotiation, and other associated activities, adding rather than reducing the costs, and therefore leading to inefficiencies instead of efficiencies for the parties involved in the transactional exchange. On the other hand, it is believed that relationship marketing through mutual cooperation, interdependence, and commitment can reduce transaction costs (Sheth and Parvaytiayr 1995b). Even though relationship marketing can be traced back to 1983 when the term was first mentioned in the literature by Berry (1983), intensive review of the relationship marketing, industrial, B2B, services, and channel distribution marketing provides quite a limited number of studies examining the topic of relational benefits and costs. Table 2 summarizes past research in this topic including both conceptual and empirical works.

From a theoretical perspective, several limitations can be observed. First, although the topic of relational benefits has been widely discussed in the literature (Dwyer, Schurr and Oh 1987; Juttner and Wehrli 1994; Berry 1995; Bitner 1995; Sheth and Parvatiyar 1995b; Varadarajan and Cunnigham 1995; Wilson and Jantrania 1995; Barringer 1997; Morgan and Hunt 1999; Moller and Torrenen 2003), until recently it has only mentioned briefly in the discussions of most previous conceptual papers. Few attempts have been made to build theoretical foundations for the topic, e.g. the works of Wilson and Jantrania (1995), Morgan and Hunt 1999, Moller and Torronen 2003, and Ulaga 2003. In contrast to the attention to relational benefits, relational costs have been much less attractive to researchers. The number of conceptual studies that include discussions of relational costs is limited to a handful (e.g. Dwyer, Schurr, and Oh 1987; Hakansson and Snehota 1995; Palmer 1996; Barringer 1997; Johnston, Lewin and Spekman 1999; Ulaga 2003). Only



one of these papers is fully devoted to a relational cost discussion, i.e. the work of Hakansson and Snehota (1995). Besides, despite the fact that benefits and costs are two unseparated aspects of a relationship, most conceptual studies only discuss one side or another, rarely both (exceptions are Dwyer, Schurr, and Oh 1987, Barringer 1997, Johnston, Lewin and Spekman 1999, and Ulaga 2003). The other limitation that emerges from the review is that even though a dyadic perspective is desirable for studying relationships, most conceptual works employ this perspective without any attempt to clearly distinguish and/or classify relational benefits and costs for each side (i.e. buyer or seller) in the relationship. Clear classifications are significant because it is obvious that each side of the relationship can perceive and value different sets of benefits and costs from the same relationship. An exception can be found in the recent work of Ulaga (2003), who follow a grounded theory approach in an attempt to explore and classify eight value drivers (consisting of benefits and costs) from a buyer perspective in a manufacturer – supplier relationship context. Ulaga, however, only examined value creation from a customer side. Up to now, there is no profound conceptual paper found in the literature taking a dyadic perspective with clear classifications of relational benefits and costs from both sides of a relationship. This serious limitation is the major reason explaining why most studies in this topic are still exploratory in nature (Hennig-Thurau, Gwinner and Grembler 2002). The need for a comprehensive conceptual framework examining relational benefits and costs from a dyadic perspective is becoming more and more urgent.

Table 2: Illustrative research examining relational benefits and costs

Authors	Type	Context	Perspective (under which benefits/ costs are examined)	Benefit dimensions	Costs dimensions	Relationship of Benefits/ Costs with other key relational constructs
Dwyer, Schurr, and Oh 1987	Theory-based	B2B	Buyer and seller	<ul style="list-style-type: none"> <li>- Reduced uncertainty</li> <li>- Managed dependence</li> <li>- Exchange efficiency</li> <li>- Social satisfaction from the association</li> </ul>	<ul style="list-style-type: none"> <li>- Maintaining costs</li> <li>- Conflict and haggling management costs</li> <li>- Opportunity cost of foregone exchange with alternative partners</li> <li>- Switching costs</li> </ul>	-
Juttner and Wehrli 1994	Theory-based	General discussion	Seller	<ul style="list-style-type: none"> <li>- Marketing and transaction costs for each customer can be reduced.</li> <li>- The sales volume per customer can be increased.</li> <li>- Having a “core group” of customer provides the company with a market for testing and introducing new products with reduced risk and lower costs.</li> <li>- Market research can be conducted more efficiently by using continuous customer contact data collection and processing.</li> <li>- Relationship marketing provides a basis for the facilitation of individualized exchange processes on mass markets “mass customization” and hence has the potential to combine advantages of large volume and differentiation</li> </ul>		

Table 2: (cont.)

Authors	Type	Context	Perspective (under which benefits/ costs are examined)	Benefit dimensions	Costs dimensions	Relationship of Benefits/ Costs with other key relational constructs
Berry 1995	Theory-based	Consumer services	Service provider and consumer	<ul style="list-style-type: none"> <li>- Benefits to the firm: Higher profitability by lowering customer defection rate or increase customer loyalty. This is due to the fact that loyal customers generate more revenue and the costs to maintain existing customers frequently are lower than the costs to acquire new customers. Relationship Marketing also allows service providers to become more knowledge about the customer's requirements and needs.</li> <li>- Benefits to the customer: better quality through customized service delivery, risk reducing in buying services, and social benefits (need to feel important).</li> </ul>		
Bitner 1995	Theory-based	Consumer Services	Consumer	<ul style="list-style-type: none"> <li>- Well-being</li> <li>- Overall quality of life: reducing stress as the relationship becomes predictable, initial problems are solved, special needs are accomplished, and customers know what to expect. Also, staying in a relationship serves to simplify customer's life by precluding the need to change.</li> </ul>		

Table 2: (cont.)

Authors	Type	Context	Perspective (under which benefits/ costs are examined)	Benefit dimensions	Costs dimensions	Relationship of Benefits/ Costs with other key relational constructs
Hakansson and Snehota 1995	Theory- based	B2B	Seller and buyer		<ul style="list-style-type: none"> <li>- Loss of control</li> <li>- Indeterminedness (difficult to predict)</li> <li>- Resource demanding</li> <li>- Preclusion from other opportunities</li> <li>- Unexpected demand</li> </ul>	
Sheth and Parvatiyar 1995b	Theory- based	B2C	Seller perspective	<p>Enhancing marketing productivity by achieving efficiency and effectiveness.</p> <ul style="list-style-type: none"> <li>- Efficiency: customer retention, efficient customer response, and sharing of resources between partners.</li> <li>- Effectiveness: customer involvement in marketing program development, individualized marketing and mass customization to better serve customer needs</li> </ul>		
Varadaraja n and Cunnigha m 1995	Theory- based	Strategic Alliances	Partners in strategic alliances	<ul style="list-style-type: none"> <li>- Market entry and market position related motives</li> <li>- Product related motives</li> <li>- Product/ market related motives</li> <li>- Market structure modification related motives</li> <li>- Market entry timing related motives</li> <li>- Resource use efficiency related motives</li> <li>- Resource extension and risk reduction related motives</li> <li>- Skills enhancement related motives</li> </ul>		

Table 2: (cont.)

Authors	Type	Context	Perspective (under which benefits/ costs are examined)	Benefit dimensions	Costs dimensions	Relationship of Benefits/ Costs with other key relational constructs
Wilson and Jantrania 1995	Theory- based	B2B	Partners in a relationship	<ul style="list-style-type: none"> <li>- Economic: concurrent engineering, investment quality, value engineering, costs reduction.</li> <li>- Strategic: goals, time to market, strategic fit, core competencies</li> <li>- Behavioral: social bonding, trust, culture.</li> </ul>		
Palmer 1996	Theory- based	General discussion	NA		<ul style="list-style-type: none"> <li>- Parties to an exchange may have no expectation of ongoing relationships</li> <li>- Relationship may be created in an asymmetric manner leading to a desire by one party to reduce their dependence</li> <li>- Buyer's increasing level of confidence reduces their need for an ongoing relationship</li> <li>- Relationship marketing can add to costs, as well as to revenues</li> <li>- Networks of relationships can have anti-competitive implications</li> </ul>	

Table 2: (cont.)

Authors	Type	Context	Perspective (under which benefits/costs are examined)	Benefit dimensions	Costs dimensions	Relationship of Benefits/ Costs with other key relational constructs
Barringer (1997)	Theory-based	Channel distribution	Channel members, small firms	<ul style="list-style-type: none"> <li>- Reliable customer base, Price and production stability, reducing searching costs for new customers, facilitating cooperation</li> <li>- Better serve end customer needs, encouraging the buyers to assist suppliers in implementing channel management system (JIT, MRP), Sharing burden and benefits</li> <li>- Reducing administrative transaction costs, economies of scale in exchange relationships</li> <li>- Lower the transaction costs by minimizing the need to safeguard against opportunism</li> <li>- Effective conflict management, encouraging continuous feedback and suggestions for improvements, encouraging networking</li> </ul>	<ul style="list-style-type: none"> <li>- Cultural crash, foreclose the possibility of establishing a tie with another firm</li> <li>- Large firm buyer press for cost reduction and quality improvement, loss of decision autonomy</li> <li>- Loss of organizational flexibility, leading to a perception of strategic vulnerability</li> <li>- Sharing privileged information, communication costs</li> </ul>	
Gwinner, Grembler, and Bitner 1998	In-depth interviews with 21 consumers and survey of 299 consumers in 3 service groups in the US	Consumer services	Consumer perspective	<ul style="list-style-type: none"> <li>- Confident benefits: reduced perception of anxiety and risks, faith in the trustworthiness of the provider, and knowing what to expect</li> <li>- Social benefits: personal recognition by employees, and the development of friendship</li> <li>- Special treatment benefits: special treatment in the forms of price breaks, faster service, or special additional services (customization)</li> </ul>		

Table 2: (cont.)

Authors	Type	Context	Perspective (under which benefits/ costs are examined)	Benefit dimensions	Costs dimensions	Relationship of Benefits/ Costs with other key relational constructs
Johnston, Lewin, and Spekman 1999	Theory-based	International Industrial Networks	Partners in industrial strategic alliances	<ul style="list-style-type: none"> <li>- Market and resources access</li> <li>- Technological expertise</li> <li>- Improved market intelligence</li> <li>- Eco-political advantages (e.g. barriers to further entry or access to regulatory authorities)</li> <li>- Increased responsiveness to competitive pressures</li> <li>- Increased breadth or depth of business activities</li> <li>- Risk education and diversification</li> <li>- Reduction in exchange-specific uncertainties</li> <li>- Development of shared information systems for market intelligence</li> <li>- Emergence of network as an entity</li> <li>- Open communications</li> <li>- Collaborative problem solving</li> <li>- Asset flexibility</li> <li>- Increase profitability</li> <li>- Improve resource utilization</li> </ul>	<ul style="list-style-type: none"> <li>- Opportunity costs</li> <li>- Costs of being tied into a long-term relationship</li> <li>- Other exist barriers</li> <li>- Increase in dependence and consequence loss of autonomy</li> <li>- Coordination costs</li> <li>- Costs of transfer among firms</li> <li>- Loss of product and service control or integrity</li> <li>- Training of boundary and other personnel</li> <li>- Opportunity costs of personnel</li> <li>- Some degree of rigidity</li> </ul>	
Morgan and Hunt (1999)	Theory-based	General discussion	Firm in partnership	<ul style="list-style-type: none"> <li>- Financial resources</li> <li>- Legal resources</li> <li>- Physical resources</li> <li>- Human resources</li> <li>- Organizational resources</li> <li>- Relational resources</li> <li>- Informational resources</li> </ul>		

Table 2: (cont.)

Authors	Type	Context	Perspective (under which benefits/ costs are examined)	Benefit dimensions	Costs dimensions	Relationship of Benefits/ Costs with other key relational constructs
Reynolds and Beaty 1999	Survey of 330 consumers in the US	B2C	Retailer and Consumer	Benefits for retailers: <ul style="list-style-type: none"> <li>- Customer loyalty</li> <li>- Share of purchase</li> <li>- Word of mouth</li> </ul> Benefits for consumers: <ul style="list-style-type: none"> <li>- Functional benefits</li> <li>- Social Benefits</li> </ul>	-	Consumers' benefits have indirect effects on retailers' benefits through satisfaction with salesperson
Lapierre 2000	Survey of 209 and 129 purchasing managers in the Canadian IT and finance sectors	Industrial Context	Customer	<ul style="list-style-type: none"> <li>- Product related benefits:               <ul style="list-style-type: none"> <li>o Alternative solutions</li> <li>o Product quality</li> <li>o Product customization</li> </ul> </li> <li>- Service related benefits:               <ul style="list-style-type: none"> <li>o Responsiveness</li> <li>o Flexibility</li> <li>o Reliability</li> <li>o Technical competence</li> </ul> </li> <li>- Relationship related benefits               <ul style="list-style-type: none"> <li>o Supplier's image</li> <li>o Trust</li> <li>o Supplier solidarity with customers</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>- Price</li> <li>- Time/ Effort/ Energy</li> <li>- Conflict</li> </ul>	
Cannon and Homburg 2001	Survey of 478 manufacturing firms in the US and Germany	B2B	Customer	Customer benefits from cost reductions: <ul style="list-style-type: none"> <li>- Direct product costs</li> <li>- Acquisition Costs</li> <li>- Operations Costs</li> </ul>		Lowering the customer firm's direct product costs, acquisition costs, and operations costs lead the customer to expand its business with the supplier.



Table 2: (cont.)

Authors	Type	Context	Perspective (under which benefits/ costs are examined)	Benefit dimensions	Costs dimensions	Relationship of Benefits/ Costs with other key relational constructs
Patterson and Smith 2001	Survey of 155 consumers from 3 service groups in Thailand	Consumer services	Consumer	A replication of Gwinner, Gremler and Bitner 1998's work - Confident benefits - Social benefits - Special treatment benefits		3 relational benefits have significant positive correlations with customer satisfaction and repurchase intentions
Walter, Ritter, and Gemunden 2001	Survey of 247 CEOs and Sales Managers from Mechanical Engineering, Electronics, Metal-processing, and Chemical industries in Germany	B2B	Seller	- Direct functions of a customer relationship o Profit function o Volume function o Safeguard function - Indirect functions of a customer relationship o Innovation function o Market function o Scout function o Access function		
Hennig – Thureau, Gwinner, and Gremler (2002)	Survey of 336 consumers from 3 service groups in USA	Consumer Services	Service provider and consumer	Consumers benefits: - Confident benefits - Social benefits - Special treatment benefits Service provider benefits: - Positive word of mouth - Customer loyalty		3 relational benefits have direct and positive effects on customer commitment, which in turn have direct and positive effect on positive word of mouth and customer loyalty.

Table 2: (cont.)

Authors	Type	Context	Perspective (under which benefits/ costs are examined)	Benefit dimensions	Costs dimensions	Relationship of Benefits/ Costs with other key relational constructs
Moller and Torronen 2003	Theory- based	B2B	Buyer	Values that a supplier is able to provide for its customers, including: - Efficiency function: o Profit o Volume o Safeguarding - Effectiveness function: o Innovative - Network function: o Resource access o Scout o Market signaling		
Uлага 2003	Grounded theory approach, In-depth interviews with 10 purchasing managers	B2B	Buyer	8 value drivers: - Product quality - Service support - Delivery - Supplier know how - Time to market - Personal interaction -	- Direct product costs - Process costs: transportation costs, inventory costs, order- handling costs, incoming inspections, and operation costs.	

Table 2: (cont.)

Authors	Type	Context	Perspective (under which benefits/ costs are examined)	Benefit dimensions	Costs dimensions	Relationship of Benefits/ Costs with other key relational constructs
Walter, Muller, Helfer, and Ritter 2003	Survey of 230 purchasing managers from vehicle manufacturing, mechanical engineering, electronics, metal processing and chemical industries in Germany.	B2B	Buyer	Direct functions - Cost reduction - Quality - Volume - Safeguard Indirect functions - Market - Scout - Innovation - Social Support		Both direct and indirect functions have significant, positive, direct impact on relationship quality (commitment, satisfaction, and trust)
Baxter and Matear 2004	Survey of 314 Marketing and Sales Managers of New Zealand suppliers or distributors of manufactured goods	B2B	Seller	<ul style="list-style-type: none"> <li>- There are two components of intangible value that sellers receive from their relationship with buyers:</li> <li>- Human intangible value: including Competence, Attitude, and Intellectual</li> <li>- Structural intangible value: including Relationships, Organization, and Renewal and Development</li> </ul>		

Table 2: (cont.)

Authors	Type	Context	Perspective (under which benefits/ costs are examined)	Benefit dimensions	Costs dimensions	Relationship of Benefits/ Costs with other key relational constructs
Claycomb and Frankwick 2004	Survey of 174 purchasing managers from Rubber and Plastic, Fabricated metal, Industrial Machinery, and instruments industries in US	B2B	Buyer		<ul style="list-style-type: none"> <li>- Monetary price</li> <li>- Relationship Investment</li> <li>- Search Effort</li> <li>- Communication quality</li> <li>- Information Sharing</li> <li>- Joint problem solving</li> <li>- Smoothing over problems</li> <li>- Persuasion</li> <li>- Severe Conflict Resolution</li> <li>- Buyer Uncertainty</li> </ul>	Specific
Wang, Lo, Chi, and Yang 2004	Survey of 326 customers of 2 securities firms in China	Consumer services	Service provider and Consumer	Consumer benefits <ul style="list-style-type: none"> <li>- Functional values</li> <li>- Social values</li> <li>- Emotional Values</li> </ul> Service provider benefits <ul style="list-style-type: none"> <li>- Brand loyalty</li> <li>- Repurchase</li> <li>- Retention</li> <li>- Word of mouth</li> </ul>	<ul style="list-style-type: none"> <li>- Customer sacrifices: time, efforts and energy</li> </ul>	Perceived Only Functional values have significant positive direct impact on Service provider performance (repurchase, retention and word of mouth).

As a result of this serious problem in conceptual foundation, empirical research in this topic is limited in number and exploratory in nature. Although conceptual discussions on this topic can be found in the late 1980s (Dwyer, Schurr and Oh 1987), the pioneer empirical study in this topic is the work of Gwinner, Gremler and Bitner in 1998. They investigate consumer benefits from a long-term relationship with service providers. Following this influential study, several researchers have recently started to explore this promising topic, including Patterson and Smith (2001), Hennig-Thurau, Gwinner and Gremler (2002), Wang, Lo, Chi and Yang (2004) in consumer markets, Lapierre (2000) in industrial contexts, and Walter, Ritter and Gemuden (2001), Cannon and Homburg (2001), Walter, Muller, Helfer and Ritter (2003), Baxter and Matear (2004), Claycomb and Frankwick (2004) in B2B contexts. Careful review of these empirical works provides several critical observations. First, all of these studies take one side of the relationship, either a buyer or a seller side, never both. The data, thus, are always collected from only one side, regardless of the importance of a dyadic approach to this topic (Ambler and Styles 2000). Second, benefit studies are dominant while cost studies are very rare with only one recent study choosing relational costs as its main topic (Calycomb and Franwick 2004) and two others examining costs in combination with benefits in their studies (Lampierre 2000; Wang, Lo, Chi and Yang 2004). Third, even though relationships in a channel distribution context are becoming more and more important in marketing literature (Weitz and Jap 1995), there is no single empirical study on this topic. The motivation to understand suppliers' and their dealers' benefits and costs in forming and maintaining long-term relationships is essential and appealing. Fourth, most data collected from these studies came from the US and some other highly developed

countries such as Canada and Germany, except for two studies getting data from consumers in developing countries (Patterson and Smith 2001 in Thailand; Wang, Lo, Chi and Yang 2004 in China). No single study has collected data from a B2B, industrial, or channel distribution context in developing countries despite the fact that international data can be very useful in theory development (Cannon and Homburg 2000) and much less is known about business practices in developing countries than those in developed countries (Wang, Lo, Chi and Yang 2004).

In summary, the literature is in an urgent need for a comprehensive framework that provides solid classifications of benefits and costs of a long-term relationship from a dyadic perspective. This conceptual framework will be strengthened when it is backed up with practical data from both sides of the relationship, i.e. a buyer and a seller side. Data collected from B2B, industrial or channel distribution contexts in a developing country can help facilitate the theory development process that is strongly needed by the marketing discipline.

## RELATIONAL BENEFITS

In order to better clarify the domain of relational benefits, this section examines this concept from each side of the relationship, i.e. from a seller and from a buyer side.

### RELATIONAL BENEFITS FROM A SELLER PERSPECTIVE

In developing long-term relationships with customers, sellers can expect to gain a wide range of benefits. Four major groups of relational benefits emerge from the review of the literature.

The first relational benefit is economic benefit, which is the ultimate outcome that a seller expects from its relationship with customers (Walter, Ritter, and Gemunden 2001). Economic benefit from a long-term relationship can be gained because loyal customers are more profitable. Based on an analysis of more than 100 companies in two dozen industries, Reichheld and Sasser (1990) have found that companies could improve profits from 25 percent to 85 percent by reducing the customer defection rate by just 5%. The authors also observe four reasons why loyal customers are more profitable over time: (1) increased purchases, (2) reduced operating costs, (3) positive referrals, and (4) price premium. Similar observations have also been made by many other researchers. Walterm Ritter and Gemunden (2001) have surveyed 247 CEOs and Sales Managers in four industries and found that the three most important direct benefits that long-term customers bring into the relationship with their suppliers are increased profits, bigger sales volume and stable business. In addition to these benefits, referrals and/ or recommendations from current customers support supplier's efforts to enter new markets and to establish new commercial relationships. From a channel distribution perspective,

Barringer (1997) argues that long-term relationships provide a reliable customer base, help achieve price and production stability, and reduce searching costs for new customers. Besides, working with a relatively low number of well-known customers reduces administrative costs and provides economies of scale. It also lowers transaction costs by minimizing the need to safeguard against opportunism. Long-term relationships also facilitate a climate that encourages continuous feedback and suggestions for improvements among exchange partners which can be an important source for cost reduction. Reichheld (1993) observes that customer loyalty has three major effects: (1) revenue increases as a result of repeat purchases and referrals, (2) declining costs as a result of lower acquisition expenses and efficiencies from serving experienced customers, and (3) employee retention increases, due to increased job pride and satisfaction that in turn reinforce customer loyalty and further reduce costs as hiring and training costs shrink and productivity rises. As costs go down and revenues go up, profits increase. The author also provides an example of the life insurance business, in which a five-percentage point increase in customer retention lowers costs per policy by 18%. In a similar manner, Reichheld and Sasser (1990) report a case of one small financial consulting business that depends on personal relationships with clients. This firm has found that costs drop by two thirds from the first year to the second because customers know what to expect from the consultant and have fewer questions or problems. In addition, the firm is more efficient because they are familiar with the customers' situations and preferences. Reichheld and Sasser (1990) also argue that loyal customers become less price sensitive and companies with long-time customers can often charge more for their products or services because "many people will pay more to stay in a hotel they know or to go to a doctor they trust



than to take a chance on a less expensive competitor” (p.107). In a more general discussion, Sheth and Parvatiyar (1995b) propose that several relationship marketing practices can help firms achieve efficiency, such as customer retention, efficient consumer response (ECR), and the sharing of resources between marketing partners. Each of the practices has the potential to reduce operating costs for the marketer. On the other hand, greater marketing effectiveness can be realized from relationship marketing through its attempts to involve customers in the early stages of marketing program development and through individualized and mass customization processes that help firms better address the needs of each customers. From a strategic alliance perspective, Varadarajan and Cunningham (1995) examine the motives for firms to enter long-term strategic alliances. The authors argue that strategic alliances can enable partners to lower manufacturing and marketing costs by taking advantage of (1) scale, scope, and/or experience effects, (ii) differences in factor costs, and (3) utilizing the sales forces, distribution, and warehousing facilities.

The above discussion suggests that a seller can expect economic benefit as a major benefit from having long-term relationships with key customers. Among many, higher sales/ revenues from loyal customers, lower marketing and operating costs, less customer price sensitivity, and positive referrals are four major drivers for economic benefit.

Confidence benefits are the second relational benefits that sellers can enjoy from long term relationships. Confidence benefits refer to the sense of reduced anxiety, faith in the trustworthiness of the other partner, and reduced perceptions of risk (Gwinner, Gremler and Bitner 1998). Waltern, Ritter, and Gemunden (2001) express a similar view, termed “safeguard function” that considers customer relationship as an insurance against crises,

difficulties and uncertainties in competitive markets. Especially under depressed market conditions, suppliers may end up in situations where selling agreements are not fulfilled. For these circumstances, suppliers need emergency customers who provide some business although it may well be a relatively unfavorable deal. In the relationship marketing literature, confidence is considered a major component of trust, which has long been accepted as a major component of long-term relationships (Fontenot and Wilson 1997; Gronroos 1994; Berry 1995; Takala and Uusitalo 1996; Conway and Swift 2000; Grossman 1998; Wilson 1995; Yau, McFetridge, Chow, Lee, Sin, and Tse 2000; Morgan and Hunt 1994; Lewin and Johnston 1997; Wetzels, De Ruyter and Birgelen 1998). Morgan and Hunt (1994) conceptualize trust as “existing when one party has confidence in an exchange partner’s reliability and integrity” (p.23). In a channel distribution context, Ganesan (1994) defines trust as having two distinctive components: creditability and benevolence. Creditability refers to the confidence that each member of a relationship has in its partner’s ability to perform a job effectively, while benevolence focuses on the integrity of motives and intentions in an exchange relationship. Trust affects long-term relationships in three important ways. First, it reduces the perceptions of risk associated with opportunistic behaviors. Second, it increases the confidence of partners that short-term inequalities will be resolved over a long period. And finally, it reduces the transaction costs in an exchange relationship. Also in a channel distribution context, Anderson and Narus (1990) define trust as “the firm’s belief that another company will perform actions that will result in positive outcomes for the firm, as well as not take unexpected actions that would result in negative outcomes for the firm” (p.45). Trust and confidence, therefore, help reduce the perceptions of risk, which is an

important benefit for partners in a long-term relationship (Dwyer, Schurr and Oh 1987; Varadarajan and Cunningham 1995; Johnston, Lewin and Spekman 1999).

Social benefit or social satisfaction is the third relational benefit for a seller in a long-term relationship (Dwyer, Schurr and Oh 1987; Wilson and Jantrania 1995). Butcher, Sparks and O'Callaghan (2001) define social benefits as the feeling, thoughts, and perceived relationships arising from social satisfaction. There are three components of social benefits: friendship, social comfort, and social regard. Even though these researchers look at social benefits from the customer side in a relationship with service providers, it is argued here that this concept holds true for the supplier side as well. Because an organizational relationship has its roots in personal relationships between individuals of the two organizations (Wilson 1995; Witkowski and Thibodeau 1999), it is believed that similar to buyers, sellers also enjoy social benefits from the relationship, e.g. friendship, social comfort, and social regard. Working with supportive and cooperative partners creates a good working environment. Relationships are maintained because of their personal bonds or because people like to do business with other (Walterm Muller, Helfert, and Ritter 2003). Witkowski and Thibodeau (1999) use qualitative methods to investigate personal bonding processes as experienced by 20 small and medium sized business owners and key managers engaged in international marketing. The authors report a similar structure of personal bonding, in which two important components are friendliness and comfort level. Friendliness helps partners become familiar with mutual needs, respect each other, and eventually improve the quality of the business relationship, while comfort level may mean mutual understanding, reciprocity of effort, and pleasantness and helpfulness.

The final relational benefit for sellers is informational benefit. Information is obviously one of the most important resources in building a firm's competitiveness. Morgan and Hunt (1999) propose that informational resources, which consisting of the collective knowledge of the organization and the processes developed for organizational learning, can be combined with other partners in marketing relationships to gain competitive advantage. Simply put, each partner in a relationship has its own sources of information, which can benefit both sides. The combination of those informational resources is essential in building competitiveness in the market place. There are many kinds of information that a firm can gather from long-term relationships with customers. First, continuous feedbacks and suggestions from customers help improve product and services quality and also help reduce operating and/or manufacturing costs (Barringer 1997). Second, customers who have close relationships with a firm can be a good source for marketing research and product development (Juttner and Wehrli 1994). Third, Walter, Ritter, and Gemunden (2001) argue that, to be successful, suppliers must obtain meaningful information from others outside of the organization. Customers, especially business customers, often gather and dispose of information about market development that is relevant to the supplier's business. For example, in b2b markets, official authorities, banks and/or trade associations, chambers, can play an almost dominant role. Sometimes, customers' experience in dealing with such actors can be of considerable help for a supplier to reduce time and money-consuming licensing procedures or business negotiations.

## RELATIONAL BENEFITS FROM A BUYER PERSPECTIVE

Similar to a seller, a buyer in a long-term relationship also gains four groups of benefits: (1) economic benefit, (2) confidence benefits, (3) social benefits, and (4) informational benefits.

Similar to sellers, business buyers are looking for economic benefit in long-term relationships with selected suppliers. There are four main sources from long-term relationships improving buyer's profitability: 1) better quality (Berry 1995; Ulaga 2003; Walter, Muller, Helfer, and Ritter 2003) and/or customization in the form of special treatments (Berry 1995, Gwiner, Grembler, and Bitner 1998; Patterson and Smith 2001; Hennig – Thureau, Gwinner, and Grembler 2002), 2) economies of scale due to purchasing large quantities from limited suppliers (Walter, Muller, Helfer, and Ritter 2003; Moller and Torronen 2003), 3) technical, financial, and human support (Ulaga 2003, Morgan and Hunt 1999), and 4) cost reductions (Ulaga 2003; Walter, Muller, Helfer, and Ritter 2003; Cannon and Hornburg 2001).

In a b2b context, Walter, Muller, Helfer, and Ritter (2003) survey 230 purchasing managers from several industries in Germany to examine the buyers' perception of value structure from the supplier-buyer relationship. Their results report several important customer value drivers; three of those are cost reduction, quality, and volume functions, which directly affect buyers' current and future profitability. Cost reduction refers to the fact that buyers look for low procurement prices while trying not to compromise on quality since a major determinant of customer's profitability is the amount of money spent on goods and services. Building relationships is one way of achieving price/ cost reductions. Customers, however, are not only interested in price, they are also very

quality conscious, especially when the supplied product is an important part of the customer's offering. Furthermore, high quality supplied products support the customer's operations by being reliable, easy to use, and easy to maintain – issues that directly impact the profitability of the customer. In addition to cost reduction and quality, customers can benefit from buying large quantities. This means that buyers move from wide supplier bases with fragmented purchasing power to smaller supplier bases. Obviously, volume and price are related, as suppliers normally provide discounts for large quantities. By buying large quantities from limited sources of suppliers, buyers gain consistency within the supply, and reduce purchasing costs and communication costs. In addition to cost reduction, quality, and volume functions, suppliers can also provide support for the customer's innovation activities in many ways: passing on innovative ideas, supplying innovative components and production facilities, or engaging in a collaborative development project, all of which can further improve the customer's profitability.

Moller and Torronen (2003) follow Walter, Ritter and Gemuden's (2001) structure of suppliers' relationship value drivers and argue that value dimensions proposed by Walter, Ritter and Gemuden (2001) could also be applied to examine buyer's relationship value. In their model, profit function, volume function and innovative function are three direct drivers that affect buyer's profitability. Profit function through price level refers to a supplier' ability to offer buyers a better price for its products and services. Volume function refers to a supplier's ability to consistently supply large volumes of its products and services and therefore reduce prices and other related costs for buyers. Finally, innovative function refers to a supplier's ability to invent and produce solutions that

provide more value to buyers than existing offers. Profit and volume functions increase buyers' efficiency, while the innovative function increases buyers' effectiveness.

Using a grounded theory approach, Ulaga (2003) interviewed 10 purchasing managers from manufacturing companies. The author reports with 8 value drivers for long-term relationships from a customer perspective: 1) product quality, 2) service support, 3) delivery, 4) supplier know-how, 5) time-to-market, 6) personal interaction, 7) direct product costs (price), and 8) process costs. Actually, most of the drivers directly affect the buyer profitability through improved product/ service quality and reduced costs/prices. Similar findings are also reported by Lapierre (2000), who surveyed 209 and 129 purchasing managers in the Canadian IT and finance sectors to examine the customer perceived value in an industrial context. The findings show that eight out of 13 value drivers are product, service and price related (i.e. product quality, alternative solutions, product customization, responsiveness, flexibility, technical competence, and price). These results once again emphasize the important role of quality improvement and cost reduction in buyer's benefit perception.

Cannon and Hormburg (2001) investigate how supplier's behaviors and the management of a supplier affect a customer firm's direct product, acquisition, and operation costs by surveying 478 buying organizations in the United States and Germany. The results indicate that increased frequency of communication, product quality, different forms of supplier accommodation, and the geographic closeness of the supplier's facilities to the customer's buying location lower customer firm's costs. Moreover, customers intend to increase purchases from suppliers that provide effective cost reductions. In addition to the costs analysed by Cannon and Hormburg (2001), other types of costs such as transaction

costs and searching costs can also be reduced. As Gronroos (1994) observes, “a mutually satisfactory relationship makes it possible for customers to avoid significant transaction costs involved in shifting supplier or service provider” (p.8).

In consumer services, Gwinner, Gremler, and Bitner (1998) explore the consumer relational benefits with service providers by surveying 299 consumers across three types of services in the United States. The findings generate three factor solutions consisting of confidence benefit, social benefit, and special treatment benefits. Special treatment benefits reflect both the economic and customization facets. It conveys the notion that consumers may receive special treatments in the forms of price cuts, faster and better services, or even special additional services (their confidence and social benefits will be discussed in the following sections).

Confidence benefits are the second benefits that a buyer may gain from long-term relationships with suppliers. Similar to confidence benefits for sellers discussed in “Relational benefits from a seller perspective” section, buyer’s confidence benefits refer to the sense of reduced anxiety, faith in the trustworthiness of the other partner, and reduced perceptions of risk (Gwinner, Gremler, and Bitner 1998). This type of benefit has been widely discussed in the literature (Berry 1995; Dwyer, Schurr, and Oh 1987; Bitner 1995; Gwinner, Gremler, and Bitner 1998; Patterson and Smith 2001; Hennig – Thureau, Gwinner, and Gremler 2002). In consumer services, Gwinner, Gremler, and Bitner (1998) report that confidence benefits are perceived as the most important to consumers across all three investigated categories of services. The same structure of relational benefits has been confirmed by the work of Patterson and Smith (2001), who replicate Gwinner, Gremler, and Bitner’ (1998) work in a Southeast Asian context.



Patterson and Smith (2001), however, identify an interesting difference with Gwinner, Gremler, and Bitner's (1998) result – confidence benefits are the most important benefits perceived by US consumers while Thailand consumers consider special treatment benefits the most important and confidence benefits the least important among the three types of benefits. This result provides a potential area of research for international relationship marketing researchers who might examine the differences in perceived importance of relational benefits across cultures due to social, economical, and cultural differences. In a b2b context, Walter, Muller, Helfer, and Ritter (2003) and Moller and Torronen (2003) propose safeguard function as a major buyer's value driver. This refers to the possibility of guaranteeing a level of business and revenue with specific suppliers. Given the dynamics and uncertainty in the markets, buyers might need to rely on "rescue suppliers" (Walter, Muller, Helfer, and Ritter 2003, p.161).

The third benefit is social benefits referring to the social satisfaction from the relationships (Dwyer, Schurr, and Oh 1987). Social benefits can take the forms of friendship (Gwinner, Gremler, and Bitner 1998; Patterson and Smith 2001; Hennig – Thureau, Gwinner, and Gremler 2002; Butcher, Sparks and O'Callaghan 2001), need to feel important (Berry 1995; Butcher, Sparks and O'Callaghan 2001), sense of well being and overall quality of life (Bitner 1995), and social comfort (Butcher, Sparks and O'Callaghan 2001). Even though most of the discussion on social benefits comes from the consumer perspective such as in the works of Gwinner, Gremler, and Bitner (1998); Patterson and Smith (2001); Hennig – Thureau, Gwinner, and Gremler (2002); Butcher, Sparks and O'Callaghan (2001), it is argued that the same benefit can be valued by

organizational buyers since relationships between organizations have their roots in personal relationships (Wilson 1995; Witkowski and Thibodeau 1999).

Finally, informational benefit is the last benefit category for buyers. In establishing and developing relationships with suppliers, buyers can gain access to suppliers' information sources on technical, product innovation, and market related information (Walter, Muller, Helfer, and Ritter 2003). This will be an important source of competitive advantage in the market (Morgan and Hunt 1999). Moreover, buyers can also work with suppliers to develop shared information systems for market intelligence (Johnston, Lewin, and Spekman 1999).

## RELATIONAL COSTS

Buyer and seller relationships involve analogous benefits and costs (Dwyer, Schurr and Oh 1987; Hakansson and Snehota 1995; Palmer 1996). While the former has been widely discussed and empirically tested in the literature, the later has received relatively little attention. Review of the literature provides a very limited number of studies in this specific topic and the distinction of relational costs between the buyers and the sellers is not clearly drawn. Therefore, unlike the discussion on relational benefits, this section does not have enough reasons and evidences to separately discuss buyer's and seller's relational costs. A clear distinction, if it exists, will be made after analyzing data provided from in-depth interviews with buyers and sellers (study 1), which will be presented in chapter 3. There are two major kinds of cost that buyers and sellers are facing when forming and developing long-term relationships: 1) maintaining costs, and 2) opportunity costs.

Maintaining costs refer to costs, efforts, and resources required to maintain the association (Dwyer, Schurr and Oh 1987). Developing a relationship is always resource demanding (Hakansson and Snehota 1995). It takes time, costs, and huge efforts to develop a close relationship (Hakansson and Snehota 1995; Wang, Lo, Chi, and Yang 2004; Lapierre 2000). Resources are needed for each party in order to learn about the other, to carry out necessary adaptations, and to coordinate the firm's own activities with those of the counterpart (Hakansson and Snehota 1995). Furthermore, parties with highly divergent goals may spend considerable economic and psychic resources in conflict and haggling processes (Dwyer, Schurr and Oh 1987). Maintaining costs may also include other types of costs such as communication costs (Barringer 1997) and coordination costs (Johnston, Lewin and Spekman 1999).

Opportunity costs refer to the costs of foregone exchange with alternative partners (Dwyer, Schurr, and Oh 1987; Hakansson and Snehota 1995; Johnston, Lewin and Spekman 1999; Barringer 1997). Developing a relationship requires prioritizing. Not only does it entail giving priority (and getting priority), it also precludes other preferences. The problem arises when other alternatives are becoming attractive and cannot be reconciled with an ongoing relationship (Hakansson and Snehota 1995).

Table 3 summarizes relational benefits and costs from a dyadic perspective.

Table 3: Summary of relational benefits and costs from buyers and sellers

	Buyer	Seller
Relational Benefits	1. Economic benefit	1. Economic benefit
	2. Confidence benefits	2. Confidence Benefits
	3. Social Benefits	3. Social Benefits
	4. Informational Benefits	4. Informational Benefits
Relational Costs	1. Maintaining costs	1. Maintaining costs
	2. Opportunity costs	2. Opportunity costs

### THE CONCEPTUAL FRAMEWORK

Concepts that claim to explain the functioning of close inter-organizational relationships are receiving increasing attention in the literature (Sollner 1999). A growing body of research work addresses the role of relationship commitment in exchange relationship (Fontenot and Wilson 1997; Wilson 1995; Dwyer et al., 1987; Conway and Swift, 2000; Grossman, 1998; Takala and Uusitalo, 1996; Day 1995; Morgan and Hunt 1994; Lewin and Johnston 1997; Wetzels et al., 1998; Sollner 1999). It is an essential ingredient for successful long –term relationship (Gundlach, Achrol & Mentzer 1995). It is also central to relationship marketing (Morgan and Hunt 1994) and is the most common dependent variable used in buyer-seller relationship studies (Wilson 1995). Relationship commitment has been defined as “an enduring desire to maintain a valued relationship” (Moorman, Zaltman, and Deshpande 1992, p.316). In a similar way, Morgan and Hunt (1994) define “relationship commitment as an exchange partner believing that an ongoing relationship with another is so important as to warrant maximum efforts at maintaining it;

that is, the committed party believes the relationship is worth working on to ensure that it endures indefinitely” (p.23).

The two definitions actually emphasize the value creation of relationships. In other words, a relationship should be capable of providing long-term benefits for partners in order for them to commit in that relationship. Or simply put, relational benefits are the necessary condition for partners to commit in a relationship. Relationship commitment exists only when the relationship is considered important for both parties involved. Morgan and Hunt (1994) argue that partners that deliver superior benefits will be highly valued, firms will commit themselves to establishing, developing, and maintaining relationships with such partners. The authors therefore propose that “firms that receive superior benefits from their partnership – relatively to other options – on such dimensions as product profitability, customer satisfaction, and product performance, will be committed to the relationship.” (p.24-25). Although the researchers did not find support for this hypothesis in their empirical study, the data did show a positive simple correlation ( $r=.316$ ) between relationship benefits and commitment. Two possible explanations for this insignificant finding are: 1) relationship benefits were measured only in economic aspects (gross profit, satisfaction, and product performance), and 2) relationship benefits were measured in a comparative sense, i.e. benefits of the supplier compared with those of likely alternative suppliers. The authors recommend that future research should include other potential benefits and measure relationship benefits in an absolute manner because it is likely that many respondents may lack information as to the characteristics of alternative suppliers. In a consumer service context, Hennig-Thurau, Gwinner, and Gremler (2002) survey 336 US consumers to empirically test the impact of 3 types of customer relational

benefits (confidence benefits, social benefits, and special treatment benefits) on consumer commitment. Their findings indicate that except for confidence benefits, both social and special treatment benefits have a significant, direct, positive impact on customer commitment. In b2b context, Walter, Muller, Helfer and Ritter (2003) survey 230 purchasing managers in Germany to examine the impact of relationship benefits on relationship quality (conceptualized as commitment, trust and satisfaction). Their findings strongly support the direct, positive impact of relational benefits on relationship quality. Therefore, it is hypothesized that:

H1a: Seller's perception of economic benefit from a long term relationship with a buyer will positively impacts seller's relationship commitment to that buyer.

H1b: Seller's perception of social benefits from a long term relationship with a buyer will positively impacts seller's relationship commitment to that buyer.

H1c: Seller's perception of confidence benefits from a long term relationship with a buyer will positively impacts seller's relationship commitment to that buyer.

H1d: Seller's perception of informational benefits from a long term relationship with a buyer will positively impacts seller's relationship commitment to that buyer.

H2a: Buyer's perception of economic benefits from a long term relationship with a seller will positively impacts buyer's relationship commitment to that seller.

H2b: Buyer's perception of social benefits from a long term relationship with a seller will positively impacts buyer's relationship commitment to that seller.

H2c: Buyer's perception of confidence benefits from a long term relationship with a seller will positively impacts buyer's relationship commitment to that seller.

H2d: Buyer's perception of informational benefits from a long term relationship with a seller will positively impacts buyer's relationship commitment to that seller.

The same logic applies to relational costs. If relational benefits positively impact relationship commitment, relational costs will negatively impact relationship commitment. Wang, Lo, Chi and Yang (2004) examine the impact of 4 dimensions of customer value (emotional value, social value, functional value, and perceived sacrifices) on brand loyalty, which is defined as "a kind of lasting intention to build and maintain a long-term relationship" (p.173). Their concept of brand loyalty is similar to the conceptualization of commitment in this research. In their model the authors propose that the benefit components have a positive impact on brand loyalty, while the cost (sacrifices) component has a negative impact on brand loyalty. However, all the proposed impacts are not supported by the data, even though the sign of the coefficient is in accordance with the proposed hypotheses. The impacts of the value components on brand loyalty are not direct but rather indirect through customer satisfaction. In other words, customer satisfaction plays a mediating role in the relationship between customer value and brand loyalty. Baker, Parasuraman, Grewal, and Voss (2002) examine the impact of consumer's perceived time/ effort costs on their store patronage. The findings support the proposed hypothesis that the higher consumers' perceived time/effort costs, the lower their store patronage intentions. Their conceptualization of store patronage intention as the likelihood of both intention to shop at the store and recommend it to

others is similar to the conceptualization of commitment in this research. Even though the number of previous evidences is limited, it is rational to propose that:

H3a: Seller's perception of maintaining costs from a long term relationship with a buyer negatively impact seller's relationship commitment to that buyer.

H3b: Seller's perception of opportunity costs from a long term relationship with a buyer negatively impact seller's relationship commitment to that buyer.

H4a: Buyer's perception of maintaining costs from a long term relationship with a seller negatively impact buyer's relationship commitment to that seller.

H4b: Buyer's perception of opportunity costs from a long term relationship with a seller negatively impact buyer's relationship commitment to that seller.

The detailed discussions on relational benefits for both buyers and sellers in a long-term relationship in the previous sections provide two important implications. First a firm, as a buyer or a seller, realizes its relational benefits mainly because of the other partner's commitment to the relationship. It is very obvious that customer commitment (or loyalty) is the main source for seller's relational benefits, i.e. economic benefit, confidence, social, and informational benefits. The same can be expected for the buyer side. Seller commitment is the main source of buyer's relational benefits, i.e. economic benefit, confidence, social, and informational benefits. This leads to the second implication – each partner commits itself to the relationship because it expects to gain long-term relational benefits that can only be realized when the other partner also commits. In other words, in order for the relationship to be mutually beneficial, parties in the relationship should have a similar level of commitment. Anderson and Weitz (1992) look at this in a



similar way, when they state, “from a static perspective, our model suggests that the parties in a stable channel relationship have similar levels of commitment to the relationship. Asymmetries in commitment probably result in unsatisfactory relationships because the more committed party is vulnerable to opportunism by the less committed party. The less committed party is more willing to abandon the relationship and less willing to reciprocate sacrifices made by the more committed party” (p.20). Therefore, it is reasonable to hypothesize that

H5: Seller’s relationship commitment positively impacts:

- H5a: Buyer’s perception of economic benefits
- H5b: Buyer’s perception of social benefits
- H5c: Buyer’s perception of confidence benefits
- H5d: Buyer’s perception of informational benefits

H6: Buyer’s relationship commitment positively impacts

- H6a: Seller’s perception of economic benefit
- H6b: Seller’s perception of social benefits
- H6c: Seller’s perception of confidence benefits
- H6d: Seller’s perception of information benefits

If we predict that one partner’s commitment will positively impact the other partner’s benefits, it is logical to expect one partner’s commitment will negatively impact the other partner’s costs. Therefore, it is hypothesized that:

H7: Seller’s relationship commitment negatively impacts:

- H7a: Buyer's perception of maintenance costs
- H7b: Buyer's perception of opportunity costs

H8: Buyer's relationship commitment negatively impacts

- H8a: Seller's perception of maintenance costs
- H8b: Seller's perception of opportunity costs

Figure 1 visually presents the proposed conceptual framework.

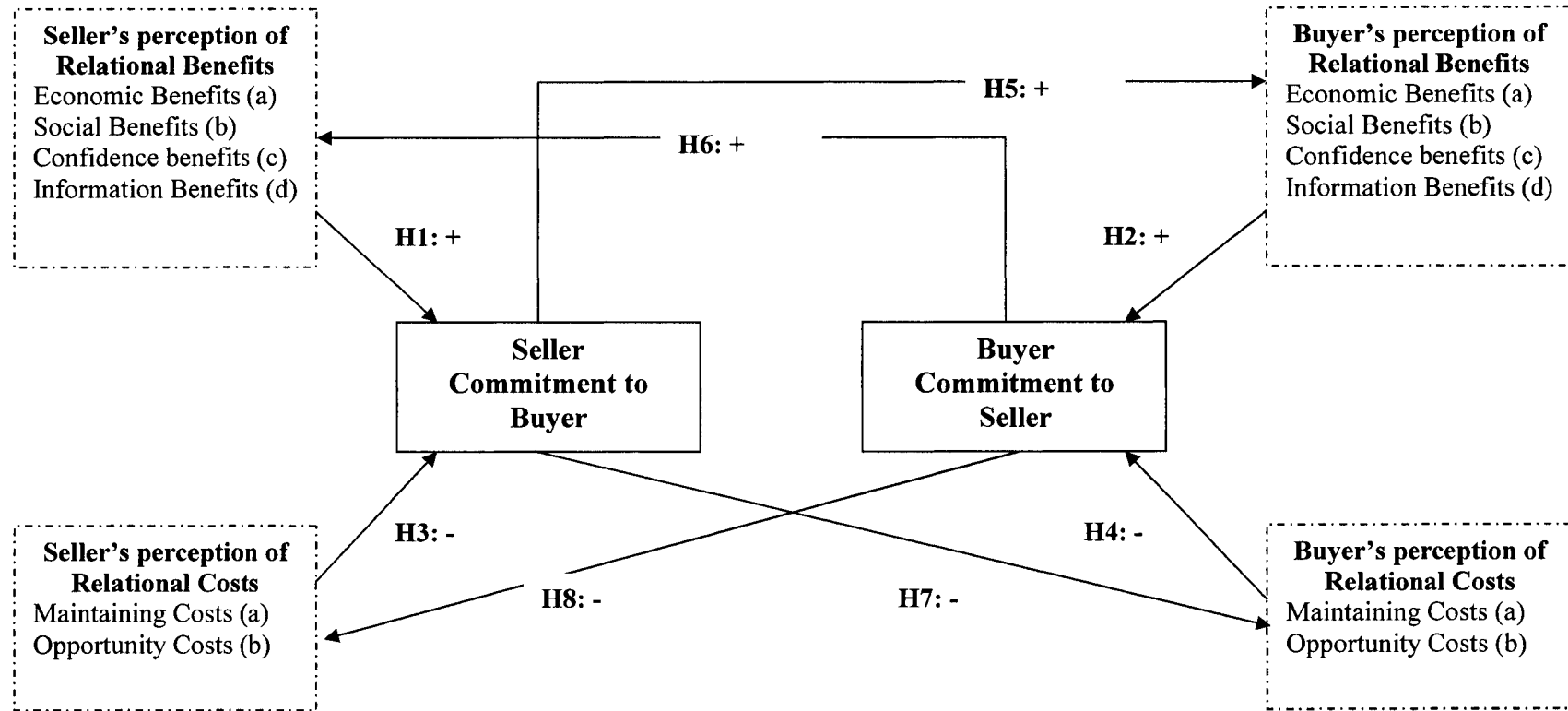


Figure 1: Conceptual framework of the relational benefits and costs and their interactions with buyer- seller relationship commitments

## CHAPTER III

### METHODOLOGY

#### STUDY 1: EXPLORING THE NATURE OF RELATIONAL BENEFITS AND COSTS

##### OBJECTIVE

- To explore the nature of relational benefits and costs from both sides
- To generate items for scale development

##### METHOD

The in-depth interview methodology has been used to explore the relational benefits and costs perceived by both buyers and sellers in a distribution channel context. This methodology is used because it can provide a deeper understanding of the buyer and seller relationship and their perceptions of benefits and costs involved. Compared to survey research, in-depth interviews allow more probing and depth of response and increase the chance of learning new things. As a qualitative tool, in-depth interviews provide more individual probing and response than do focus groups (Witkowski and Thibodeau 1999). In addition, this method, which has been increasingly used in the theory development process in other areas of marketing (Gwinner et al. 1998), is expected to be helpful in discovering factors not addressed in previous relationship marketing research such as a clear distinction in the structure of relational costs between a buyer and seller.

## SAMPLING PLAN AND INTERVIEW FORMAT

The data collection was conducted in Ho Chi Minh City – the most important economic center in Viet Nam. The Information Technology (IT) industry was selected because benefits and costs are of primary concern in this type of industry (Lapierre 2000). Six major IT Corporations were contacted and agreed to participate in this study. The selection of key informants in the supplier firms followed the suggestions of Kuma, Stern, and Anderson (1993). First, interviews with the CEO and/ or top management were conducted to identify the knowledgeable informants. Then, the list of potential informants for each supplier firm was formed. The potential informants have been assessed on two factors: 1) their tenure with a supplier firm and 2) the length of time they have worked with targeted customers. Based on this assessment, the list of supplier informants was finalized. This list has been used through out studies 1, 2, 3, and 4.

Selected informants in the lists were contacted for participation in study 1. Each participant was asked by the interviewer to provide information about one or two customer firms that he/ she had been working with and had established a committed relationship. The information includes the name of the customer company, contact address, and the potential key informants in the customer firm. Based on this information, a list of key informants in customer firms was then formed. In this first study, seven key informants from the suppliers and eight key informants from respective customers (dealers) were contacted and interviewed. This produces fifteen in-depth interviews. Each interview took approximately 60 to 90 minutes to complete. Table 4 summaries the respondent profile.

Table 4: List of participants in study 1

No	Name of Participants	Age	Position	No of years in this position	No of years having business with Seller/ Buyer
Seller Side					
1	Mr.Chanh	33	Account Manager	5	3
2	Mr.Chuong	32	Senior Sales Manager	6	5
3	Mr.Tuan	35	Account Manager	4	4
4	Ms.Hanh	31	Director of Sales and Marketing	6	6
5	Ms.My	29	Sales Manager	4	3
6	Mr. Tan	27	Sales Manager	3	2
7	Mr.Anh	40	Vice President of Sales and Marketing	10	10
Buyer Side					
8	Ms. Truc	32	Purchasing Manager	6	5
9	Mr.Tuan	31	Business Manager	4	4
10	Mr. Thang	29	Senior Sales Manager	4	3
11	Mr.Tri	35	Managing Director	7	7
12	Ms..Kim	37	CEO	5	4
13	Mr.Dinh	29	CEO	9	8
14	Ms.Hien	31	Purchasing Manager	5	5
15	Mr. Nam	33	Business Manager	4	3
Mean				5.5 years	4.8 years

The interviews were conducted based on interview guidelines. First, the nature and objectives of the research were briefed by the researcher. Second, the interviewee was asked to discuss one buyer (seller) with which he/ she and his/ her company has a close, committed business relationship. Then the interviewee was asked to talk broadly about benefits and costs that they and their company gain from a relationship with a dealer (or a supplier); about the differences between dealer and supplier perceptions of benefits and costs; the sources of benefits and costs; about the current strength and weaknesses of the

relationship; how they and their partner provide more benefits and limit the costs for themselves and partner; the competition's offerings and their needs and expectations. Finally, additional questions were asked about the nature of each of the benefit and cost drivers identified by the interviewees.

List of questions used in the in-depth interview:

- What are the benefits that you and your company are seeking from a long-term relationship with the supplier/ or customers?
- What are the down sides or costs that you and your company are facing from a long-term relationship with the supplier/ or customer?
- Please elaborate on each benefit/ cost that you have mentioned
- What are the benefits that the supplier/ customer enjoy in having a good relationship with you and your company?
- What are the disadvantages/ costs that the supplier/ customer are facing in a relationship with you and your company?
- Please elaborate on each benefit and cost that you have mentioned

## DATA ANALYSIS

The analysis of qualitative interview data followed the guidelines of Lincoln and Guba (1985). As mentioned earlier, the focus of the analysis was on identifying relational benefits and costs from both buyer and seller perspectives. Lincoln and Guba's (1985) unitizing and categorizing process, which involves sorting unitized units into provisional categories on the basis of "look-alike" (p.203) characteristics, was followed in analyzing

the interviews data. The transcriptions were read and examined several times with key phrases highlighted. The goal in selecting these phrases was to identify recurring thoughts, ideas, and perceptions of the respondents. Several iterations through the data were done to segment the respondent ideas and thoughts into different categories.

## STUDY 2: PRETESTING OF THE SCALE

### OBJECTIVE

The objective of study 2 was to pre-test the scales which emerged from study 1 with a small sample. In addition, the commitment scale developed by Anderson and Waits (1992) was also validated.

### DATA COLLECTION INSTRUMENT

A quantitative survey has been executed in study. Personal interviews with structured questionnaires were employed as the data collection technique. In a high contact cultured research setting, personal interviews are considered appropriate because respondents are more familiar with face-to-face contact rather than through data collection techniques such as mail or phone interviews.

Two questionnaires, one for sellers and one for buyers, were designed based on the findings of study 1. Full versions of the questionnaires in English and Vietnamese are found in appendix 2. Each questionnaire consisted of two parts. The first part consisted of all the relational benefits, costs and commitment items (7-point Semantic differential scale with 1 being strongly disagree and 7 being strongly agree were used for all the questions in this part.)



The second part consisted of the respondent information. Since seller respondents will provide the contact information about buyer respondent, in seller questionnaire, questions on contact information about buyer respondent were added. Table 5 shows the format of the 2 questionnaires.

Table 5: Questionnaire format for study 2

Questionnaire	for Sellers	for Buyers	Scale
	No of items	No of items	
<b>Part 1</b>			
Economic Benefits	16	27	1-7 Semantic
Social Benefits	12	12	1-7 Semantic
Confident Benefits	08	08	1-7 Semantic
Informational Benefits	06	07	1-7 Semantic
Maintenance costs	07	08	1-7 Semantic
Opportunity costs	02	03	1-7 Semantic
Commitment	10	10	1-7 Semantic
Total	61	75	
<b>Part 2</b>			
Buyer contact information	7	N/A	Open ended questions
Respondent information	6	6	

## TRANSLATION AND BACK TRANSLATION

Translation and back-translation are important tasks to ensure measurement equivalence in cross-cultural studies (Malhotra, Agarwal and Peterson 1996). This dissertation is not cross-cultural. However, there were several measurement items originally developed in English and the questionnaires were in Vietnamese. Therefore the translation and back-translation technique were felt to be important. The translation and back-translation technique (Larson 1984) involved the questionnaires being translated from English into Vietnamese and then Vietnamese back into English. Two professional Vietnamese/English – English/ Vietnamese translators, both Vietnamese, were employed to translate and back translate the questionnaires. The first translator translated the English version

into Vietnamese. The second, who never saw the English version, translated the Vietnamese version into English. The two English versions were then compared and the differences were resolved.

## SELECTION OF KEY INFORMANTS

### *Selection of key informants in seller firms*

The selection of key informants in this study followed the procedures mentioned in study 1. First, interviews with the CEOs and/ or top management of six supplier firms were conducted to identify knowledgeable informants. The potential informants were assessed along two conditions: 1) their tenure with the supplier firm, and 2) the length of time they had worked with the targeted customers. For the former, the qualified informants were to serve at least two years with a supplier firm. And for the latter, the informants should have directly worked with the targeted customers for more than one year to be included in the list of potential informants. This requirement is to ensure that the seller informants knew his/her customers well enough to answer the questionnaire. This requirement is similar to the requirement made of Walter et al (2003) in their study of the relationship between suppliers and customers.

The interviews with CEOs and/ or top management of firms also showed that the potential informants were sales managers, account managers, senior sales representative and in some cases customer service managers. At the end of this process, a list of 396 potential informants was finalized. This list was used in this study, as well as in study 3 and in study 4.

*Selection of key informants in buyer firms*

The selection of key informants in the buyer firms was not based on the predetermined list as it was in the selection of key informants in the seller firms due to the requirements for dyadic data. The informants in the buyer firms could only be identified by interviewing informants from the supplier firms. Each supplier informant identified one potential informant in a buyer firm that he/ she had worked directly with. The supplier informants were asked to provide contact information on the buyer informants. The data collector then contacted the buyer informants to set up appointments for personal interviews. Table 6 presents the respondent characteristics in this study.

Table 6: Study 2 – Respondent Characteristics

	Seller respondent		Buyer respondent	
Gender	Male	57.7%	Male	67.3%
	Female	42.3%	Female	32.7%
Position	Sales Manager	39.4%	Business Manager	60.6%
	Account Manager	32.7%	Purchasing Manager	26.9%
	Senior Sales Representative	17.3%	Managing Director	12.5%
	Customer Service Manager	10.6%		
No of Years in current position	Mean	4.9	Mean	5.2
	Std dev.	1.6	Std dev.	2.3
	Max	10.5	Max	15.0
	Min	2.0	Min	2.0
No of Years worked with buyer/ seller	Mean	3.5	Mean	3.6
	Std dev.	1.1	Std dev.	1.3
	Max	7.5	Max	9.0
	Min	1.5	Min	1.5
	N	104	N	104

As table 6 shows, a typical seller respondent was a Sales Manager or Account Manager who had almost five years in their current position and three and a half years working directly with the buyer that he/ she mentioned in answering the questionnaire. On the other hand, a typical buyer respondent was a Business Manager or Purchasing Manager,

who have more than five years in current position and 3.6 years working directly with respective seller who recommended him/ her for the interview.

The fact that key buyer key informants were Business Managers and in some cases Managing Directors might have raised a question on whether or not these respondents were qualified as key informants in this study. The researcher was aware of this question at the first stage of this study and discussed this issue with several seller informants and buyer informants. The answer was that since most of buyer companies in Vietnam were small to medium sized where Business Managers and in some cases Managing Directors worked directly with major suppliers. In a small firm, the title of the manager might not have been clearly defined what his/her job was about. Moreover, buyer informants were recommended by seller informants who directly worked with them and knew them for a quite a long time – 3.5 years in average in this study. In addition, during our in-depth interviews with some Business Managers from buyer firms in study 1 and later study 3, we found that they understood the questions and had the knowledge and experience to answer our questions. Later during the questionnaire pretesting, several Business Managers from buyer firms were asked to answer the questionnaire. After that, they were asked to describe the meaning of each question, to explain their answers, and to state any problems that they encountered while answering questions. All of them could easily answer the questionnaire and explained the meaning of each question. Based on these observations, we believed Business Managers were qualified as key informants for this study and later for study 4 as well.

## DATA COLLECTION PROCEDURE

### *Recruiting and training of the data collectors*

To collect data for this study, 10 MBA students from a local university who had studied at least two courses in Marketing (Marketing Management and Marketing Research) were employed as data collectors. Training on the data collection technique was offered before the students start collecting data. The training consisted of 2 stages. First is three hours of in-class training. The researcher explained to them: 1) the objectives of the study and data collection, 2) who the targeted informants were, 3) how to approach them, 4) how to set up appointments with targeted informants, 5) the interview process, 6) problems and difficulties that might be encountered before, during and after the interviews, 7) how to overcome these problems and difficulties, 8) the two types of questionnaires, their structures, and every single item (questions) in the questionnaires. After explanation, the researcher answered all the questions of the trainees. Then the trainees worked in pairs and played the role of interviewer and interviewee. In the second stage of the training, the researcher came along with each of the 10 trainees to the actual interviews. At these interviews, the researcher interviewed the informants and the trainees observed. This stage took about one week to complete.

### *Pre-test the questionnaires*

The two questionnaires were tested for their wording, understandability, and clarity by eight supplier informants and eight buyer informants. The 16 informants were asked to complete the questionnaire, after which they were asked to describe the meaning of each question, to explain their answers, and to state any problems that they encountered while

answering questions. Small adjustments to the questionnaires were made on the basis of the pretest.

### *The Interview Process*

The revised questionnaires were used in personal interviews (face to face). Before the interviews are conducted, CEOs or Managing Directors of six supplier firms had sent the potential supplier informants open letters explaining the nature of the study and asking for their participation.

Each data collector was assigned a small list of 12 to 15 potential supplier informants from which he/ she had to successfully interview at least 10 informants. First, the data collector contacted the supplier informants in the list to set up interviews. Then on the date of appointment, the data collector came to the informant's office to conduct the interview. At the beginning of the interview, the data collector asked the informant to think about the dealer/ buyer that he/ she had been working with and had close business relationships with his/ her company. After that, the data collector asked the managers to answer all the questions in the questionnaire regarding that relationship. At the end of the interview, the data collector collected the completed questionnaire and the contact information of the buyer informant.

The buyer informant interview process was similar to that of the supplier informant. Open letters from the CEOs/ Managing Directors of the six supplier firms had also been sent to the buyers asking for their participations. The data collector then called the buyer informants to set up appointments and the interview process had been conducted following the preciously mentioned procedure.

The data collection took three months to complete due to the busy schedule of the informants. 128 potential seller informants in the list were contacted. 112 interviews were successfully conducted for seller informants and 104 for buyer informants. 16 seller informants and 8 buyer informants could not be contacted or were unwilling to participate. As a result, 104 completed pair questionnaires were use for data analysis.

### STUDY 3: VALIDATION OF THE SCALES

#### OBJECTIVE

The objective of study 3 was to qualitatively validate the scales which emerged from study 2.

#### METHOD

In order to validate the scales, in-depth interviews were conducted with two marketing professors from the School of Business Administration, Hochiminh City University of Economics. Both hold PhD degrees in marketing. In-depth interviews with four senior sales managers, two from supplier firms and two from buyer firms, were conducted for this study. Each interview took 120 - 150 minutes on average to complete

At the interviews, the researcher explained the objective of the study and presented the interviewees with the list of items which emerged from studies 1 and 2. The researcher then asked the interviewees to examine each of the items in the list and make their suggestions regarding clarity, structure, and understandability. Adjustments for the items were made at the end of the interview.

## STUDY 4: QUANTITATIVE TEST OF THE PROPOSED MODEL

### OBJECTIVE

The objective of study 4 was to empirically test the conceptual model of relational benefits and costs with the scales which emerged from studies 1, 2 and 3.

### DATA COLLECTION INSTRUMENT

Personal interviews with structured were employed as the data collection technique. In a high contact cultured research setting, the personal interview is considered as appropriate because the respondents are more familiar with face-to-face contact rather than other data collection techniques.

Two questionnaires, one for sellers and one for buyers, were designed. Full versions of the questionnaires in English and Vietnamese can be found in appendix 3. Each questionnaire consisted of two parts. Part 1 consisted of the relational benefit, costs and commitment items. 7-point Semantic differential scale with 1 being strongly disagree and 7 being strongly agree were used for all the questions in this part.

Part 2 consisted of respondent information. Table 9 shows the format of the 2 questionnaires.



Table 7: Questionnaires format for study 4

Questionnaire	for sellers	for buyers	Scale
	No of items	No of items	
<b>Part 1</b>			
Economic Benefits	14	24	1-7 Semantic
Social Benefits	12	12	1-7 Semantic
Confident Benefits	08	08	1-7 Semantic
Informational Benefits	06	06	1-7 Semantic
Maintenance costs	07	08	1-7 Semantic
Commitment	10	10	1-7 Semantic
Total	57	68	
<b>Part 2</b>			
Buyer contact information	7	N/A	Open ended questions
Respondent information	6	6	

#### TRANSLATION AND BACK TRANSLATION

The same procedure was used as was employed in study 2. Two professional Vietnamese/English – English/ Vietnamese translators, both Vietnamese, were employed to translate and back translate the questionnaires. The first translator translated the English versions into Vietnamese. The second, who had never seen the English versions, translated the Vietnamese version into English. The two English versions were compared and the differences were resolved.

#### SELECTION OF KEY INFORMANTS

##### *Selection of key informants in the seller firms*

The selection of key informants in this study followed the same procedures to those in study 2. The list of 396 seller informants obtained from study 2 was used in this study except that the list now only consisted of 268 valid seller informants because 128 were contacted in study 2.

*Selection of key informants in buyer firms*

The selection of buyer informants was similar to the procedure mentioned in study 2 in which seller informants introduced potential buyer informants for interviews. Table 8 presents the respondent characteristics in this study.

Table 8: Study 4 – Respondent Characteristics

		Seller respondent		Buyer respondent	
Gender	Male	49.3%	Male	53.1%	
	Female	50.7%	Female	46.9%	
Position	Sales Manager	28.6%	Business Manager	56.0%	
	Account Manager	37.9%	Purchasing Manager	33.3%	
	Senior Sales Representative	24.3%	Managing Director	10.7%	
	Customer Service Manager	9.2%			
No of Years in current position	Mean	5.3	Mean	4.7	
	Std dev.	2.0	Std dev.	2.0	
	Max	15	Max	16.0	
	Min	2.0	Min	2.0	
No of Years worked with buyer/ seller	Mean	3.3	Mean	3.5	
	Std dev.	1.2	Std dev.	1.4	
	Max	8.0	Max	9.5	
	Min	1.0	Min	1.5	
N		206	N		206

As table 8 shows, a typical seller respondent was a Sales Manager or Account Manager who had more than five years in current position and 3.3 years working directly with the buyer. On the other hand, a typical buyer respondent was a Business Manager or Purchasing Manager, who had almost five years in current position and 3.5 years working directly with the respective seller who recommended him/ her for the interview. The profile of respondents in study 4 is quite close to that of study 2.

## DATA COLLECTION PROCEDURE

### *Recruiting and training the data collectors*

Due to the length of the project, 10 data collectors from study 2 could not be employed in study 4. The same recruiting and training process was used for 20 new recruits. All of them were MBA students from local university who have background in Marketing (all had at least two marketing courses or had marketing research experiences).

### *Pre-test the questionnaires*

The two questionnaires were tested for their wording, understandability, and clarity by three supplier informants and three buyer informants. The two questionnaires were revised and readied for data collection.

### *The Interview Process*

The interview procedure was similar to the procedure described in study 2. The data collection took seven months to complete due to the busy schedule of the informants. 240 seller informants in the list were contacted. 218 successful interviews with seller informants and 206 with buyer interviews were completed. 22 seller informants and 12 buyer informants could not be contacted or were unwilling to participate. As a result, 206 completed pairs of questionnaires were used for data analysis.

## CHAPTER IV

### DATA ANALYSIS

#### STUDY 1: FINDINGS

##### RELATIONAL BENEFITS AND COSTS FROM SELLER'S PERSPECTIVE

The seller respondents discussed four major groups of benefits that they enjoy from their long-term relationships with buyers: 1) economic benefits, 2) social benefits, 3) confidence benefits, and 4) informational benefits. Table 9 illustrates some sellers' comments on different benefits and costs.

##### *Economic Benefits*

There are varieties of economic benefits that a seller expects from a long-time committed buyer. First, they expect that long-term committed buyers will buy more from them, not only in terms of quantity but also in terms of the number of product lines. This is understandable because some IT suppliers offer a full range of product lines. Sales volume benefits also mean stable and predictable sales volumes from long-term buyers. Every year suppliers set sales quotas for long-term buyers which helps them better formulate their business plans. Moreover, it helps them have a better position in negotiating with manufacturers for better prices and supports (technical and financial support).

In addition to sales volumes, sellers also seek other special support from buyers. There are many ways that long-term buyers can support a seller. First, they help save the seller transaction, marketing, and communication costs. Due to smooth transactions with long-

term buyers, transaction and communication costs will be reduced for sellers. In addition, marketing costs can be saved in two ways. First, the cost of searching for new buyers is reduced compared to the costs of keeping current buyers. Moreover, satisfied buyers will say good words about the seller and introduce new buyers. Second, long-term buyers are willing to participate in the seller's marketing and promotional campaigns. This helps the campaigns run more effectively and efficiently.

In term of payment, long-term buyers often make their payments on time. This is a very important factor for sellers given the fact that overdue debt ratios are quite high in this industry in Vietnam. Moreover, long-term customers seem to be less price-sensitive than transactional customers.

#### *Social Benefits*

Obviously, most sellers enjoy the relationships with long-term buyers not only in terms of business but also in the social aspects of the relationship. They become friends with buyers. They know each other personally. They sometimes spend time with each other after business hours. Some of them even play sports, go on vacations, and join in on company parties together. They consider friendship with buyers a significant part of the business relationship. And they quite enjoy it.

Table 9: Sample of seller comments supporting selected relational benefits and costs

	Illustrative seller comments
Sales Volume	<p>“Sales from this dealer are stable and growing very fast due to our close relationship...” <i>(Mr.Tuan)</i></p> <p>“This dealer buys almost every product lines that we offer them” <i>(Ms.Hanh)</i></p> <p>“We sell big volume to this dealer. This helps us a lot in negotiating with the manufacturers to have better price and technical supports” <i>(Mr.Chanh)</i></p>
Special Supports	<p>“This dealer is always willing to participate in our marketing and sales programs. They even sometimes help us to better design our promotion campaign by giving their ideas and collecting end user feedbacks” <i>(Mr.Tuan)</i></p> <p>“This dealer supports us when we are in difficult situations” <i>(Ms.Thy)</i></p> <p>“I trust this dealer. They always pay us on time. Sometimes when we really need fast payment they try to help us out” <i>(Ms.Hanh)</i></p> <p>“Due to our reliable relationship, we can cut our marketing, administrative, and transaction costs in doing business with this dealer” <i>(Mr.Anh)</i></p> <p>“This dealer said good words about our company to other dealers..” <i>(Ms.My)</i></p>
Less price sensitivity	<p>“We are honest to this dealer and they understand it. And this help us a lot... sometime we have to increase the price a little bit, we explain to them and they accept our explanations” <i>(Ms.Hanh)</i></p>
Friendliness	<p>“He knows my name. We are very friendly” <i>(Mr.Chanh)</i></p> <p>“I like her. We have been doing business with each other for quite a long time. I think we have built up a good friendship” <i>(Mr.Tuan)</i></p> <p>“We sometimes hang out after business hours, finding something to drink and it was fun” <i>(Mr.Tan)</i></p> <p>“Last summer we invited them to join our 3 day vocation in Vung Tau. Three of them participated and we really enjoyed their accompany” <i>(Mr.Anh)</i></p> <p>“Since last two years, we play football together once a month. It is fun and we are happy that we have built a very successful relationship with this dealer.” <i>(Mr.Anh)</i></p>

Table 9: (cont.)

	Illustrative seller comments
Social regard	<p>“I think they are good business partner. We knew each other for very long time, say 6 or 7 years... They understand our business and support us. And we do the same things to them. We understand and support them...” <i>(Mr.Anh)</i></p> <p>“I know him well and feel comfortably doing business with him. He’s a good person and a good businessman too.” <i>(Ms.Hanh)</i></p> <p>“I respect this dealer. They never tried to take advantage from us even when we were in difficult times” <i>(Mr.Chuong)</i></p>
Confidence Benefits	<p>“I trust this dealer. I believe they are honest to us” <i>(Mr.Tuan)</i></p> <p>“Our business to this dealer is stable and growing. We know what to expect from each other. Every quarter of the year we meet and discuss our business plan with this dealer. They tell us what they need, what their goals are. And we tell them our sales objectives and the support that we might provide them. Doing business this way help reduce our business uncertainty and risks” <i>(Mr.Chanh)</i></p> <p>“They keep their words. They never disappointed us in term of sales volumes. They always met sales objectives that we set for them” <i>(Mr.Chuong)</i></p> <p>“I believe that this dealer always sells at the price that we set for them. This is important issue because we don’t want our dealers start a price war in the market” <i>(Ms.My)</i></p>
Informational Benefits	<p>“We communicate on daily basis; we call, email or even visit each other. We share information ...” <i>(Mr.Tan)</i></p> <p>“They let us know what they want [products and services] well in advance. This help us better prepare our business plan to serve their needs” <i>(Mr.Anh)</i></p> <p>“She calls and tells me what consumers think about our sales and promotion campaigns. She is very detailed and I like it because it helps our department to design market campaigns more effectively...She also tells us about our competitors’ reactions and how they work” <i>(Ms.My)</i></p> <p>“I got a lot of emails from this dealer asking for information. But this guy also is very informative. He has good relationships with high ranking officers in many central and local government departments who sometimes share with secret information. [And since we are very close] he often share his information with me” <i>(Mr.Tuan)</i></p> <p>“In Saigon, if you want to build business relationship, you should hang out and buy them [business partners, dealers, government officers] drinks. And while we are drinking together, we share many information that outsider can never have” <i>(Mr.Anh)</i></p> <p>“We talk about everything... about our customers, about the competitors, about what we want [for our business], about information that we know and sometimes about our personal life too...” <i>(Ms.Hanh)</i></p>

Table 9: (cont.)

Illustrative seller comments	
	<p>“Sometime it’s really time consuming. We spend a lot of time for meetings with this dealer. As the business [between us] develops, many unexpected problems occur and we meet to solve those problems...”  <i>(Mr.Tan)</i></p>
Maintenance costs	<p>“To have smooth relationship, you have to spend time, not only business but after business hours too. Sometimes it’s fun having a few drinks with your partners, but sometimes it’s a real burden. Sometimes you are tired and just want to go home and have a quiet night with your family then they [partners, dealers] call. You just can’t say no...”  <i>(Mr.Anh)</i></p> <p>“Not only time, but money too. You go out with them and it costs. In my company, we have a fund for this kind of activities” <i>(Mr.Tuan)</i></p>
Opportunity Costs	<p>“In some situations, even though I can sell my products to others and have better price, I still sell [products] to this dealers since we have been doing business with each other for very long time.” <i>(Mr.Chuong)</i></p> <p>“Some companies are asking to be our dealers in this dealer area. Even though they are good companies with strong financial capability and highly skilled sales forces, we have to turn them down because we have set up long-term committed relationship with this dealer” <i>(Mr.Anh)</i></p>



Being friends helps a seller and a buyer understand each other better. They understand the other side's values and objectives and that strengthens their relationship. Some sellers even show respect for their buyers through the buyer's honest and understanding manner during their long-term relationship. They consider that when both sides are friends and fully understand each other, the opportunistic level in the relationship will be minimized. Between these "friends", there is a high level of social regard. They spend time together, understand and respect each other. For most of them, understanding and respect are the foundation for any business relationship.

#### *Confidence Benefits*

Being friends and knowing each other for a long time is the prerequisite for having confidence in each of the parties. Sellers feel less anxious, more secure when doing business with long-term buyers. They know in advance what they can expect from their buyers. They also believe that their long-term buyers will fulfill what they promise such as payment on time, selling at list price, and keeping business information confidentially.

#### *Informational Benefits*

Receiving information from buyers is another important benefit that sellers expect and enjoy from their relationships with long-term buyers. There are many types of information that buyers can share with sellers. First, sellers want to know about the consumers' or end-users' feedback on their products, services, and their sales and marketing campaigns. Sellers also seek buyers' suggestions and comments on the way sellers serve the buyers. In addition to comments and feedback, one most important thing sellers want to know is what their buyers need and want. Specifically, sellers want to know the buyers' business plan so that sellers can use it as the basis for formulating their

own business plan. Moreover, sellers also expect buyers to share all related information with them such as competitor information, market information, and other third party information.

As expected and discussed in chapter 2, relationships not only offer benefits for sellers but also contain a variety of costs. There are two types of costs that the sellers mentioned during the interviews.

#### *Maintenance Costs*

To have a close relationship with a buyer sometimes requires a seller to spend time, effort, and resources (financial and non financial). Official meetings with buyers can take a great deal of time. On the other hand, being friends requires sellers to spend time with buyers after business hours. Sometimes it is rewarding but sometimes it's a burden. It takes not only sellers' time, but it also costs money.

#### *Opportunity Costs*

This type of costs was less widely discussed during the interviews. Most sellers did not face any problems with this kind of cost. Only a few sellers explained that, occasionally, they have to forgo some business opportunities because of their long-term commitment with buyers. For example, when the market is in a supply shortage period, they would be able to sell their product to other buyers at much higher prices, but they are precluded from doing this because of their long-term commitment to their buyers.

### RELATIONAL BENEFITS AND COSTS FROM BUYER'S PERSPECTIVE

Similarly to the perspective of the sellers, buyers gain four groups of benefits from their relationships with sellers: 1) Economic benefits, 2) Social benefits, 3) Confidence

benefits, and 4) Informational benefits. Table 10 illustrates some typical buyers' comments on relational benefits and costs from their relationships with sellers.

#### *Economic Benefits*

Economic benefits are a focal point. There are several sub dimensions under this grouping. First, product and service quality is the top priority that buyers discussed during interviews. They will only build long-term relationships with suppliers who ensure high and reliable product and service quality. They also prefer suppliers offering a wider range of products and services to those offering only limited ones. They do not want to build many normal relationships but rather prefer having limited numbers of special relationships. The second thing they look for in a supplier is fast, precise, and reliable delivery. Third, they look for a supplier who responds quickly to their product/ service requirements and who can offer them special support such as technical support, sales and marketing support, and financial support. Those types of support are expected to lower their transaction, communication, and marketing costs. Next, they expect sellers to always offer them competitive and sometimes special pricing. And finally, they require sellers to treat them fairly and respond quickly to their complaints.

Table 10: Sample of buyer comments supporting selected relational benefits and costs

Illustrative Buyer Comments	
Economic Benefits	
Product quality	<p>“One reason that we buy from this supplier is that they offer full range of IT products. We can buy almost everything from them” (<i>Ms.Hien</i>)</p> <p>“The product quality [this supplier supplies] is good and reliable. I am happy doing business with them.” (<i>Mr.Nam</i>)</p> <p>“Having products in stock is very important thing that we expect from our suppliers. And this supplier is real good at this. Sometimes when we are in urgent situations, we just call them and they try their best to help us” (<i>Mr.Kim</i>)</p>
Special Support	<p>“I always have special offers from this supplier even when I buy small volume. The secret is that we are friends and we have built up very good relationship over time” (<i>Ms.Truc</i>)</p> <p>“This supplier always arrange special deliveries for us” (<i>Mr.Tri</i>)</p> <p>“The technical supports from this supplier are very effective. They offer us technical trainings, technical materials, and sometimes they even send their technical experts to our company to help instruct our sales force.” (<i>Mr.Dinh</i>)</p> <p>“Sometimes we are out of stock, and customers are waiting, we call them [the supplier] asking for special delivery. They help us out and don’t charge for special service. They treat us very special” (<i>Mr.Thang</i>)</p> <p>“One time, our technical staff had a big problem with a customer. I didn’t know what to do. I call them [the supplier] and within 30 minutes they sent 2 technical experts to help us. I really appreciated their support” (<i>Ms.Hien</i>)</p>
Pricing and Cost Reduction	<p>“I think the price this supplier offer is always competitive. It’s not always the cheapest in the market but it’s reasonable given the high quality of their service to us” (<i>Mr.Dinh</i>)</p> <p>“They are fair with us. I believe they offer the same price for dealers at the same level” (<i>Mr.Nam</i>)</p> <p>“This supplier offers our company good credit line. This year they just raise our credit line to the top level. That’s very good of them.” (<i>Ms.Kim</i>)</p> <p>“Buying from this supplier help save our transaction costs. We don’t waste our time searching for new suppliers and setting up new relationship” (<i>Ms.Hien</i>)</p>

Table 10: (cont.)

Illustrative Buyer Comments	
Social Benefits	
Friendliness	<p>“He knows me well and I know him too. We talk on the phone everyday. We are friends” <i>(Mr.Thang)</i></p> <p>“I hang out with them after business hours or at weekend. We often go to Window Garden Coffee Shop together. Last Sunday, we went to Diamond Plaza [shopping center] to play bowling. I enjoyed it very much and I think they enjoyed it too” <i>(Mr.Tri)</i></p> <p>“Our team [I and some of my colleagues] play football with their team [the supplier’s team]. After the match we hang out having some drinks. I think this helps strengthen our business relationship. They are not only my business partners but also my friends now” <i>(Mr.Dinh)</i></p> <p>“They invited us to go picnic with them and we joined them 2 or 3 times. On the other hand, we also invited to our company’s parties. They came and had a lot of fun with us” <i>(Ms.Truc)</i></p> <p>“I feel comfortable being around them and hanging out with them” <i>(Mr.Thang)</i></p>
Social regard	<p>“She spends time listening to our problems. Sometimes if she can, she helps us out. Other times if she can’t, she still listens and gives us advice. I think she really cares for us and our business” <i>(Mr.Tuan)</i></p> <p>“We work closely. And we understand each other. I know their goals and they know mine. That makes things easier for both of us” <i>(Ms.Hien)</i></p> <p>“I love this supplier. We knew each other for very long time. I knew everything about them. I often write articles for their newsletters.” <i>(Mr.Dinh)</i></p> <p>“I respect them and they respect us. That is the foundation for our business relationship” <i>(Mr.Tuan)</i></p>

Table 10: (cont.)

Illustrative Buyer Comments	
Confident benefits	<p>“This supplier is very reliable. He fulfils what he promises us. I trust him and know exactly what I can expect from him” (<i>Ms. Kim</i>)</p> <p>“Nowadays it’s hard to trust anyone. Once you find someone you can trust then you should build strong link with them. This supplier is someone I trust. They are always honest with me” (<i>Mr. Nam</i>)</p> <p>“We believe that this supplier will not reveal confidential business information that we share with them with others” (<i>Mr. Tri</i>)</p> <p>“This supplier’s policy for dealers is consistent and reliable over time. I feel less risky in doing business with them.” (<i>Mr. Dinh</i>)</p>
Informational Benefits	<p>“They send us sufficient information about their new products and services. In term of providing information, this supplier is good” (<i>Ms. Truc</i>)</p> <p>“Every time they intent to launch new sales and promotion campaigns they inform us in advance and seek for our suggestions” (<i>Ms. Kim</i>)</p> <p>“I think we are in their email list. Ever week they email us product update and sometimes market information as well” (<i>Mr. Tri</i>)</p> <p>“They update their distribution plan for us periodically” (<i>Ms. Hanh</i>)</p>
Costs	
Maintenance costs	<p>“They are big corporation and we are small. They set a lot of policies and requirements for us to be their long-term dealer. It’s good doing business with them but it consumes a lot of time and efforts to meet their [financial] requirements” (<i>Mr. Tuan</i>)</p> <p>“Our relationship takes time and efforts. We try our best to build and develop this relationship” (<i>Mr. Dinh</i>)</p>
Opportunity costs	<p>“Sometimes we can have cheaper price from other suppliers but we still buy from them because we committed to this business relationship” (<i>Mr. Thang</i>)</p> <p>“Other suppliers invite us to sell their products but we refuse because we don’t want to ruin our relationship with this supplier” (<i>Mr. Nam</i>)</p>

### *Social Benefits*

Similar to sellers' perceptions on this issue, buyers consider personal relationship with suppliers to be significant. They get to know their suppliers personally and in some cases become friends. As seen in many sellers' comments, buyers also enjoy spending time, having fun, playing sports, and going on vacation with sellers. By doing so, they get to know the suppliers better. They understand the supplier's values, objectives, requirements, and problems as well. Some of them are happy with the relationship they build with their suppliers and are proud of doing business with these suppliers. In addition to becoming friends and understanding each other, buyers respect their partners and expect their partner to do the same thing to them. For them, friendliness and social regard are a necessity for long-term business relationships.

### *Confidence Benefits*

Reducing perceived risks, market uncertainties, and anxiety is another type of benefit that buyers can gain from long-term relationships with suppliers. Being friends and understanding helps them to trust each other. They know what to expect from their suppliers and they believe in the suppliers' promises. In addition, the more that supplier policies for dealing with buyers are consistent, transparent, and predictable, the higher the level of confidence that buyers will have in their suppliers.

### *Informational Benefits*

Information about new products and services are very important for buyers in this industry. Since new IT products and services are introduced everyday, business buyers need to be informed before consumers. In addition, buyers also expect their suppliers to

provide many other types of information such as information about sales and marketing campaigns, the competition, third parties, and the market. Also building close relationships with suppliers is a good way to access information about suppliers.

#### *Maintenance Costs*

Time, effort and money are the starting points for building a relationship. Similarly to the suppliers, buyers also face maintenance costs for their relationships with suppliers. These costs can include time for meetings, time for negotiating, time and money for time spent together, etc. Moreover, some suppliers set many requirements for potential buyers to meet in order to become long-term partners. Those requirements are considered as a type of relationship maintenance cost by the buyers.

#### *Opportunity Costs*

Only several buyers mentioned this type of cost during the interviews. One of them stated that other suppliers asked his company to sell their products with high commission fees but his company had to turn down this offer because of their long-term committed relationship with their current supplier. The other respondent mentioned that sometimes other suppliers offered them better prices for the same products, but they still bought from their current supplier because they did not want to ruin their relationship.



## STUDY 2: FINDINGS

In order to explore the underlying structure of relational benefits and costs perceived by sellers and buyers, two separate Exploratory Factor Analyses (EFAs) were used (one for seller items and one for buyer items.) Only benefit and cost items have been used as the input for 2 EFAs. Cronbach's Alpha analysis was used to examine the reliability of Commitment scale in this study. The result showed that commitment scales for both seller and buyer are very reliable. Cronbach's Alpha for supplier commitment was 0.96 and for buyer commitment was 0.94.

### EFA RESULT FOR SELLER SCALES

Principle component analysis with varimax rotation was employed on the 51 items supposed to measure seller relational benefits and costs. A visual inspection of the correlations among the 51 variables, KMO and Bartlett's test, and MSA (measure of sampling adequacy) are conducted to ensure that the data matrix had sufficient correlations to justify the application of factor analysis. A visual inspection of the correlations showed that there were substantial numbers of correlations greater than .30. The KMO was .890 and Bartlett's test was significant at .001. In addition, there were no variables that had an MSA lower than .5. Therefore, principle component analysis was appropriate. Using an eigenvalue of one or greater as the criterion, alongside the scree test, a 7-factor solution emerged. There were two economic benefit items and two opportunity cost items that had high loading on two or more factors. Therefore the four were removed from further analysis, leaving 47 items retained in the final solution. The solution had simple structure, which confirmed the appropriateness of orthogonal rotation

technique. No factor contained less than four variables, and there were strong distinct loadings of variables on factors. The model explained 78.6% of the total observed variance.

The seven factors, in order of variance explained, were labeled as follows: Special supports from long-term buyer (factor 1), Friendliness (factor 2), Confidence benefits (factor 3), Maintenance costs (factor 4), Informational benefits (factor 5), Sales volume benefits (factor 6), and Social Regard (factor 7). Table 11 shows the factor loadings and Cronbach's Alpha coefficients for seller relational benefits and costs.

Table 11: EFA for seller relational benefits and costs

FACTOR	1	2	3	4	5	6	7
<b>SPECIAL SUPPORT (Cronbach's Alpha = 0.96), Variance Explained= 15.55%</b>							
This dealer introduce new customers for us	0.84						
This dealer always pays us on time	0.82						
When price increases slightly, this dealer is not too price sensitive	0.81						
This dealer supports us in difficult times	0.79						
This dealer say good words about us with other dealers	0.78						
This dealer responds quickly every time we ask for their supports	0.76						
This dealer is willing to work with us in our sales and marketing campaign	0.75						
Doing business with this dealer helps us save our transaction costs	0.72						
Thank to our good relationship with this dealer, our business plans have been formulated and implemented successfully	0.70						
<b>FRIENDLINESS (Cronbach's Alpha = 0.95), Variance Explained= 15.28%</b>							
The staff of this dealer knows very well about our company	0.83						
My relationship with the staff of this dealer is a friendship	0.82						
My relationship with the staff of this dealer makes me feel comfortable	0.81						
I feel happy in doing business with this dealer	0.79						
In addition to business relationship, I have good personal relationship with this dealer's staff	0.76						
The staff of this dealer and I sometimes hang out after business hours	0.76						
The staff of this dealer knows my name	0.75						
I feel happy about the social aspects of my relationship with this dealer	0.72						

Table 11 (cont.)

FACTOR	1	2	3	4	5	6	7
<b>CONFIDENCE BENEFITS (Cronbach's Alpha =0.96), Variance Explained= 13.97%</b>							
We feel less anxious in doing business with this dealer			0.90				
We know in advance what we can expect in doing business with this dealer			0.86				
Long term relationship with this dealer helps reduce our business uncertainties			0.85				
We believe that this dealer will not reveal business information that we share with them with other parties			0.85				
We trust this dealer			0.83				
We believe that this dealer will seriously fulfill what they promise us			0.82				
We believe that this dealer will sell at the price that we set for them			0.82				
We believe that in market turbulence situation this dealer will not try to take advantage of our relationship			0.77				
<b>RELATIONAL MAINTENANCE COSTS (Cronbach's Alpha =0.95), Variance Explained= 11.97%</b>							
We have many business problems with this dealer				0.85			
We often argue with this dealer about business related issues				0.83			
We spend a lot of time and efforts to negotiate with this dealer to come to agreements on business deals				0.81			
We invest a lot of efforts and other resources (in addition to monetary resources) to build and maintain our relationship with this dealer				0.81			
We spend a lot of time to build and maintain our relationship with this dealer				0.80			
We invest a lot of money to build and maintain our relationship with this dealer				0.80			
We spend a lot of time for meetings with this dealer				0.80			

Table 11 (cont.)

FACTOR	1	2	3	4	5	6	7
<b>INFORMATIONAL BENEFITS (Cronbach's Alpha =0.95), Variance Explained= 10.99%</b>							
This dealer provides us all information that is related to our business relationship							0.92
This dealer provides sufficient customers' information and feedback for us							0.90
This dealer provides us their feedback and suggestions on the way we serve them							0.87
This dealer provides all the competitors' information for us							0.85
This dealer share with us their needs for products and services							0.84
This dealer provides us their feedback and suggestions on our sales and promotion campaigns							0.83
<b>SALES VOLUME BENEFITS (Cronbach's Alpha =0.93), Variance Explained= 6.38%</b>							
We always meet our sales objectives with this dealer							0.71
This dealer buys variety of product lines from us							0.71
Sales from this dealer is growing gradually							0.69
Sales from this dealer is stable							0.67
We gain negotiating advantage with manufacturers due to our successful business relationship with this dealer.							0.64
<b>SOCIAL REGARD (Cronbach's Alpha =0.93), Variance Explained= 4.45%</b>							
We are proud to be the supplier for this dealer							0.64
This dealer understands our business objectives							0.64
This dealer respects us very much							0.62
This dealer spends time listening to our problems or difficulties							0.61

These seven factors appeared to fit well with the initial conceptualization of the four benefits categories suggested by conceptual arguments (Chapter 2) and the results obtained in Study 1. The Economic benefits were presented by two factors: Sales volume benefits and Special support from long-term buyers. While Sales volume benefits clearly represented the notion of increasing sales and meeting sales objectives for a seller, Special support captured a broader concept of supportiveness including on-time payment, less price sensitivity, transaction cost reduction, quick response and support in difficult times, new customer recommendation, and willingness to participate in seller's marketing campaigns. These types of supports were relationship specific. Sellers could only earn these supports from long-term committed buyers not from any short-term transactional buyers. Therefore, this factor was termed "Special Support". In their studies in services industries, Gwinner, Gremler and Bitner (1998) and Hennig-Thurau Gwinner and Gremler (2002) used similar terminology "Special treatment benefits" to convey the concept of relational economic benefits that service providers offered for its loyal customers.

The Social benefits were presented by two factors: Friendliness and Social Regard. The former represented different aspects of friendships and helped partners become familiar with mutual needs, build personal bonding, and eventually improve the quality of the business relationship, while the latter meant mutual understanding, and respect each other. Butcher, Sparks, and O'Callaghan (2001) defined social regard as genuine respect, deference, and interest shown to the partners, such that the partners felt valued or important in the social interaction. Social regard factor in this study expressed a similar view. In addition, these two factors were widely discussed in the relational literature as

friendliness (Witkowski and Thibodeau 1999), social regard (Butcher, Sparks, and O'Callaghan 2001), or respecting the customer (Barnes, 1997).

Confidence benefits factor was very close to conceptual discussion and the finding in Study 1. This factor reflected the sense of reduced anxiety, faith in the trustworthiness of the buyers, reduced perceptions of risk, and knowing what to expect in a relationship. The name of this factor was in accordance to the work of Gwinner, Gremler and Bitner (1998), the work of Patterson and Smith (2001), and the work of Hennig-Thurau Gwinner and Gremler (2002).

Informational benefits reflected several aspects of informational benefits that sellers gained from long-term committed buyers: 1) end-user/ consumer information and feedback, 2) buyers feedback and suggestions, 3) competitor information, 4) buyer's need for products and services, 4) buyer feedback on seller's sales and marketing campaigns.

Maintenance costs referred to costs, time, efforts, and other resources that a seller invested to maintain a long-term relationship with its buyer. This factor consisted of seven items that captured this concept.

#### EFA RESULT FOR BUYER SCALES

Principle component analysis with varimax rotation was employed on the 65 items supposed to measure seller relational benefits and costs. A visual inspection of the correlations among the 65 variables, along with KMO and Bartlett's tests, and MSA (measure of sampling adequacy) were conducted to ensure that the data matrix has sufficient correlations to justify the application of factor analysis. A visual inspection of the correlations showed that there were substantial numbers of correlations greater than

.30. The KMO was .882 and Bartlett's test was significant at the .001 significance level. In addition, there were no variables that had an MSA lower than .5. Therefore, principle component analysis was again appropriate. Using an eigenvalue of one or greater as the criterion, along with the scree test, a 7-factor solution emerged. In this instance, three economic benefit items, one informational benefit item and three opportunity cost items had high loadings on 2 or more factors. Therefore the seven were eliminated from further analysis, leaving 58 items retained in the final solution. The solution had a simple structure, which confirmed the appropriateness of orthogonal rotation. No factor had less than two variables, and there were strong distinct loadings of variables on the factors. The model explained 76.5% of the total observed variance.

The 7 factors, in order of variance explained, were labeled as follows: Special support from long-term seller (factor 1), Social benefits (factor 2), Confidence benefits (factor 3), Maintenance costs (factor 4), Pricing and cost reduction (factor 5), Informational benefits (factor 6), and Product quality (factor 7). Table 12 showed the factor loadings and Cronbach's Alpha coefficients for the buyer relational benefits and costs.

These seven factors appeared to fit well with the initial conceptualization of the four benefits categories suggested by conceptual arguments (Chapter 2) and the results obtained in Study 1. The Economic benefits were presented by three factors: Product quality, Special support from long-term seller, Pricing and Cost Reduction. Product quality referred to the notions that a seller provided high and reliable quality products, and offered full range of product lines. Special support conveyed a broader concept including special offers from a seller, special deliveries in urgent situations, technical support, quick response and support in difficult situations, sales and marketing support.



These types of support could only be offered by a seller for their long-term buyers. This factor therefore was named “Special support” to distinguish with other supports that a seller normally offered for any buyers. The name of “special support” was similar to “special treatment benefits” proposed and tested by Gwinner, Gremler and Bitner (1998) and by Hennig-Thurau, Gwinner and Gremler (2002) in their studies in services industries. Pricing and Cost reduction referred to two important but related issues: pricing and cost. In a long-term relationship, buyers not only had special pricing but also enjoyed more generous credit policy from long-term suppliers. In addition, working with long-term partners helped buyers to reduce the transactional costs.

The Social benefits were presented by one single factor. All 12 items showed high loadings in this factor. To further investigate the underlying structure of social benefits, a EFA was employed on 12 social items. The result of EFA confirmed two-factor-structure. The first factor consisted of eight items representing the friendliness dimension while the second factor consisted of four items representing the social regard dimension.

Confidence benefits factor was very close to conceptual discussion and the finding in Study 1. This factor reflected the sense of reduced anxiety, faith in the trustworthiness of the sellers, reduced perceptions of risk, and knowing what to expect in a relationship. The name of this factor was in accordance to the work of Gwinner, Gremler and Bitner (1998) and the work of Patterson and Smith (2001).

Informational benefits reflected several aspects of informational benefits that buyers gained from long-term committed sellers: 1) up-to-date information about seller distribution plan, 2) information about the availability of seller’s products and services, 3)

billing information, 4) information about business opportunity, 5) new products and services information, 6) sales and promotional campaigns.

Maintenance costs referred to costs, time, efforts, and other resources that a buyer invested to maintain a long-term relationship with its seller. This factor consisted of eight items that captured this concept. It could be the amount of time that buyers spent in meetings with sellers, money and time to build and maintain personal and official relationship with sellers, as well as time and efforts spending to meet financial requirements of a seller to become that seller's long-term partner.

Table 12: EFA for buyer relational benefits and costs

FACTOR	1	2	3	4	5	6	7
SPECIAL SUPPORT (Cronbach's Alpha = 0.97), Variance Explained= 17.46%							
We often have special offers when buying from this supplier	0.89						
The service processing process of this supplier is flexible and effective	0.84						
When we are in urgent situations, this supplier always makes special deliveries to us	0.83						
This supplier supports us effectively in our joint sales and promotion campaigns	0.82						
This supplier deals with our complains very fairly	0.82						
This supplier support us very effectively when we face difficulties	0.81						
This supplier responses quickly to our requirements for their products	0.81						
This supplier responses quickly when we complain with them	0.81						
This supplier always support us very well regarding technical issues	0.80						
This supplier responses quickly to our requirements for supports	0.80						
This supplier always deliveries their products to us precisely	0.79						
This supplier always deliveries their products on time	0.78						
This supplier responses quickly when we have problems	0.74						

Table 12: (cont.)

FACTOR	1	2	3	4	5	6	7
SOCIAL BENEFITS (Cronbach's Alpha = 0.97), Variance Explained= 16.10%							
The staff of this supplier knows very well about our company		0.86					
My relationship with the staff of this supplier makes me feel comfortable		0.85					
This supplier spends time listening to our problems or difficulties		0.85					
I feel happy about the social aspects of my relationship with this supplier		0.81					
This supplier respects us very much		0.81					
I feel happy in doing business with this supplier		0.80					
The staff of this supplier knows my name		0.79					
This supplier understands our business objectives		0.78					
My relationship with the staff of this supplier is a friendship		0.77					
We are proud to be the dealer for this supplier		0.77					
The staff of this supplier and I sometimes hang out after business hours		0.77					
In addition to business relationship, I have good personal relationship with this supplier's staff		0.77					

Table 12: (cont.)

FACTOR	1	2	3	4	5	6	7
<b>CONFIDENCE BENEFITS (Cronbach's Alpha = 0.96), Variance Explained= 11.42%</b>							
We believe that this supplier will not reveal confidential business information that we share with them with other parties			0.92				
We know in advance what we can expect in doing business with this supplier			0.89				
We feel less anxious in doing business with this supplier			0.87				
We believe that this dealer will seriously fulfill what they promise us			0.85				
We believe that in market turbulence situations this supplier will not try to take advantage of our relationship			0.83				
We believe in the consistency of this supplier's policy for us			0.83				
We trust this supplier			0.82				
Long term relationship with this supplier helps reduce our business uncertainties			0.79				
<b>RELATIONAL MAINTENANCE COSTS (Cronbach's Alpha = 0.93), Variance Explained=9.72%</b>							
We often argue with this dealer about business related issues				0.85			
We spend a lot of time to build and maintain our relationship with this supplier				0.85			
We invest a lot of money to build and maintain our relationship with this supplier				0.83			
We spend a lot of time and efforts to negotiate with this supplier to come to agreements on business deals				0.80			
We have many business problems with this suppliers				0.76			
We spend a lot of time for meetings with this suppliers				0.74			
We invest a lot of efforts and other resources (in addition to monetary resources) to build and maintain our relationship with this supplier				0.73			
We spend a lot of time and efforts to meet the financial requirements of this supplier				0.70			

Table 12: (cont.)

FACTOR	1	2	3	4	5	6	7
<b>PRICING AND COST REDUCTION (Cronbach's Alpha = 0.96), Variance Explained = 9.46%</b>							
This supplier ensures that their dealers do not sell below their listed price					0.83		
This supplier offers us a reasonable credit policy					0.78		
When buying large volume we always have special price from this supplier					0.78		
This supplier offers the same price for dealers at the same level					0.77		
Having good relationship with this supplier helps us save our transaction costs with them					0.76		
Having good relationship with this supplier helps us save our time					0.76		
The price this supplier offers is always very competitive compared to other suppliers in the market					0.73		
<b>INFORMATIONAL BENEFITS (Cronbach's Alpha = 0.95), Variance Explained= 8.75%</b>							
This supplier provides us up-to-date information about their distribution plans						0.85	
This supplier provides us up-to-date information about the availability of their products and services						0.83	
This supplier provides us up-to-date billing information						0.83	
This supplier provides us many information about business opportunities						0.81	
This supplier provides us sufficient information about their sales and promotion campaigns						0.80	
This supplier provides us sufficient information about their new products and services						0.79	
<b>PRODUCT QUALITY (Cronbach's Alpha = 0.83), Variance Explained= 3.57%</b>							
The product quality of this supplier is very good							0.71
This supplier always has in stock the products that we need							0.67
This supplier offers full range of products							0.60
The quality of the products this supplier supplies for us is very reliable							0.44

### STUDY 3: FINDINGS

In general, the interviewees agreed with most of the items generated from study 1 and study 2. A few comments were made on reverse scored items of the commitment scale. Some were concerned that the Vietnamese respondents would be confused with this type of questions. These comments were made by one marketing professor. The other professor made no comment on this issue. The researcher decided to discuss this issue with manager respondents but all of them thought that Vietnamese respondents could easily understand reverse scale scored questions. Moreover, the findings from study 2 showed that the Cronbach's Alpha coefficients of two commitment scales with reverse scored questions were very high ( $>0.9$ ). Therefore, the reverse scored scale items in the commitment scale were kept unchanged.

Four out of the six interviewees commented on various opportunity cost items. They thought that the concept of opportunity cost was not well defined and therefore lead to confusion of the respondents. The findings from study 2 confirmed this concern since two opportunity cost items for the seller and 3 opportunity cost items for the buyer showed cross loadings on two or more factors. As a result, opportunity cost items were removed from the final list.

Most of the interviewees agreed with the structure of the benefits and costs from seller's and buyer's perspective. Three out of the six suggested that buyer's social benefits included two components: friendliness and social regard as in seller's social benefits. Two of the three were buyer managers and the other was a marketing professor. Only a few suggestions on how to label the factors were made.

## STUDY 4: FINDINGS

### MEASUREMENT MODELS

#### *Missing value*

Two steps were taken to examine the missing values in this study: (1) missing value analysis for each case (each respondent), and (2) missing value analysis for each variable. For the former, as part of the quality control for data collection, at the end of each interview, interviewers were required to check the filled questionnaire, and made sure that the respondent for that questionnaire provided the answers for all the questions. In some situations, where the respondent might not have information or knowledge to answer the questions, a “no comment” box was designed next to a 7-point semantic differential scale. Each of the 206 completed dyad questionnaires were examined carefully for non-random missing values. No completed questionnaires had more than 5% missing values. And no evidence of non-random missing values was found for all 206 cases.

For the latter, most of the variables had only 3-5 missing values over the total of 206 (1-2%); only two variables had 9 missing values (4.4%). By carefully examining the missing value patterns, there was no evidence to suggest that the missing values in this study were nonrandom or systematic. And since the percentage of missing values is quite small, the missing values were replaced by the means of the variables.

Table 13 summarizes the measures used for each construct in this study. Refer to The full details can be found in appendix 3 and 4. Table 14 presents the construct correlations, means, standard deviations, and reliability (Cronbach’s Alpha). All correlations are



significant at .001 level. The construct reliability is high; Cronbach's Alphas coefficients were above .9 for all constructs.

Table 13: Summary of Scale measures

Questionnaire	No of items	Source
<b>Seller Part</b>		
Sales Volume Benefits	05	Developed for this research
Special Support Benefits	09	
Friendliness Benefits	08	
Social regard Benefits	04	
Confident Benefits	08	
Informational Benefits	06	
Maintenance costs	07	
Commitment	10	Anderson and Weitz (1992)
<b>Buyer Part</b>		
Product Quality Benefits	04	Developed for this research
Special Support Benefits	13	
Pricing and Cost Reduction Benefits	07	
Friendliness Benefits	08	
Social regard Benefits	04	
Confident Benefits	08	
Informational Benefits	06	
Maintenance costs	08	
Commitment	10	Anderson and Weitz (1992)

Table 14: Construct correlation matrix

	Construct	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17
	<b>Seller Constructs</b>																	
1	Seller Sales Volume Benefits	.92																
2	Seller Special Support Benefits	.72	.95															
3	Seller Friendliness Benefits	.45	.45	.95														
4	Seller Social regard Benefits	.38	.30	.72	.93													
5	Seller Confidence Benefits	.18	.28	.33	.23	.96												
6	Seller Informational Benefits	.40	.46	.34	.18	.02	.94											
7	Seller Maintenance Costs	-.54	-.54	-.45	-.33	-.24	-.33	.95										
8	Seller Commitment	.63	.75	.58	.34	.39	.54	-.68	.95									
	<b>Buyer Constructs</b>																	
9	Buyer Product Quality Benefits	.47	.46	.59	.55	.42	.38	-.42	.57	.90								
10	Buyer Special Support Benefits	.47	.45	.42	.32	.18	.28	-.36	.46	.46	.97							
11	Buyer Pricing and Cost Reduction Benefits	.39	.38	.42	.33	.38	.28	-.27	.47	.65	.47	.93						
12	Buyer Friendliness Benefits	.29	.31	.44	.58	.19	.20	-.30	.37	.61	.38	.41	.95					
13	Buyer Social regard Benefits	.38	.33	.38	.46	.23	.16	-.35	.38	.52	.50	.48	.70	.92				
14	Buyer Confidence Benefits	.29	.31	.43	.38	.51	.15	-.30	.38	.56	.36	.43	.31	.33	.96			
15	Buyer Informational Benefits	.44	.33	.49	.40	.14	.51	-.32	.38	.58	.40	.42	.36	.33	.31	.95		
16	Buyer Maintenance Costs	-.30	-.29	-.26	-.18	-.15	-.16	.30	-.35	-.37	-.42	-.35	-.35	-.45	-.21	-.26	.94	
17	Buyer Commitment	.57	.51	.49	.41	.30	.39	-.47	.60	.61	.74	.67	.52	.62	.45	.52	-.53	.94
	Mean	5.59	5.58	5.41	5.25	5.06	5.15	3.16	5.56	5.60	5.43	5.41	5.29	5.34	5.21	5.29	3.25	5.53
	Std. Dev	1.15	1.04	1.11	1.26	1.22	1.23	1.23	1.00	1.02	1.10	1.14	1.23	1.16	1.19	1.27	1.24	0.92
	N	206	206	206	206	206	206	206	206	206	206	206	206	206	206	206	206	206

Note: Values on the diagonal are construct reliability (Cronbach's Alpha)

To assess convergent and discriminant validity, several steps were undertaken. First, separate confirmatory factor analyses (CFA) were performed on all constructs. Table 15 presents the results of the CFAs models. For all constructs, CFI, GFI, AGFI were good (above .9 in most cases), suggesting unidimensionality of those constructs.

Second, two joint confirmatory factor analyses (with all variables included simultaneously) were performed, one joint CFA for the seller variables and one for the buyer variables. As illustrated in table 15, all average variances extracted were .59 or higher and exceeds the .50 cutoff recommended by Bagozzi and Yi (1988). All factor loadings were higher than .7, except for two items with loading lower than .7 (.696 and .634). All Items'  $R^2$  were higher than .5 except two items having  $R^2$  lower than .5 (.484 and .402). See appendix 5 for full details.

Discriminant validity was assessed on the basis of chi-square difference tests in which the correlations between all possible pairs of constructs were once freely estimated and then again set to unity. All chi-square differences were significant at the .001 level, suggesting discriminant validity for those constructs. Moreover, the variance extracted estimated for each construct was greater than the squared correlations of all construct pairs.

Table 15: Assessment of Unidimensionality and Discriminant Validity

Seller Models	RMR <sup>a</sup>	GFI <sup>a</sup>	AGFI <sup>a</sup>	CFI <sup>a</sup>	AVE <sup>b</sup>	S2	S3	S4	S5	S6	S7	S8
S1: Seller Sales Volume Benefits	0.021	0.990	0.971	1.000	0.700	0.598	0.232	0.167	0.040	0.187	0.331	0.448
S2: Seller Special Support Benefits	0.042	0.938	0.897	0.981	0.660	-----	0.228	0.103	0.086	0.239	0.320	0.635
S3: Seller Friendliness Benefits	0.042	0.949	0.892	0.980	0.710	-----	-----	0.582	0.113	0.125	0.223	0.370
S4: Seller Social regard Benefits	0.028	0.984	0.918	0.992	0.770	-----	-----	-----	0.063	0.038	0.114	0.126
S5: Seller Confidence Benefits	0.048	0.951	0.896	0.982	0.730	-----	-----	-----	-----	0.000	0.063	0.162
S6: Seller Informational Benefits	0.033	0.968	0.928	0.990	0.740	-----	-----	-----	-----	-----	0.126	0.326
S7: Seller Maintenance Costs	0.036	0.957	0.907	0.985	0.740	-----	-----	-----	-----	-----	-----	0.542
S8: Seller Commitment	0.036	0.948	0.911	0.984	0.640	-----	-----	-----	-----	-----	-----	-----

Buyer Models						B2	B3	B4	B5	B6	B7	B8	B9
B1: Buyer Product Quality Benefits	0.003	1.000	0.990	1.000	0.680	0.244	0.493	0.446	0.352	0.371	0.399	0.160	0.437
B2: Buyer Special Support Benefits	0.032	0.946	0.925	0.994	0.700	-----	0.239	0.154	0.277	0.139	0.179	0.194	0.610
B3: Buyer Pricing and Cost Reduction	0.046	0.971	0.941	0.992	0.660	-----	-----	0.204	0.295	0.203	0.188	0.138	0.493
B4: Buyer Friendliness Benefits	0.034	0.973	0.951	0.999	0.710	-----	-----	-----	0.610	0.103	0.141	0.135	0.307
B5: Buyer Social regard Benefits	0.008	0.998	0.990	1.000	0.760	-----	-----	-----	-----	0.123	0.137	0.235	0.460
B6: Buyer Confidence Benefits	0.032	0.965	0.937	0.993	0.740	-----	-----	-----	-----	-----	0.102	0.046	0.222
B7: Buyer Informational Benefits	0.018	0.993	0.983	1.000	0.750	-----	-----	-----	-----	-----	-----	0.076	0.306
B8: Buyer Maintenance Costs	0.054	0.944	0.899	0.977	0.680	-----	-----	-----	-----	-----	-----	-----	0.333
B9: Buyer Commitment	0.042	0.929	0.882	0.965	0.590	-----	-----	-----	-----	-----	-----	-----	-----

Note: Unless indicated, numbers are square correlations from CFA;

AVA: average variance estimate;

a. from individual CFA;

b. from joint CFA

## STRUCTURAL MODEL

The hypothesized relationships in the model were tested simultaneously using structural equations modeling. In particular, the structural model described in Figure 2 was estimated using AMOS 5.0. Due to sample size constraint, composite measures were used as manifest indicators for each latent variable by averaging the items for each scale. The path of the latent variable to its manifest indicator was set at the square root of the reliability (alpha) and the error term at one minus the reliability score. As the number of parameters estimated relative to sample size was key to determinant of convergence, standard error, and model fit, this method helped attain the recommended sample size-to-parameter ratio of greater than five.

### *Model fit*

The chi-square value was significant (222.370 at 79 degrees of freedom), a finding not unusual with large sample sizes. The ratio of chi-square to degrees of freedom is 2.815, which can be considered as adequate. GFI (.892), NFI (.899), and CFI (.931) are reasonably high suggesting good model fit given the fact that the model was developed on theoretical bases and given the relative complexity of the model.

### *Modification of the Model*

The decision to respecify the model on the basis of the Modification Index (MI) must make sound theoretical sense. In this study, after careful examination of the MI and the review of theoretical and practical meanings, only four error covariances were problematic. The four covariances were (1) Seller social regard and seller friendliness, (2) Buyer social regard and buyer friendliness, (3) seller confidence benefits and buyer

confidence benefits, and (4) seller informational benefits and buyer informational benefits. The four error covariances had MI greater than 10.

The covariances between the two components of social benefits (friendliness and social regard) from both the seller and the buyer side were not unexpected. The findings of study 1 showed that friendliness and social regard were two interrelated components of social benefits. The covariance between seller confidence benefits and buyer confidence benefits as well as the covariance between seller informational benefit and buyer informational benefit can easily be understood as the buyers and sellers show confidence and share information with each other. Therefore, it is reasonable to reestimate the model with the error variance between the four pairs of constructs specified as free parameters.

Table 16 shows the covariances and correlations of the error covariances.

**Table 16: Error covariances**

<b>Error term</b>	<b>Chi-square change</b>	<b>Df change</b>	<b>Covariance</b>	<b>Correlation</b>
Seller social regard and seller friendliness	80.7	1	.678	.652
Buyer social regard and buyer seller friendliness	65.1	1	.691	.612
Seller confidence and buyer confidence	30.1	1	.422	.340
Seller information and buyer information	9.2	1	.508	.372
<b>Total</b>	<b>185.1</b>	<b>4</b>		

Table 17 contains the detailed results related to the structural model. Twenty five out of thirty hypothesized paths were found to be significant and in the hypothesized direction, except for one path (seller social regard benefits → seller commitment) revealing an

opposite direction compared to its hypothesis. Table 18 presents the squared multiple correlations of the dependent variables of the structural equations.

Table 17: Standardized Direct Effects

Hypothesis paths	Expected sign	Estimate	Conclusion
<b>Seller Benefits and Costs → Seller Commitment</b>			
Seller Sales Volume Benefits → Seller Commitment	H1a: +	-.003	Not support
Seller Special Support Benefits → Seller Commitment	H1a: +	.392 <sup>c</sup>	Support
Seller Friendliness Benefits → Seller Commitment	H1b: +	.251 <sup>c</sup>	Support
Seller Social regard Benefits → Seller Commitment	H1b: +	-.125 <sup>a</sup>	Not support
Seller Confidence Benefits → Seller Commitment	H1c: +	.167 <sup>c</sup>	Support
Seller Informational Benefits → Seller Commitment	H1d: +	.214 <sup>c</sup>	Support
Seller Maintenance Costs → Seller Commitment	H3a: —	-.320 <sup>c</sup>	Support
<b>Buyer Benefits and Costs → Buyer Commitment</b>			
Buyer Product Quality Benefits → Buyer Commitment	H2a: +	-.124	Not support
Buyer Special Support Benefits → Buyer Commitment	H2a: +	.424 <sup>c</sup>	Support
Buyer Pricing and Cost Reduction → Buyer Commitment	H2a: +	.313 <sup>c</sup>	Support
Buyer Friendliness Benefits → Buyer Commitment	H2b: +	.047	Not support
Buyer Social regard Benefits → Buyer Commitment	H2b: +	.144	Not Support
Buyer Confidence Benefits → Buyer Commitment	H2c: +	.100 <sup>a</sup>	Support
Buyer Informational Benefits → Buyer Commitment	H2d: +	.207 <sup>c</sup>	Support
Buyer Maintenance Costs → Buyer Commitment	H4a: —	-.157 <sup>c</sup>	Support
<b>Seller Commitment → Buyer Benefits and Costs</b>			
Seller Commitment → Buyer Product Quality Benefits	H5a: +	.557 <sup>c</sup>	Support
Seller Commitment → Buyer Special Support Benefits	H5a: +	.234 <sup>a</sup>	Support
Seller Commitment → Buyer Pricing and Cost Reduction	H5a: +	.325 <sup>c</sup>	Support
Seller Commitment → Buyer Friendliness Benefits	H5b: +	.371 <sup>c</sup>	Support
Seller Commitment → Buyer Social regard Benefits	H5b: +	.304 <sup>c</sup>	Support
Seller Commitment → Buyer Confidence Benefits	H5c: +	.239 <sup>c</sup>	Support
Seller Commitment → Buyer Informational Benefits	H5d: +	.154 <sup>a</sup>	Support
Seller Commitment → Buyer Maintenance Costs	H7a: —	-.224 <sup>b</sup>	Support
<b>Buyer Commitment → Seller Benefits and Costs</b>			
Buyer Commitment → Seller Sales Volume Benefits	H6a: +	.511 <sup>c</sup>	Support
Buyer Commitment → Seller Special Support Benefits	H6a: +	.411 <sup>c</sup>	Support
Buyer Commitment → Seller Friendliness Benefits	H6b: +	.482 <sup>c</sup>	Support
Buyer Commitment → Seller Social regard Benefits	H6b: +	.333 <sup>c</sup>	Support
Buyer Commitment → Seller Confidence Benefits	H6c: +	.216 <sup>b</sup>	Support
Buyer Commitment → Seller Informational Benefits	H6d: +	.233 <sup>b</sup>	Support
Buyer Commitment → Seller Maintenance Costs	H8a: —	-.360 <sup>c</sup>	Support

$X^2=222.370$ ;  $df=79$ ;  $p<.001$ ;  $X^2/df = 2.815$ ;  $CFI=.931$ ;  $GFI=.892$ ;  $NFI = .899$ ,  $N=206$

<sup>a</sup>  $p<.05$ , <sup>b</sup>  $p<.01$ , <sup>c</sup>  $p<.001$

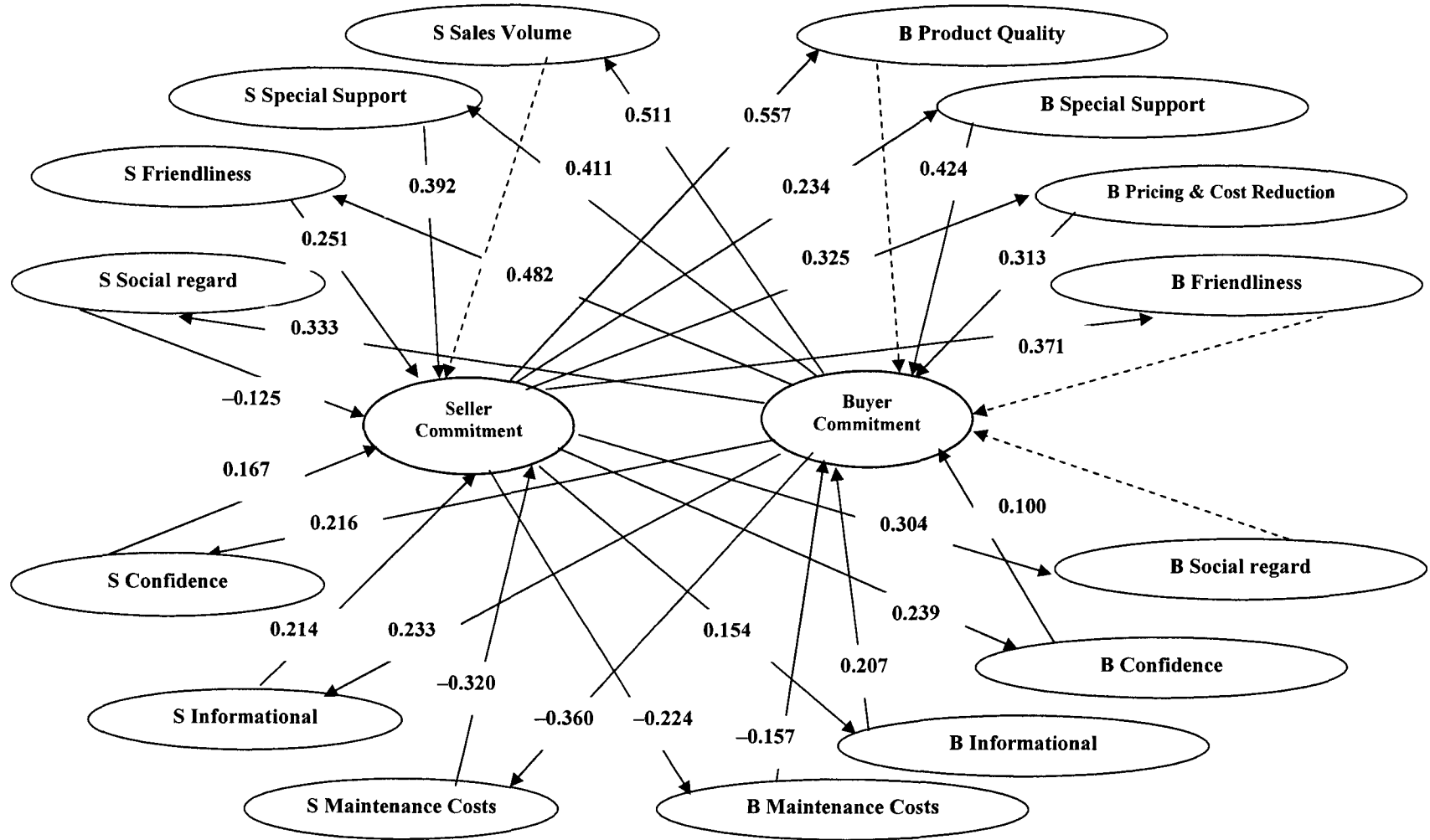


Figure 2: Model Results



Table 18: Square multiple correlations for structural equations

Dependence Variables	Estimate
Seller Commitment	.788
Seller Sales Volume Benefits	.345
Seller Special Support Benefits	.281
Seller Friendliness Benefits	.277
Seller Social regard Benefits	.153
Seller Informational Benefits	.131
Seller Confidence Benefits	.089
Seller Maintenance Costs	.217
Buyer Commitment	.801
Buyer Product Quality Benefits	.384
Buyer Special Support Benefits	.179
Buyer Pricing and Cost Reduction Benefits	.227
Buyer Friendliness Benefits	.154
Buyer Social regard Benefits	.171
Buyer Informational Benefits	.099
Buyer Confidence Benefits	.137
Buyer Maintenance Costs	.114

## DISCUSSION OF RESULTS

This study explored and tested the structure of dyadic relational benefits and costs from both buyer's and seller's perspectives. As the findings show, there are four groups of relational benefits that each party expects and enjoys from a long term relationship: 1) economic benefits, social benefits, confidence benefits, and informational benefits. Relationships, however, are not without costs. Maintenance costs were the costs related to maintaining and developing the relationship. Both parties faced this type of cost.

### *The impact of seller benefits and costs to seller commitment*

From seller perspective, Economic benefits consisted of two dimensions: Sales Volume benefits and Special Support from its buyer. The findings showed that Special Support was the most important factor that influenced the seller's commitment to its buyer, while

Sales Volumes benefits were not significant at .05 level. This is quite surprising finding because one may expect that the most important reason why sellers build and maintain long-term relationship with their buyers is that they want to increase their sales volume to those buyers. The findings in this study showed that Special Support from buyers, not Sales Volume, was the most important factor explaining why sellers were committed to their buyers. While sales volumes increases can be obtained from any buyers, special supports (payment on time, response quickly when needed, recommendation new buyers, support in difficult situations, less price sensitivity...) could only be obtained from committed long-term relationships. So the model only partially supported H1a.

In addition to Economic benefits, Social benefits were also expected to have a strong impacts on seller commitment. However, only one out of the two social dimensions was significant at .05 level. Obviously, the seller enjoys a friendship with their buyers and this friendship helps strengthen the seller commitment to the buyer. Contrasted to expectation, the impact of the Social regard factor on seller commitment was not a positive but it was negative effect. So the evidence to support H1b was mixed.

There was substantial evidence to support H1c and H1d as the impact of Confidence and Informational benefits on seller commitment was positive, strong and significant at .001 level. While benefits were expected to have positive impacts on seller commitment, perceived costs on the other hand were expected to have a negative impact on commitment. There is enough evidence to support H3 as the path from seller Maintenance costs to seller commitment was negative and significant at .001 level.

*The impacts of seller commitment to buyer benefits and costs*

The impact of seller commitment on six buyer benefit dimensions and one cost dimension were all strong and significant at the .001 level. While the impact on the benefit dimensions were positive, the impact on buyer costs was negative as expected. Among the seven paths, seller commitment had the strongest impact on buyer Product Quality benefits, and the weakest impact on buyer Informational benefits. Indeed, the findings support the hypothesized research question that seller commitment is the major source of benefits for the buyer. Committed sellers will improve the quality of their products, provide special support/ treatment, share business information, be friendly and understanding, reduce the buyer perception of uncertainties and risks, and reduce the relationship maintenance costs for the buyer. So both H5 and H7 were supported.

*The impact of buyer benefits and costs to buyer commitment*

The evidence to support H2a were mixed as the path from product quality benefits to buyer commitment was not significant at the .05 level, and two paths, one from special support and the other from Pricing and Cost Reduction benefits, were strong, positive and significant at the .001 level. These are not very surprising since the products in the IT industry are highly standardized and everybody sells similar products at similar levels of perceived quality. So what makes the differences here should be other things besides product quality. That explains why Special Support benefits and Pricing and Cost Reduction benefits were the major drivers for buyer commitment in this situation.

As for H2b, the two dimensions of social benefits did not behave as expected. Both paths from those two dimensions to seller commitment were not significant at the .05 level.

Evidence to support H2c and H2d was strong as both paths from buyer informational

benefits and confidence benefits were positive and significant at the .001 level. Similar results were found for cost dimension as buyer Maintenance costs showed a negative and significant impact (at .001 level) on buyer commitment. So H4 was strongly supported.

*The impact of buyer commitment to seller benefits and costs*

The impact of buyer commitment on seller benefits and costs was very strong and obvious. It showed strong, positive and significant (at .001 level) impact on two seller economic benefits (Sales Volumes and Special Support), two social benefits (Friendliness and Social regard), seller Informational benefits, and seller Confidence benefits. Therefore, H6a, H6b, H7c, and H6d are fully supported. As for cost dimension, buyer commitment showed a negative impact on seller Maintenance costs as expected. So H8 was also supported.

## CHAPTER V

### CONCLUSIONS AND RECOMMENDATIONS

#### DISCUSSION AND CONCLUSIONS

The major purpose of this research was to explore the nature of relational benefits and costs from a dyadic perspective. The findings of this research show that parties involved in a long-term committed relationship expected four types of benefits: (1) economic benefits, (2) social benefits, (3) confidence benefits, and (4) informational benefits. Relationships, however, do not only bring benefits but also involve costs to the parties. While two types of costs were examined in this research: (1) maintenance costs and (2) opportunity costs, only maintenance costs were apparently defined and empirically tested. Opportunity costs appeared to be ambiguous to these respondents and were therefore excluded from the later stages of the research.

As expected, economic benefits are still the most important driver of parties' commitment while other benefits increasingly important as the relationship develops. The structure of economic benefits itself has changed. For the seller, two components of economic benefits were examined: (1) Sales volume benefits and (2) Special support benefits. It is widely believed that sales increases are the most important driver motivating sellers to enter long-term relationships with their buyers. The findings in this research did not confirm this belief. Special supports from long-term buyers such as on-time payment, less price sensitivity, quick response and support in difficult times, new customer recommendation, and willingness to participate in seller's marketing campaigns become the most important motivation for seller commitment to its buyer. Similar

findings are found in the buyer situation when Special Support from long-term sellers is the most influential factor while Product Quality is no longer a top priority. Reasonable explanations for this finding may be based on the fact that for a very long time sales increases and product quality have been the top concerns for sellers and buyers respectively. But as time has passed, sellers and buyers have reached a new level in their relationship, in which sales increases and product quality have been fully satisfied by their partners. At this point, these two benefits are no longer the important concerns of both parties. In addition, sales increases and product quality may not be relationship specific benefits. Simply put, buyers can have product quality from other suppliers, who are not in long-term committed relationships with them, while sellers can increase their sales with any other buyers (not just with from buyers with long-term relationships.) So what they expect from their partner should be something that is specific to the relationship, or something that can only be reached within the long-term committed relationship. This study finds that what they expect are special support benefits – the benefits that only partners in a committed relationship can offer. There are many types of special support that buyers expect to have from a long term seller such as special offers, special and quick deliveries in urgent situations, technical support, quick response and support in difficult situations, sales and marketing support.

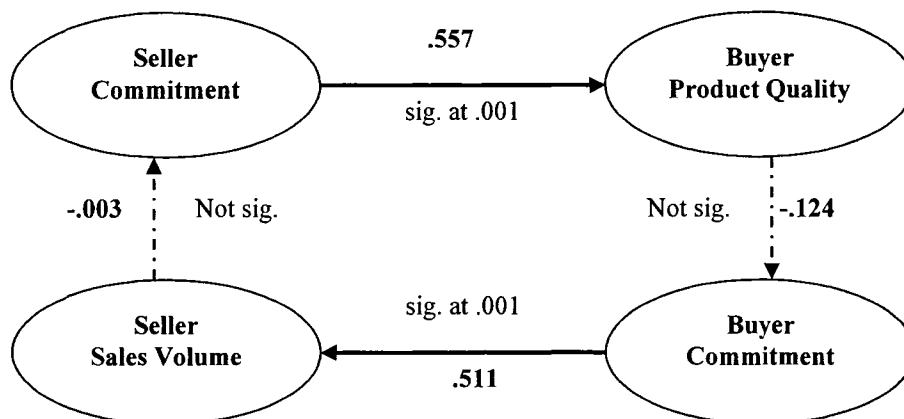


Figure 3: Seller and Buyer misunderstanding

As Figure 3 illustrates, there is a misunderstanding between buyers and sellers. Sellers still think product quality is the major benefit that the buyer is seeking and as a result they have invested heavily in product quality. That explains why seller commitment has a strong and significant (at .001 level) impact on the buyer perception's of product quality. This is clearly a misunderstanding by the sellers since product quality has no significant impact on buyer commitment. Special support from sellers is the most important driver for the buyer's commitment. A similar misunderstanding is found for buyers. Buyers believe that the major driver for the seller's commitment is Sales volumes and they have tried their best to increase their sales. But in fact sales volume is no longer the important driver for seller commitment. Special support from buyers becomes the most influential factor driving the seller's commitment.

Even though one might argue that the buyer's perceived product quality might be different from the actual product quality since the buyer's perception on product quality is influenced by the buyer's emotion. This argument stands still in consumer markets where the consumer's perception on product quality is strongly influenced by the

consumer's emotion. If a consumer falls in love with a brand name or with a service provider, that consumer can perceive the quality of products or services from that brand name or service provider as high quality even though these products and services might not be good in reality. But this argument might not hold true in business market where buyers and sellers come together based on rationale. Business buyers and sellers select their partners on the basis of objective evaluation not of subjective emotion. Unlike the consumers who might not have enough information and knowledge and who are overwhelmed by emotions, business buyers know exactly the quality of products and services they buy from a seller. They have the motivations, skills, experience, knowledge, and information to objectively evaluate the product quality. This is the case of business buyers in this project. The buyer respondents buy computers and computer related products from their suppliers and resell the products to consumers or business customers (schools, government offices, firms). If the products are not good and the consumers or business customers keep complaining, the business buyers would never buy from these suppliers again or would never rate the product as high quality. They are professional buyers. They know what they buy and who to buy from. As a result, we can expect that the disparity between their perceived quality and actual quality is very small. A similar line of reasoning holds true for the seller's perception of sales volume. Sellers know exactly whether or not their sales objective for a buyer is met. So here in this case their perception is reality. Based on these observations, it is believed that the conjecture on the above mentioned misunderstanding between buyers and sellers is reasonable and logical. Future research needs to be done in this area to further investigate this conjecture.



There are several important implications from this misunderstanding. First, sales volume and product quality are no longer the major drivers for seller and buyer commitment. Other economic benefits such as special support, pricing levels and cost reduction are becoming increasingly significant drivers. Therefore, sellers and buyers should be aware of the expectation of their partners to better plan their strategic partnership. Second, the reason for the misunderstanding may be based on the fact that sales volume and product quality were a top concern for each party in the past and that each party has heavily focused on improving these two benefits for its partner. As a result, these two benefits have reached satisfactory levels and are no longer significant drivers of commitment. The recommendation here is to not reduce the level of investment in these two benefits. They need to be kept them at high satisfaction levels but then to increase investments in the other mentioned benefits.

In the same manner, social benefits are expected to be significant and have a positive impact on seller/ and buyer commitment. However, the evidence to support this notion is mixed. From the seller's side, only seller friendliness benefits show a significant, positive impact on seller commitment, while seller social regard benefits have a significant impact on seller commitment but in opposite direction. From the buyer's perspective, both social dimensions show positive but non-significant impacts on buyer commitment. The reason for this may be due to the fact that social benefits have side effect. On one hand, both parties enjoy the friendliness and social regard from each other. On the other hand, social interactions can easily become a burden with costs attached for the parties involved. They feel the need to spend time, make efforts, and even invest financial and non financial resources to build the relationship. This explains why social benefits did not show a

strong impact on commitment as had been expected. So each party in a relationship has to realize this side effect of social benefits and formulate a good strategy to deal with it. If it is well managed, social benefits will not only be maximized and help strengthen the relationship, but the perceived maintenance costs will be reduced significantly.

#### Contributions to the Discipline

This research contributes to the contemporary relationship marketing literature in several ways. First, it explores and develops construct measures for relational benefits and costs. These measures were empirically tested and shown to have good reliability and validity (both discriminant and convergent validity). Second, this research proposed and empirically tested a conceptual framework involving relational benefits and costs and their interactions with relationship commitment. This framework consists of several distinctive features: (1) the inclusion of both benefits and costs, (2) the application of a dyadic approach. And finally, the data is collected in Vietnam, a developing country that is undergoing reforms from a central planned economy to a market economy. Comparatively speaking, less related knowledge has been accumulated to provide special guidance in developing countries than for developed countries (Wang, Lo, Chi, and Yang 2004). In addition, international data can provide a significant contribution for theory development (Cannon and Homburg 2000).

### MANAGERIAL IMPLICATIONS

This research deepens the understanding of relationship marketing by providing a comprehensive view to date of relational benefits and costs from both sides of a relationship. From a managerial perspective, relationship managers need to:

- Managers should be aware of the structure of relational benefits that they and their partners are looking for when building, developing and maintaining a long-term committed relationship. In addition to economic benefits, three other types of relational benefits are increasingly significant in any long-term relationship: social benefits, confidence benefits, and informational benefits. Firms can build their differentiation strategy based on these relational benefits. The findings of this study imply that firms may be able to focus on one or more of the relational benefits as a means of differentiating itself from competitors.
- Develop relationship strategies aimed at nurturing economical, social, confidence, informational benefits with long-term partners (e.g. buyers or sellers). Strategies might include minimizing staff rotation thus allowing social relationships to be built up over time; maintaining a data base of buyers/ sellers preferences and details to allow reward and special offers to be given to long-term buyers / sellers; and even encouraging staff to make a conscious effort to remember partner names and details. Such actions can benefit key partners and latter influent their commitment toward the company.
- Provide staff training programs that facilitate delivery of these relational benefits and minimize relational maintenance costs. For example: staff empowerment would afford employees the opportunity to provide special supports for partners; formally recruiting and training staff with the development of relational bonds in mind; and encourage dialogue and interaction with partners.
- Managers should be aware of the possible misunderstanding related to economic benefits discussed in previous section. That is, the structure of economic benefit

itself has changed. Special support for long-term partners become the most important benefits that partners expect to have in a long-term relationship. Managers should investigate and explore the types of special support that their partners are looking for and redesign their offers to provide these special supports for the partners. It is essential for managers to realize that the benefit structure and relative importance of components in that structure can be altered as the relationship develops. What is important today may not be important tomorrow. So managers should always be alerted with new benefits that partners might expect.

- Social benefits are vital to any relationship but these benefits may have side effect. The need for “too much” in term of social interactions may become a burden, or cost for the other party. There may exist a “turning point” where social benefits ship into perceived costs. Managers should be aware of this side effect and flexibly manage the level of social interactions with their partners to maximize social benefits and minimize relational costs.
- In addition to benefits, relationships might also produce some kinds of costs. Managers should not only pay attention to the impact of benefits to the relationship but should also have to carefully study the negative impact of relational costs. Minimizing relational costs for the partner in a relationship can be a sound approach to relationship management.
- Commitment is the central point of relationship development. One party’s commitment has strong positive impacts on the other party’s benefits and a strong negative impact on the other side’s maintenance costs, which in turn will

significantly impact the other side's commitment. Therefore, in order to enjoy relational benefits and reduce relational costs, the two parties must develop strong commitment to the relationship.

- Quantify and promote the value of relational benefits to partners. Although buyers and sellers both report receiving relational benefits and believe these benefits are important, they may not always be aware of their existence prior to entering the relationship. Furthermore, if they are aware of the benefits, they may not have quantified their value. Managers might strategically promote these benefits as reasons to enter into long-term relationships. Similarly, the managers could help buyers/sellers quantify the value of these relational benefits and the related costs (money, time, psychological costs) of switching. If partners understood better the actual economic, social, time, and energy-saving value of staying in a relationship, they might be less likely to switch (Gwinner, Gremler and Bitner 1998).
- Finally, no matter how extensive and long lasting, business relationships can end, sometimes suddenly and other times gradually over a period of time. Dwyer, Schurr and Oh (1987) believe that ending relationships frequently is a process in its own right that differs from simply reversing the path of relationship formation. Morgan and Hunt (1994) argue that the phenomena of dysfunctional relationships and relationship breakdown have not been adequately addressed in the marketing literature. Personal relationships can decline rapidly when market forces make further transactions economically impossible. On the other hand, when a business relationship ends, the personal relationship can continue. Managers should try to

find new ways of working with partners with whom they have worked before. Former partners could exchange information about other possible contacts and, thereby, extend each other's marketing networks. The personal bonds that require a big investment of time and efforts should not be abandoned too easily.

### LIMITATIONS OF THE RESEARCH

Any research project involves a certain number of compromises. While the results of this study provide useful conceptual and managerial implications, they must be tempered with limitations. First, generalizability is a concern for all studies, and this investigation is no exception. The conclusions of this research are based upon findings from the IT industry in Vietnam and caution must be exercised in generalizing the results to other industries or countries. Second, relationship is an on-going process. Longitudinal studies investigating the nature of relationships between buyers and sellers from the awareness stage, to expansion, to commitment and finally to the dissolution stage (Dwyer et al.1987) will provide more insights into the structure of relational benefits and costs at each stage of relationship development, the relative importance of each component in the structure, and the role of commitment at each stage. Third, even though relational costs have been examined in this research, only maintenance costs have been clearly defined and tested. Limited finding about other types of relational costs such as opportunity cost have been found.

Fourth, another limitation of this study was that all the relationships being examined were "good" relationships. This was because it was only possible discuss and examine the on-going relationships between sellers and buyers. One potential problem is that the partners in this kind of relationship might have different perspectives on the relational benefits

and costs, while partners in “bad” relationships or in the dissolution stage of the relationship might have completely different views on these issues. It is reasonable to predict that the partners in “bad” relationships might face much higher level of relational costs than relational benefits. They might also be better aware of the existence of opportunity costs and relationship termination costs and therefore might be in a better position to discuss these types of costs. This might be the main reason why the respondents in this study could not provide good definition and explanation for opportunity costs. This limitation also opens a new promising area for future research. Future research can examine these “bad” relationships and explore the nature of relational benefits and costs in such relationships. The study of “bad” relationships can also be used to create a more comprehensive picture on relational benefits and costs from different perspectives and from different types of relationships. However, this will be a highly challenging task since it would be very difficult to find qualified informants in this situation. When a relationship ends, partners may lose the contact information or simply have no interest in discussing that relationship anymore.

### RECOMMENDATIONS FOR FUTURE RESEARCH

A number of directions for future research are evident. First, it would be informative to examine buyer and seller relationship at different stages of development. Little is known about the structure of relational benefits and costs at each stage of relationship development. This issue is not only important for theory formation but also has many practical implications. It helps firms manage relationships with their partners more efficiently and effectively at each stage and ensure continuance to the next stage.

Longitudinal studies both qualitative and quantitative will be a good approach in this avenue.

Second, future research should explore whether similar relational benefits and costs hold in other contexts such as consumer, services, and industrial markets. The implications may be quite different in these contexts where relationships are founded on different foundations and the market conditions also differ. However, we would predict special supports, confidence, informational, friendliness and social regard will still be quite relevant, particularly during sales efforts and service implementation where personal contact is more prevalent.

Third, in another context, we observe more and more services being delivered to buyers through high technology (e.g. internet services, automatic teller machine, financial and banking services via computer or phone). In these contexts, where there is often no direct personal contact, what are the benefits of staying in a long-term relationship with a particular seller? Are social benefits (friendliness and social regard) relevant at all when a service is delivered through technology? How are special support benefits delivered? The challenges for building long-term relationships are obviously different in these types of contexts. It is also quite possible that the benefits and costs received, or their importance, in long-term relationships may be very different when considered in other cultural contexts. It is important to recognize that the relational benefits and costs identified in this study are based on Eastern less developed culture. Moreover, another area ripe for exploration is the study of international relationships such as those between importers and exporters. How much do we know about the business relationship between firms with



people from different countries and different cultures and languages? This type of research is no doubt useful to the marketing discipline.

Fourth, it is likely that the four types of benefits are intricately tied together. That is, there may be some positive interactions between certain types of benefits. For example, perception of uncertainty (confidence benefits) might decrease as the partners become acquainted with each other (social benefits). Similarly, as sellers and buyers become better acquainted (social benefits), the knowledge related to special support (financial support, technical support, support in difficult situations, special deliveries) is likely to increase. Future research could explore the nature of these potential associations and perhaps examine ways in which a strongly received/ provided relational benefit can be leveraged to strengthen a weakly received/ provided relational benefits.

On the other hand, there might be interactions among relational benefits and costs. It is likely that relational benefits might strongly influence perceived costs. For example, even though the absolute costs (the real costs) are constant for all buyers/ or sellers, a buyer/ seller who receives more benefits might perceive a lower level of costs than those who receive less benefits. It could be interesting to examine perceived costs (relative costs) vs. actual costs (absolute costs) at different levels of perceived benefits. Furthermore, different types of benefits might have different impacts on perceived costs. For example, as discussed in the previous section, “too much” social interactions (social benefits) might increase perceived costs, while the higher economic benefits might significantly reduce the perceived costs. Moreover, the perceived costs can also be altered at different stages of relationship development. One might predict that perceived costs can be low at the awareness and expansion stages but would be significantly higher during the

commitment and dissolution stages as the later stages require more resources and efforts (Dwyer et al.1987).

Fifth, buyer – seller relationship is the focal point for this research but relationships with other stakeholders might be important as well. According to Gummesson (1994), firms should select a relationship portfolio, which includes the most influential relationships, for each specific business. Researchers can extend this study to other types of relationships such as between the firm and its competitors, between the firm and the government, among firm's departments, ect. One promising construct which should be studied in this context would be the nature and role of coopetition and how measures which areas it can affect buyers.

Finally, an area that currently remains unexplored, but one with high relevance for managers, is the inclusion of objective performance measures into the study of relationship marketing. The findings of this study are limited to perceived or subjective measures for the relational benefits. It would be very helpful if the objective performance of firms can be used as a measure in future related research.

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## Appendix 1: List of Items emerged from study 1

### ITEMS FOR SELLER

		No of Items
I	SELLER ECONOMIC BENEFIT ITEMS	16
1	Sales from this dealer is stable	
2	Sales from this dealer is growing gradually over time	
3	We always meet our sales objectives with this dealer	
4	This dealer buys variety of product lines from us	
5	We gain negotiating advantage with manufacturers due to our successful business relationship with this dealer.	
6	Thank to our good relationship with this dealer, our business plans have been formulated and implemented successfully	
7	Doing business with this dealer helps us save our transaction costs	
8	Doing business with this dealer helps us save our marketing costs	
9	Doing business with this dealer helps us save our communication costs	
10	This dealer say good words about us with other dealers	
11	This dealer introduce new customers for us	
12	When price increases slightly, this dealer is not too price sensitive	
13	This dealer always pays us on time	
14	This dealer supports us in difficult times	
15	This dealer is willing to work with us in our sales and marketing campaign	
16	This dealer responds quickly every time we ask for their supports	
II	SELLER SOCIAL BENEFIT ITEMS	12
1	The staff of this dealer knows my name	
2	The staff of this dealer knows very well about our company	
3	In addition to business relationship, I have good personal relationship with this dealer's staff	
4	My relationship with the staff of this dealer is a friendship	
5	The staff of this dealer and I sometimes hang out after business hours	
6	My relationship with the staff of this dealer makes me feel comfortable	
7	I feel happy in doing business with this dealer	
8	I feel happy about the social aspects of my relationship with this dealer	
9	This dealer spends time listening to our problems or difficulties	
10	This dealer respects us very much	
11	This dealer understands our business objectives	
12	We are proud to be the supplier for this dealer	



III	CONFIDENT BENEFIT ITEMS	8
1	We trust this dealer	
2	Long term relationship with this dealer helps reduce our business uncertainties	
3	We believe that in market turbulence situation this dealer will not try to take advantage of our relationship	
4	We believe that this dealer will not reveal business information that we share with them with other parties	
5	We feel less anxious in doing business with this dealer	
6	We know in advance what we can expect in doing business with this dealer	
7	We believe that this dealer will seriously fulfill what they promise us	
8	We believe that this dealer will sell at the price that we set for them	
IV	SELLER INFORMATIONAL BENEFIT ITEMS	6
1	This dealer provides sufficient customers' information and feedback for us	
2	This dealer provides all the competitors' information for us	
3	This dealer provides us all information that is related to our business relationship	
4	This dealer provides us their feedback and suggestions on our sales and promotion campaigns	
5	This dealer provides us their feedback and suggestions on the way we serve them	
6	This dealer share with us their needs for products and services	
V	SELLER MAINTENANCE COST ITEMS	7
1	We spend a lot of time for meetings with this dealer	
2	We spend a lot of time and efforts to negotiate with this dealer to come to agreements on business deals	
3	We often argue with this dealer about business related issues	
4	We have many business problems with this dealer	
5	We spend a lot of time to build and maintain our relationship with this dealer	
6	We invest a lot of money to build and maintain our relationship with this dealer	
7	We invest a lot of efforts and other resources (in addition to monetary resources) to build and maintain our relationship with this dealer	
VI	SELLER OPPORTUNITY COST ITEMS	2
1	We foregone many business opportunity because of our business relationship with this dealer	
2	Our opportunity costs in the relationship with this dealer is quite high	
	Total	51

## ITEMS FOR BUYER

		No of Items
I	BUYER ECONOMIC BENEFIT ITEMS	27
1	This supplier offers full range of products	
2	The quality of the products this supplier supplies for us is very reliable	
3	The product quality of this supplier is very good	
4	This supplier always has in stock the products that we need	
5	We often have special offers when buying from this supplier	
6	This supplier support us very effectively when we face difficulties	
7	This supplier always deliveries their products to us precisely	
8	This supplier always deliveries their products on time	
9	When we are in urgent situations, this supplier always makes special deliveries to us	
10	This supplier supports us effectively in our joint sales and promotion campaigns	
11	This supplier responses quickly to our requirements for their products	
12	This supplier responses quickly to our requirements for supports	
13	This supplier always support us very well regarding technical issues	
14	This supplier responses quickly when we have problems	
15	This supplier responses quickly when we complain with them	
16	This supplier deals with our complains very fairly	
17	The service processing process of this supplier is flexible and effective	
18	When buying large volume we always have special price from this supplier	
19	The price this supplier offers is always very competitive compared to other suppliers' in the market	
20	This supplier offers the same price for dealers at the same level	
21	This supplier ensures that their dealers do not sell below their listed price	
22	This supplier offers us a reasonable credit policy	
23	Having good relationship with this supplier helps us save our transaction costs with them	
24	Having good relationship with this supplier helps us save our purchasing costs	
25	Having good relationship with this supplier helps us save our marketing costs	
26	Having good relationship with this supplier helps us save our communication costs with them	
27	Having good relationship with this supplier helps us save our time	
II	BUYER SOCIAL BENEFIT ITEMS	12
1	The staff of this supplier knows my name	

2	The staff of this supplier knows very well about our company	
3	In addition to business relationship, I have good personal relationship with this supplier's staff	
4	My relationship with the staff of this supplier is a friendship	
5	The staff of this supplier and I sometimes hang out after business hours	
6	My relationship with the staff of this supplier makes me feel comfortable	
7	I feel happy in doing business with this supplier	
8	I feel happy about the social aspects of my relationship with this supplier	
9	This supplier spends time listening to our problems or difficulties	
10	This supplier respects us very much	
11	This supplier understands our business objectives	
12	We are proud to be the dealer for this supplier	
III	<b>BUYER CONFIDENT BENEFIT ITEMS</b>	<b>8</b>
1	We trust this supplier	
2	Long term relationship with this supplier helps reduce our business uncertainties	
3	We believe that in market turbulence situations this supplier will not try to take advantage of our relationship	
4	We believe that this supplier will not reveal confidential business information that we share with them with other parties	
5	We feel less anxious in doing business with this supplier	
6	We know in advance what we can expect in doing business with this supplier	
7	We believe that this dealer will seriously fulfill what they promise us	
8	We believe in the consistency of this supplier's policy for us	
IV	<b>BUYER INFORMATIONAL BENEFIT ITEMS</b>	<b>7</b>
1	This supplier provides us sufficient information about their new products and services	
2	This supplier provides us sufficient information about their sales and promotion campaigns	
3	This supplier provides us up-to-date information about the availability of their products and services	
4	This supplier provides us up-to-date information about their distribution plans	
5	This supplier provides us many information about business opportunities	
6	This supplier provides us up-to-date billing information	
7	This supplier provides us information about competitors' marketing and promotion campaigns	
V	<b>BUYER MAINTENANCE COST ITEMS</b>	<b>8</b>
1	We spend a lot of time for meetings with this suppliers	

2	We spend a lot of time and efforts to negotiate with this supplier to come to agreements on business deals	
3	We often argue with this dealer about business related issues	
4	We have many business problems with this suppliers	
5	We spend a lot of time to build and maintain our relationship with this supplier	
6	We invest a lot of money to build and maintain our relationship with this supplier	
7	We invest a lot of efforts and other resources (in addition to monetary resources) to build and maintain our relationship with this supplier	
8	We spend a lot of time and efforts to meet the financial requirements of this supplier	
VI	<b>BUYER OPPORTUNITY COST ITEMS</b>	3
1	We forgone many business opportunities because of our relationship with this supplier	
2	Our opportunity cost in the relationship with this supplier is quite high	
3	Other suppliers sometimes offer us better price and services but we still buy from this supplier due to our long term relationship	
	<b>TOTAL</b>	<b>65</b>

VIETNAMESE VERSION  
LIST FOR SELLERS

		Số câu hỏi
I	LỢI ÍCH KINH TẾ	16
1	Doanh thu từ đại lý này ổn định	
2	Doanh thu từ đại lý này tăng trưởng đều đặn	
3	Chúng tôi luôn hoàn thành tốt mục tiêu doanh thu đề ra với đại lý này	
4	Đại lý này mua nhiều chủng loại hàng hóa từ chúng tôi	
5	Việc kinh doanh với đại lý này phát triển tốt giúp chúng tôi có nhiều lợi thế trong thương lượng với các nhà sản xuất	
6	Quan hệ với đại lý này giúp chúng tôi hoạch định kế hoạch kinh doanh hiệu quả	
7	Quan hệ với đại lý này giúp chúng tôi tiết kiệm các chi phí giao dịch	
8	Quan hệ với đại lý này giúp chúng tôi tiết kiệm các chi phí tiếp thị	
9	Quan hệ với đại lý này giúp chúng tôi tiết kiệm các chi phí truyền thông	
10	Đại lý này nói những điều tốt đẹp về chúng tôi với các đại lý khác	
11	Đại lý này giới thiệu khách hàng khác cho chúng tôi	
12	Khi giá tăng đôi chút đại lý này không quá nhạy giá	
13	Đại lý này luôn thanh toán công nợ đúng hạn cho chúng tôi	
14	Đại lý này hỗ trợ chúng tôi trong những thời điểm khó khăn	
15	Đại lý này sẵn sàng hợp tác với chúng tôi trong các chương trình khuyến mãi và bán hàng	
16	Đại lý này phản ứng nhanh với các yêu cầu hỗ trợ của chúng tôi	
II	LỢI ÍCH XÃ HỘI	12
1	Nhân viên giao dịch của đại lý này biết tên chúng tôi	
2	Nhân viên giao dịch của đại lý này biết rõ về chúng tôi	
3	Bên cạnh công việc, chúng tôi có quan hệ cá nhân tốt với các nhân viên của đại lý này	
4	Quan hệ của chúng tôi với các nhân viên đại lý này là quan hệ bạn bè	
5	Thỉnh thoảng chúng tôi và các nhân viên đại lý này cũng đi chơi chung với nhau sau giờ làm việc	
6	Quan hệ của chúng tôi với nhân viên của đại lý này khiến chúng tôi cảm thấy thoải mái	
7	Chúng tôi cảm thấy vui khi làm việc với đại lý này	
8	Chúng tôi cảm thấy thích thú trên phương diện xã hội trong quan hệ với đại lý này	
9	Đại lý này chịu khó lắng nghe khi chúng tôi gặp rắc rối, khó khăn	
10	Đại lý này rất tôn trọng chúng tôi	
11	Đại lý này hiểu rõ các mục tiêu kinh doanh của chúng tôi	

12	Chúng tôi tự hào khi là nhà cung cấp cho đại lý này	
III	LỢI ÍCH TỪ SỰ TIN CẬY	8
1	Chúng tôi tin cậy đại lý này	
2	Quan hệ dài hạn với đại lý này giúp chúng tôi giảm được rủi ro trong kinh doanh	
3	Chúng tôi tin tưởng rằng khi có những biến động bất lợi trên thị trường đại lý này sẽ không lợi dụng cơ hội để trục lợi trong quan hệ với chúng tôi	
4	Chúng tôi tin tưởng đại lý này không tiết lộ các thông tin về kinh doanh khi chúng tôi chia sẻ với họ	
5	Chúng tôi cảm thấy bớt lo lắng khi quan hệ với đại lý này	
6	Chúng tôi biết trước sẽ nhận được gì khi quan hệ với đại lý này	
7	Chúng tôi tin tưởng đại lý này thực hiện nghiêm túc các lời hứa của họ với chúng tôi	
8	Chúng tôi tin tưởng đại lý này sẽ bán đúng giá mà chúng tôi qui định cho họ	
IV	LỢI ÍCH TỪ THÔNG TIN	6
1	Đại lý này cung cấp đầy đủ các thông tin về khách hàng cho chúng tôi	
2	Đại lý này cung cấp đầy đủ các thông tin về đối thủ cạnh tranh cho chúng tôi	
3	Đại lý này cung cấp đầy đủ cho chúng tôi những thông tin liên quan đến hoạt động kinh doanh của hai bên	
4	Đại lý này phản hồi cho chúng tôi những ý kiến của họ về các chương trình khuyến mãi và bán hàng mà chúng tôi thực hiện với họ	
5	Đại lý này cho chúng tôi ý kiến về cách thức phục vụ đại lý của chúng tôi	
6	Đại lý này chia sẻ với chúng tôi các nhu cầu về sản phẩm và dịch vụ của họ	
V	CHI PHÍ DUY TRÌ QUAN HỆ	7
1	Chúng tôi tốn rất nhiều thời gian cho các cuộc họp với đại lý này	
2	Chúng tôi tốn rất nhiều công sức để mặc cả/ thương lượng với đại lý này để đạt được một thỏa thuận kinh doanh	
3	Chúng tôi rất hay tranh cãi với đại lý này về các vấn đề kinh doanh	
4	Chúng tôi có rất nhiều vướng mắc với đại lý này về các vấn đề kinh doanh	
5	Chúng tôi mất nhiều thời gian để xây dựng và duy trì quan hệ với đại lý này	
6	Chúng tôi đầu tư nhiều chi phí (tính bằng tiền) để xây dựng và duy trì mối quan hệ với đại lý này	
7	Chúng tôi đầu tư nhiều công sức và tài nguyên khác để xây dựng và duy trì quan hệ với đại lý này	
VI	CHI PHÍ CƠ HỘI TRONG QUAN HỆ	2

1	Chúng tôi bỏ qua nhiều cơ hội kinh doanh tốt vì mối quan hệ dài hạn với đại lý này	
2	Chi phí cơ hội của chúng tôi trong mối quan hệ với đại lý này khá cao	
	TỔNG	51

## LIST FOR BUYERS

		Số câu hỏi
I	LỢI ÍCH KINH TẾ	27
1	Chúng loại hàng hóa của nhà cung cấp này đầy đủ và phong phú	
2	Chất lượng hàng hóa của nhà cung cấp này ổn định qua mỗi lần giao hàng	
3	Chất lượng hàng hóa của nhà cung cấp này tốt	
4	Nhà cung cấp này luôn có sẵn hàng hóa khi chúng tôi cần	
5	Chúng tôi được những ưu đãi đặc biệt khi mua từ nhà cung cấp này	
6	Nhà cung cấp này hỗ trợ tốt chúng tôi khi chúng tôi gặp khó khăn	
7	Nhà cung cấp này luôn giao hàng chính xác cho chúng tôi	
8	Nhà cung cấp này luôn giao hàng đúng hẹn cho chúng tôi	
9	Khi cần nhà cung cấp này luôn giao hàng linh hoạt theo yêu cầu của chúng tôi	
10	nhà cung cấp này hỗ trợ chúng tôi các chương trình bán hàng và khuyến mãi rất hiệu quả	
11	Nhà cung cấp này phản ứng nhanh với các yêu cầu về hàng hóa của chúng tôi	
12	Nhà cung cấp này phản ứng nhanh với các yêu cầu hỗ trợ của chúng tôi	
13	Nhà cung cấp này luôn hỗ trợ rất tốt cho chúng tôi về mặt kỹ thuật	
14	Nhà cung cấp này phản ứng nhanh khi chúng tôi gặp khó khăn	
15	Nhà cung cấp này phản ứng nhanh khi chúng tôi khiếu nại	
16	Nhà cung cấp này xử lý những khiếu nại của chúng tôi rất thỏa đáng	
17	Quy trình xử lý công việc của nhà cung cấp này rất linh động và hiệu quả	
18	Khi mua với số lượng lớn chúng tôi được giá đặc biệt	
19	Giá cả của nhà cung cấp này luôn cạnh tranh trên thị trường	
20	Nhà cung cấp này chào cùng một mức giá cho các đại lý cùng cấp	
21	Nhà cung cấp này đảm bảo các đại lý không bán phá giá trên thị trường	
22	Chính sách hỗ trợ tín dụng của nhà cung cấp này rất hợp lý	
23	Quan hệ với nhà cung cấp này giúp chúng tôi tiết kiệm các chi phí giao dịch	
24	Quan hệ với nhà cung cấp này giúp chúng tôi tiết kiệm các chi phí mua	

	hàng	
25	Quan hệ với nhà cung cấp này giúp chúng tôi tiết kiệm các chi phí tiếp thị	
26	Quan hệ với nhà cung cấp này giúp chúng tôi tiết kiệm các chi phí truyền thông với họ	
27	Quan hệ với nhà cung cấp này giúp chúng tôi tiết kiệm thời gian trong kinh doanh	
II	LỢI ÍCH XÃ HỘI	12
1	Nhân viên của nhà cung cấp này biết tên chúng tôi	
2	Nhân viên của nhà cung cấp này biết rõ về chúng tôi	
3	Bên cạnh công việc, chúng tôi có quan hệ cá nhân tốt với các nhân viên nhà cung cấp này	
4	Quan hệ của chúng tôi với các nhân viên nhà cung cấp này là quan hệ bạn bè	
5	Thỉnh thoảng chúng tôi và các nhân viên nhà cung cấp này cũng đi chơi chung với nhau sau giờ làm việc	
6	Quan hệ của chúng tôi với nhân viên nhà cung cấp này khiến chúng tôi cảm thấy thoải mái	
7	Chúng tôi cảm thấy vui khi làm việc với nhà cung cấp này	
8	Chúng tôi cảm thấy thích thú trên phương diện xã hội trong quan hệ với nhà cung cấp này	
9	Nhà cung cấp này chịu khó lắng nghe khi chúng tôi gặp rắc rối, khó khăn	
10	Nhà cung cấp này rất tôn trọng chúng tôi	
11	Nhà cung cấp này hiểu rõ các mục tiêu kinh doanh của chúng tôi	
12	Chúng tôi hạnh diện là đại lý của nhà cung cấp này	
III	LỢI ÍCH TỪ SỰ TIN CẬY	8
1	Chúng tôi tin cậy nhà cung cấp này	
2	Quan hệ dài hạn với nhà cung cấp này giúp chúng tôi giảm được rủi ro trong kinh doanh	
3	Chúng tôi tin tưởng rằng khi có những biến động bất lợi trên thị trường nhà cung cấp này sẽ không lợi dụng cơ hội để trục lợi trong quan hệ với chúng tôi	
4	Chúng tôi tin tưởng nhà cung cấp này không tiết lộ các thông tin về kinh doanh khi chúng tôi chia sẻ với họ	
5	Chúng tôi cảm thấy bớt lo lắng khi quan hệ với nhà cung cấp này	
6	Chúng tôi biết trước sẽ nhận được gì khi quan hệ với nhà cung cấp này	
7	Chúng tôi tin tưởng nhà cung cấp này thực hiện nghiêm túc các lời hứa của họ với chúng tôi	
8	Chúng tôi tin tưởng vào tính nhất quán trước sau như một trong chính sách đối với đại lý của nhà cung cấp này	
IV	LỢI ÍCH TỪ THÔNG TIN	7



1	Nhà cung cấp này cung cấp đầy đủ các thông tin về sản phẩm và dịch vụ mới cho chúng tôi	
2	Nhà cung cấp này cung cấp đầy đủ thông tin về các chương trình khuyến mãi và bán hàng cho chúng tôi	
3	Nhà cung cấp này cung cấp đầy đủ các thông tin về tình trạng hàng hóa cho chúng tôi	
4	Nhà cung cấp này cung cấp đầy đủ các thông tin về các kế hoạch phân phối của họ	
5	Nhà cung cấp này cung cấp nhiều thông tin về các cơ hội kinh doanh cho chúng tôi	
6	Nhà cung cấp này thường xuyên cập nhật cho chúng tôi tình hình công nợ của chúng tôi với họ	
7	Nhà cung cấp này cung cấp cho chúng tôi những thông tin về các chiến dịch tiếp thị và khuyến mãi của các đối thủ cạnh tranh	
V	<b>CHI PHÍ DUY TRÌ QUAN HỆ</b>	8
1	Chúng tôi tốn rất nhiều thời gian cho các cuộc họp với nhà cung cấp này	
2	Chúng tôi tốn rất nhiều công sức để mặc cả/ thương lượng với nhà cung cấp này để đạt được một thỏa thuận kinh doanh	
3	Chúng tôi rất hay tranh cãi với nhà cung cấp này về các vấn đề kinh doanh	
4	Chúng tôi có rất nhiều vướng mắc với nhà cung cấp này về các vấn đề kinh doanh	
5	Chúng tôi mất nhiều thời gian để xây dựng và duy trì quan hệ với nhà cung cấp này	
6	Chúng tôi đầu tư nhiều chi phí (tính bằng tiền) để xây dựng và duy trì mối quan hệ với nhà cung cấp này	
7	Chúng tôi đầu tư nhiều công sức và tài nguyên khác để xây dựng và duy trì quan hệ với nhà cung cấp này	
8	Chúng tôi mất nhiều thời gian và công sức để thực hiện các yêu cầu của nhà cung cấp này (bảo lãnh ngân hàng, phương thức thanh toán)	
VI	<b>CHI PHÍ CƠ HỘI</b>	3
1	Chúng tôi bỏ qua nhiều cơ hội kinh doanh vì quan hệ dài hạn với nhà cung cấp này	
2	Chi phí cơ hội của chúng tôi khá lớn trong mối quan hệ với nhà cung cấp này	
3	Một số nhà cung cấp khác đôi khi chào chúng tôi các dịch vụ và giá cả rẻ hơn nhưng chúng tôi vẫn mua từ nhà cung cấp này vì quan hệ dài hạn giữa hai bên	
	<b>TỔNG</b>	65

## Appendix 2: Questionnaires for study 2

### QUESTIONNAIRE FOR SELLER

	Please think about one dealer that you have been working directly with and have developed good business relationship and answer the following questions regarding the relationship between you and that dealer
1	Sales from this dealer is stable
2	Sales from this dealer is growing gradually
3	We always meet our sales objectives with this dealer
4	This dealer buys variety of product lines from us
5	We gain negotiating advantage with manufacturers due to our successful business relationship with this dealer.
6	Thank to our good relationship with this dealer, our business plans have been formulated and implemented successfully
7	Doing business with this dealer helps us save our transaction costs
8	Doing business with this dealer helps us save our marketing costs
9	Doing business with this dealer helps us save our communication costs
10	This dealer say good words about us with other dealers
11	This dealer introduce new customers for us
12	When price increases slightly, this dealer is not too price sensitive
13	This dealer always pays us on time
14	This dealer supports us in difficult times
15	This dealer is willing to work with us in our sales and marketing campaign
16	This dealer responds quickly every time we ask for their supports
17	The staff of this dealer knows my name
18	The staff of this dealer knows very well about our company
19	In addition to business relationship, I have good personal relationship with this dealer's staff
20	My relationship with the staff of this dealer is a friendship
21	The staff of this dealer and I sometimes hang out after business hours
22	My relationship with the staff of this dealer makes me feel comfortable
23	I feel happy in doing business with this dealer
24	I feel happy about the social aspects of my relationship with this dealer
25	This dealer spends time listening to our problems or difficulties
26	This dealer respects us very much
27	This dealer understands our business objectives
28	We are proud to be the supplier for this dealer
29	We trust this dealer
30	Long term relationship with this dealer helps reduce our business uncertainties

31	We believe that in market turbulence situation this dealer will not try to take advantage of our relationship
32	We believe that this dealer will not reveal business information that we share with them with other parties
33	We feel less anxious in doing business with this dealer
34	We know in advance what we can expect in doing business with this dealer
35	We believe that this dealer will seriously fulfill what they promise us
36	We believe that this dealer will sell at the price that we set for them
37	This dealer provides sufficient customers' information and feedback for us
38	This dealer provides all the competitors' information for us
39	This dealer provides us all information that is related to our business relationship
40	This dealer provides us their feedback and suggestions on our sales and promotion campaigns
41	This dealer provides us their feedback and suggestions on the way we serve them
42	This dealer share with us their needs for products and services
43	We spend a lot of time for meetings with this dealer
44	We spend a lot of time and efforts to negotiate with this dealer to come to agreements on business deals
45	We often argue with this dealer about business related issues
46	We have many business problems with this dealer
47	We spend a lot of time to build and maintain our relationship with this dealer
48	We invest a lot of money to build and maintain our relationship with this dealer
49	We invest a lot of efforts and other resources (in addition to monetary resources) to build and maintain our relationship with this dealer
50	We foregone many business opportunity because of our business relationship with this dealer
51	Our opportunity costs in the relationship with this dealer is quite high
52	We defend this dealer when others criticize them
53	We have a strong sense of loyalty to this dealer
54	We are continually on the lookout for another dealer to replace or to add in this dealer's territory (R)
55	We expect to be using this dealer for some time
56	If another dealer offered us a better coverage, we would most certainly take them on, even if it meant dropping this dealer (R)
57	We are not very committed to this dealer (R)
58	We are quite willing to make long-term investments in selling this dealer
59	Our relationship with this dealer is a long-term alliance
60	We are patient with this dealer when they made mistake that cause us trouble
61	We are willing to dedicate whatever people and resources it takes to grow sales for this dealer

Note: All responses for question 1 to 57 were recorded by circling a number on the following scale

Strongly disagree							Strongly agree
1	2	3	4	5	6	7	

Please provide us some contact information about this dealer

Dealer name	
Dealer address	
Phone No	
Fax No	
Email address	
Contact person	
Position of contact person in dealer company	

#### Respondent Information

Name		
Gender	Male	Female
Position in the company		
How many years have you been in this position?		
Are you the person who directly works with this dealer?	Yes	No
How many years have you worked directly with this dealer?		

### QUESTIONNAIRE FOR BUYER

	Please think about supplier _____ (name of supplier), and answer the following questions regarding the relationship between you and that supplier
1	This supplier offers full range of products
2	The quality of the products this supplier supplies for us is very reliable
3	The product quality of this supplier is very good
4	This supplier always has in stock the products that we need
5	We often have special offers when buying from this supplier
6	This supplier support us very effectively when we face difficulties
7	This supplier always deliveries their products to us precisely
8	This supplier always deliveries their products on time
9	When we are in urgent situations, this supplier always makes special deliveries to us
10	This supplier supports us effectively in our joint sales and promotion campaigns
11	This supplier responses quickly to our requirements for their products
12	This supplier responses quickly to our requirements for supports
13	This supplier always support us very well regarding technical issues
14	This supplier responses quickly when we have problems
15	This supplier responses quickly when we complain with them
16	This supplier deals with our complains very fairly
17	The service processing process of this supplier is flexible and effective
18	When buying large volume we always have special price from this supplier
19	The price this supplier offers is always very competitive compared to other suppliers in the market
20	This supplier offers the same price for dealers at the same level
21	This supplier ensures that their dealers do not sell below their listed price
22	This supplier offers us a reasonable credit policy
23	Having good relationship with this supplier helps us save our transaction costs with them
24	Having good relationship with this supplier helps us save our purchasing costs
25	Having good relationship with this supplier helps us save our marketing costs
26	Having good relationship with this supplier helps us save our communication costs with them
27	Having good relationship with this supplier helps us save our time
28	The staff of this supplier knows my name
29	The staff of this supplier knows very well about our company
30	In addition to business relationship, I have good personal relationship with this supplier's staff
31	My relationship with the staff of this supplier is a friendship

32	The staff of this supplier and I sometimes hang out after business hours
33	My relationship with the staff of this supplier makes me feel comfortable
34	I feel happy in doing business with this supplier
35	I feel happy about the social aspects of my relationship with this supplier
36	This supplier spends time listening to our problems or difficulties
37	This supplier respects us very much
38	This supplier understands our business objectives
39	We are proud to be the dealer for this supplier
40	We trust this supplier
41	Long term relationship with this supplier helps reduce our business uncertainties
42	We believe that in market turbulence situations this supplier will not try to take advantage of our relationship
43	We believe that this supplier will not reveal confidential business information that we share with them with other parties
44	We feel less anxious in doing business with this supplier
45	We know in advance what we can expect in doing business with this supplier
46	We believe that this dealer will seriously fulfill what they promise us
47	We believe in the consistency of this supplier's policy for us
48	This supplier provides us sufficient information about their new products and services
49	This supplier provides us sufficient information about their sales and promotion campaigns
50	This supplier provides us up-to-date information about the availability of their products and services
51	This supplier provides us up-to-date information about their distribution plans
52	This supplier provides us many information about business opportunities
53	This supplier provides us up-to-date billing information
54	This supplier provides us information about competitors' marketing and promotion campaigns
55	We spend a lot of time for meetings with this suppliers
56	We spend a lot of time and efforts to negotiate with this supplier to come to agreements on business deals
57	We often argue with this dealer about business related issues
58	We have many business problems with this suppliers
59	We spend a lot of time to build and maintain our relationship with this supplier
60	We invest a lot of money to build and maintain our relationship with this supplier
61	We invest a lot of efforts and other resources (in addition to monetary resources) to build and maintain our relationship with this supplier
62	We spend a lot of time and efforts to meet the financial requirements of this supplier
63	We forgone many business opportunities because of our relationship with this

	supplier
64	Our opportunity cost in the relationship with this supplier is quite high
65	Other suppliers sometimes offer us better price and services but we still buy from this supplier due to our long term relationship
66	We defend this supplier when others criticize the company
67	We have a strong sense of loyalty to this supplier
68	We are continually on the lookout for another product to add to or replace this supplier for this product type (R)
69	We expect to be distributing this supplier's products for some time
70	If another company offered us a better product line, we would most certainly take them on, even if it meant dropping this supplier (R)
71	We are not very committed to this supplier (R)
72	We are quite willing to make long-term investments in selling this supplier's line
73	Our relationship with this supplier is a long-term alliance
74	We are patient with this supplier when they made mistake that cause us trouble
75	We are willing to dedicate whatever people and resources it takes to grow sales of this supplier's products

Note: All responses for question 1 to 68 were recorded by circling a number on the following scale

Strongly disagree							Strongly agree
1	2	3	4	5	6	7	

### Respondent Information

Name		
Gender	Male	Female
Position in the company		
How many years have you been in this position?		
Are you the person who directly works with this supplier?	Yes	No
How many years have you worked directly with this supplier?		

## Questionnaires for study 2 – Vietnamese version

## BẢNG CÂU HỎI CHO NHÀ CUNG CẤP

	Xin hãy nghĩ đến một đại lý mà Anh/ Chị đã xây dựng được một mối quan hệ kinh doanh tốt đẹp, và trả lời các câu hỏi sau đây dựa trên mối quan hệ đó
1	Doanh thu từ đại lý này ổn định
2	Doanh thu từ đại lý này tăng trưởng đều đặn
3	Chúng tôi luôn hoàn thành tốt mục tiêu doanh thu đề ra với đại lý này
4	Đại lý này mua nhiều chủng loại hàng hóa từ chúng tôi
5	Việc kinh doanh với đại lý này phát triển tốt giúp chúng tôi có nhiều lợi thế trong thương lượng với các nhà sản xuất
6	Quan hệ với đại lý này giúp chúng tôi hoạch định kế hoạch kinh doanh hiệu quả
7	Quan hệ với đại lý này giúp chúng tôi tiết kiệm các chi phí giao dịch
8	Quan hệ với đại lý này giúp chúng tôi tiết kiệm các chi phí tiếp thị
9	Quan hệ với đại lý này giúp chúng tôi tiết kiệm các chi phí truyền thông
10	Đại lý này nói những điều tốt đẹp về chúng tôi với các đại lý khác
11	Đại lý này giới thiệu khách hàng khác cho chúng tôi
12	Khi giá tăng đôi chút đại lý này không quá nhạy giá
13	Đại lý này luôn thanh toán công nợ đúng hạn cho chúng tôi
14	Đại lý này hỗ trợ chúng tôi trong những thời điểm khó khăn
15	Đại lý này sẵn sàng hợp tác với chúng tôi trong các chương trình khuyến mãi và bán hàng
16	Đại lý này phản ứng nhanh với các yêu cầu hỗ trợ của chúng tôi
17	Nhân viên giao dịch của đại lý này biết tên chúng tôi
18	Nhân viên giao dịch của đại lý này biết rõ về chúng tôi
19	Bên cạnh công việc, chúng tôi có quan hệ cá nhân tốt với các nhân viên của đại lý này
20	Quan hệ của chúng tôi với các nhân viên đại lý này là quan hệ bạn bè
21	Thỉnh thoảng chúng tôi và các nhân viên đại lý này cũng đi chơi chung với nhau sau giờ làm việc
22	Quan hệ của chúng tôi với nhân viên của đại lý này khiến chúng tôi cảm thấy thoải mái
23	Chúng tôi cảm thấy vui khi làm việc với đại lý này
24	Chúng tôi cảm thấy thích thú trên phương diện xã hội trong quan hệ với đại lý này
25	Đại lý này chịu khó lắng nghe khi chúng tôi gặp rắc rối, khó khăn
26	Đại lý này rất tôn trọng chúng tôi
27	Đại lý này hiểu rõ các mục tiêu kinh doanh của chúng tôi
28	Chúng tôi tự hào khi là nhà cung cấp cho đại lý này
29	Chúng tôi tin cậy đại lý này
30	Quan hệ dài hạn với đại lý này giúp chúng tôi giảm được rủi ro trong kinh doanh



31	Chúng tôi tin tưởng rằng khi có những biến động bất lợi trên thị trường đại lý này sẽ không lợi dụng cơ hội để trục lợi trong quan hệ với chúng tôi
32	Chúng tôi tin tưởng đại lý này không tiết lộ các thông tin về kinh doanh khi chúng tôi chia sẻ với họ
33	Chúng tôi cảm thấy bất lo lắng khi quan hệ với đại lý này
34	Chúng tôi biết trước sẽ nhận được gì khi quan hệ với đại lý này
35	Chúng tôi tin tưởng đại lý này thực hiện nghiêm túc các lời hứa của họ với chúng tôi
36	Chúng tôi tin tưởng đại lý này sẽ bán đúng giá mà chúng tôi qui định cho họ
37	Đại lý này cung cấp đầy đủ các thông tin về khách hàng cho chúng tôi
38	Đại lý này cung cấp đầy đủ các thông tin về đối thủ cạnh tranh cho chúng tôi
39	Đại lý này cung cấp đầy đủ cho chúng tôi những thông tin liên quan đến hoạt động kinh doanh của hai bên
40	Đại lý này phản hồi cho chúng tôi những ý kiến của họ về các chương trình khuyến mãi và bán hàng mà chúng tôi thực hiện với họ
41	Đại lý này cho chúng tôi ý kiến về cách thức phục vụ đại lý của chúng tôi
42	Đại lý này chia sẻ với chúng tôi các nhu cầu về sản phẩm và dịch vụ của họ
43	Chúng tôi tốn rất nhiều thời gian cho các cuộc họp với đại lý này
44	Chúng tôi tốn rất nhiều công sức để mặc cả/ thương lượng với đại lý này để đạt được một thỏa thuận kinh doanh
45	Chúng tôi rất hay tranh cãi với đại lý này về các vấn đề kinh doanh
46	Chúng tôi có rất nhiều vướng mắc với đại lý này về các vấn đề kinh doanh
47	Chúng tôi mất nhiều thời gian để xây dựng và duy trì quan hệ với đại lý này
48	Chúng tôi đầu tư nhiều chi phí (tính bằng tiền) để xây dựng và duy trì mối quan hệ với đại lý này
49	Chúng tôi đầu tư nhiều công sức và tài nguyên khác để xây dựng và duy trì quan hệ với đại lý này
50	Chúng tôi bỏ qua nhiều cơ hội kinh doanh tốt vì mối quan hệ dài hạn với đại lý này
51	Chi phí cơ hội của chúng tôi trong mối quan hệ với đại lý này khá cao
52	Chúng tôi bảo vệ đại lý này khi những người khác tri trích họ
53	Chúng tôi có lòng trung thành mạnh đối với đại lý này
54	Chúng tôi tiếp tục tìm kiếm các đại lý để thay thế hay thêm vào trong khu vực phân phối của đại lý này®
55	Chúng tôi hy vọng vẫn tiếp tục sử dụng đại lý này trong tương lai
56	Nếu một đại lý khác phân phối tốt hơn, chúng tôi sẵn sàng chấp nhận họ ngay cả khi điều đó có nghĩa là phải chấm dứt quan hệ với đại lý này ®
57	Chúng tôi không rất cam kết với đại lý này ®
58	Chúng tôi sẵn sàng đầu tư lâu dài để cung cấp sản phẩm cho đại lý này
59	Quan hệ của chúng tôi với đại lý này là quan hệ đối tác chiến lược dài hạn
60	Chúng tôi kiên nhẫn với đại lý này ngay cả khi họ có những sai sót gây rắc rối cho chúng tôi

61	Chúng tôi sẵn sàng đầu tư thêm nhân sự và tài nguyên để gia tăng doanh thu đối đại lý này
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Ghi chú: Trả lời cho câu hỏi từ 1 đến 57 bằng cách khoanh tròn trên thang đo sau:

Rất không đồng ý							Rất đồng ý
1	2	3	4	5	6	7	

Xin vui lòng cung cấp một số thông tin về đại lý này

Tên đại lý	
Địa chỉ	
Điện thoại	
Fax No	
Email	
Người liên hệ	
Chức vụ của người liên hệ tại đại lý	

Thông tin về người trả lời

Họ và tên		
Giới tính	Nam	Nữ
Chức vụ trong công ty		
Anh/ Chị đã làm việc ở vị trí này bao nhiêu năm?		
Anh/ Chị có phải là người trực tiếp làm việc với đại lý này?	Đúng	Sai
Anh chị đã trực tiếp làm việc với đại lý này bao nhiêu năm?		

## BẢNG CÂU HỎI CHO ĐẠI LÝ

	Xin hãy nghĩ đến mối quan hệ của Anh/ Chị với nhà cung cấp _____ (tên nhà cung cấp), và trả lời các câu hỏi dưới đây dựa trên mối quan hệ đó
1	Chúng loại hàng hóa của nhà cung cấp này đầy đủ và phong phú
2	Chất lượng hàng hóa của nhà cung cấp này ổn định qua mỗi lần giao hàng
3	Chất lượng hàng hóa của nhà cung cấp này tốt
4	Nhà cung cấp này luôn có sẵn hàng hóa khi chúng tôi cần
5	Chúng tôi được những ưu đãi đặc biệt khi mua từ nhà cung cấp này
6	Nhà cung cấp này hỗ trợ tốt chúng tôi khi chúng tôi gặp khó khăn
7	Nhà cung cấp này luôn giao hàng chính xác cho chúng tôi
8	Nhà cung cấp này luôn giao hàng đúng hẹn cho chúng tôi
9	Khi cần nhà cung cấp này luôn giao hàng linh hoạt theo yêu cầu của chúng tôi
10	nhà cung cấp này hỗ trợ chúng tôi các chương trình bán hàng và khuyến mãi rất hiệu quả
11	Nhà cung cấp này phản ứng nhanh với các yêu cầu về hàng hóa của chúng tôi
12	Nhà cung cấp này phản ứng nhanh với các yêu cầu hỗ trợ của chúng tôi
13	Nhà cung cấp này luôn hỗ trợ rất tốt cho chúng tôi về mặt kỹ thuật
14	Nhà cung cấp này phản ứng nhanh khi chúng tôi gặp khó khăn
15	Nhà cung cấp này phản ứng nhanh khi chúng tôi khiếu nại
16	Nhà cung cấp này xử lý những khiếu nại của chúng tôi rất thỏa đáng
17	Quy trình xử lý công việc của nhà cung cấp này rất linh động và hiệu quả
18	Khi mua với số lượng lớn chúng tôi được giá đặc biệt
19	Giá cả của nhà cung cấp này luôn cạnh tranh trên thị trường
20	Nhà cung cấp này chào cùng một mức giá cho các đại lý cùng cấp
21	Nhà cung cấp này đảm bảo các đại lý không bán phá giá trên thị trường
22	Chính sách hỗ trợ tín dụng của nhà cung cấp này rất hợp lý
23	Quan hệ với nhà cung cấp này giúp chúng tôi tiết kiệm các chi phí giao dịch trong kinh doanh
24	Quan hệ với nhà cung cấp này giúp chúng tôi tiết kiệm các chi phí mua hàng
25	Quan hệ với nhà cung cấp này giúp chúng tôi tiết kiệm các chi phí tiếp thị
26	Quan hệ với nhà cung cấp này giúp chúng tôi tiết kiệm các chi phí truyền thông với họ
27	Quan hệ với nhà cung cấp này giúp chúng tôi tiết kiệm thời gian trong kinh doanh
28	Nhân viên của nhà cung cấp này biết tên chúng tôi
29	Nhân viên của nhà cung cấp này biết rõ về chúng tôi
30	Bên cạnh công việc, chúng tôi có quan hệ cá nhân tốt với các nhân viên nhà cung cấp này
31	Quan hệ của chúng tôi với các nhân viên nhà cung cấp này là quan hệ bạn bè

32	Thỉnh thoảng chúng tôi và các nhân viên nhà cung cấp này cũng đi chơi chung với nhau sau giờ làm việc
33	Quan hệ của chúng tôi với nhân viên nhà cung cấp này khiến chúng tôi cảm thấy thoải mái
34	Chúng tôi cảm thấy vui khi làm việc với nhà cung cấp này
35	Chúng tôi cảm thấy thích thú trên phương diện xã hội trong quan hệ với nhà cung cấp này
36	Nhà cung cấp này chịu khó lắng nghe khi chúng tôi gặp rắc rối, khó khăn
37	Nhà cung cấp này rất tôn trọng chúng tôi
38	Nhà cung cấp này hiểu rõ các mục tiêu kinh doanh của chúng tôi
39	Chúng tôi hạnh diện là đại lý của nhà cung cấp này
40	Chúng tôi tin cậy nhà cung cấp này
41	Quan hệ dài hạn với nhà cung cấp này giúp chúng tôi giảm được rủi ro trong kinh doanh
42	Chúng tôi tin tưởng rằng khi có những biến động bất lợi trên thị trường nhà cung cấp này sẽ không lợi dụng cơ hội để trục lợi trong quan hệ với chúng tôi
43	Chúng tôi tin tưởng nhà cung cấp này không tiết lộ các thông tin về kinh doanh khi chúng tôi chia sẻ với họ
44	Chúng tôi cảm thấy bớt lo lắng khi quan hệ với nhà cung cấp này
45	Chúng tôi biết trước sẽ nhận được gì khi quan hệ với nhà cung cấp này
46	Chúng tôi tin tưởng nhà cung cấp này thực hiện nghiêm túc các lời hứa của họ với chúng tôi
47	Chúng tôi tin tưởng vào tính nhất quán trước sau như một trong chính sách đối với đại lý của nhà cung cấp này
48	Nhà cung cấp này cung cấp đầy đủ các thông tin về sản phẩm và dịch vụ mới cho chúng tôi
49	Nhà cung cấp này cung cấp đầy đủ thông tin về các chương trình khuyến mãi và bán hàng cho chúng tôi
50	Nhà cung cấp này cung cấp đầy đủ các thông tin về tình trạng hàng hóa cho chúng tôi
51	Nhà cung cấp này cung cấp đầy đủ các thông tin về các kế hoạch phân phối của họ
52	Nhà cung cấp này cung cấp nhiều thông tin về các cơ hội kinh doanh cho chúng tôi
53	Nhà cung cấp này thường xuyên cập nhật cho chúng tôi tình hình công nợ của chúng tôi với họ
54	Nhà cung cấp này cung cấp cho chúng tôi những thông tin về các chiến dịch tiếp thị và khuyến mãi của các đối thủ cạnh tranh
55	Chúng tôi tốn rất nhiều thời gian cho các cuộc họp với nhà cung cấp này
56	Chúng tôi tốn rất nhiều công sức để mặc cả/ thương lượng với nhà cung cấp này để đạt được một thỏa thuận kinh doanh

57	Chúng tôi rất hay tranh cãi với nhà cung cấp này về các vấn đề kinh doanh
58	Chúng tôi có rất nhiều vướng mắc với nhà cung cấp này về các vấn đề kinh doanh
59	Chúng tôi mất nhiều thời gian để xây dựng và duy trì quan hệ với nhà cung cấp này
60	Chúng tôi đầu tư nhiều chi phí (tính bằng tiền) để xây dựng và duy trì mối quan hệ với nhà cung cấp này
61	Chúng tôi đầu tư nhiều công sức và tài nguyên khác để xây dựng và duy trì quan hệ với nhà cung cấp này
62	Chúng tôi mất nhiều thời gian và công sức để thực hiện các yêu cầu của nhà cung cấp này (bảo lãnh ngân hàng, phương thức thanh toán)
63	Chúng tôi bỏ qua nhiều cơ hội kinh doanh vì quan hệ dài hạn với nhà cung cấp này
64	Chi phí cơ hội của chúng tôi khá lớn trong mối quan hệ với nhà cung cấp này
65	Một số nhà cung cấp khác đôi khi chào chúng tôi các dịch vụ và giá cả rẻ hơn nhưng chúng tôi vẫn mua từ nhà cung cấp này vì quan hệ dài hạn giữa hai bên
66	Chúng tôi bảo vệ nhà cung cấp này khi những người khác chỉ trích họ
67	Chúng tôi có lòng trung thành mạnh với nhà cung cấp này
68	Chúng tôi tiếp tục tìm kiếm các sản phẩm khác để thêm vào hay thay thế các sản phẩm cùng loại do nhà cung cấp này cung cấp ®
69	Chúng tôi hy vọng vẫn tiếp tục phân phối các sản phẩm của nhà phân phối này trong thời gian tới
70	Nếu một nhà cung cấp khác chào chúng tôi một dòng sản phẩm tốt hơn, chúng tôi chắc chắn sẽ mua từ họ, ngay cả khi điều đó có nghĩa phải chấm dứt quan hệ với nhà cung cấp này ®
71	Chúng tôi không rất cam kết với nhà cung cấp này ®
72	Chúng tôi khá sẵn sàng đầu tư lâu dài để bán các sản phẩm của nhà cung cấp này
73	Quan hệ của chúng tôi với nhà cung cấp này là quan hệ đối tác chiến lược lâu dài
74	Chúng tôi kiên nhẫn với nhà cung cấp này ngay cả khi họ có những sai sót gây những rắc rối cho chúng tôi
75	Chúng tôi sẵn sàng đầu tư thêm nhân sự và tài nguyên để gia tăng doanh thu đối với các dòng sản phẩm của nhà cung cấp này

Ghi chú: Trả lời cho câu hỏi từ 1 đến 68 bằng cách khoanh tròn trên thang đo sau:

Rất không đồng ý							Rất đồng ý
1	2	3	4	5	6	7	

### Thông tin về người trả lời

Họ và tên		
Giới tính	Nam	Nữ
Chức vụ trong công ty		
Anh/ Chị đã làm việc ở vị trí này bao nhiêu năm?		
Anh/ Chị có phải là người trực tiếp làm việc với nhà cung cấp này?	Đúng	Sai
Anh chị đã trực tiếp làm việc với nhà cung cấp này bao nhiêu năm?		

### Appendix 3: Questionnaires for study 4

#### QUESTIONNAIRE FOR SELLER

	Pls think about one dealer that you have developed good business relationship and answer the following questions regarding the relationship between you and that dealer
1	Sales from this dealer is stable
2	Sales from this dealer is growing gradually
3	We always meet our sales objectives with this dealer
4	This dealer buys variety of product lines from us
5	We gain negotiating advantage with manufacturers due to our successful business relationship with this dealer.
6	Thank to our good relationship with this dealer, our business plans have been formulated and implemented successfully
7	Doing business with this dealer helps us save our transaction costs
8	This dealer say good words about us with other dealers
9	This dealer introduce new customers for us
10	When price increases slightly, this dealer is not too price sensitive
11	This dealer always pays us on time
12	This dealer supports us in difficult times
13	This dealer is willing to work with us in our sales and marketing campaign
14	This dealer responds quicky everytime we ask for their supports
15	The staff of this dealer knows my name
16	The staff of this dealer knows very well about our company
17	In addition to busines relationship, I have good personal relationship with this dealer's staff
18	My relationship with the staff of this dealer is a friendship
19	The staff of this dealer and I sometimes hang out after business hours
20	My relationship with the staff of this dealer makes me feel comfortable
21	I feel happy in doing business with this dealer
22	I feel happy about the social aspects of my relationship with this dealer
23	This dealer spends time listening to our problems or difficulties
24	This dealer respects us very mich
25	This dealer understands our business objectives
26	We are proud to be the supplier for this dealer
27	We trust this dealer
28	Long term relationship with this dealer helps reduce our business uncertainties
29	We believe that in market turbulence situation this dealer will not try to take advantage of our relationship

30	We believe that this dealer will not reveal business information that we share with them with other parties
31	We feel less anxious in doing business with this dealer
32	We know in advance what we can expect in doing business with this dealer
33	We believe that this dealer will seriously fulfill what they promise us
34	We believe that this dealer will sell at the price that we set for them
35	This dealer provides sufficient customers' information and feedback for us
36	This dealer provides all the competitors' information for us
37	This dealer provides us all information that is related to our business relationship
38	This dealer provides us their feedback and suggestions on our sales and promotion campaigns
39	This dealer provides us their feedback and suggestions on the way we serve them
40	This dealer share with us their needs for products and services
41	We spend a lot of time for meetings with this dealer
42	We spend a lot of time and efforts to negotiate with this dealer to come to agreements on business deals
43	We often argue with this dealer about business related issues
44	We have many business problems with this dealer
45	We spend a lot of time to build and maintain our relationship with this dealer
46	We invest a lot of money to build and maintain our relationship with this dealer
47	We invest a lot of efforts and other resources (in addition to monetary resources) to build and maintain our relationship with this dealer
48	We defend this dealer when others criticize them
49	We have a strong sense of loyalty to this dealer
50	We are continually on the lookout for another dealer to replace or to add in this dealer's territory (R)
51	We expect to be using this dealer for some time
52	If another dealer offered us a better coverage, we would most certainly take them on, even if it meant dropping this dealer (R)
53	We are not very committed to this dealer (R)
54	We are quite willing to make long-term investments in selling this dealer
55	Our relationship with this dealer is a long-term alliance
56	We are patient with this dealer when they made mistake that cause us trouble
57	We are willing to dedicate whatever people and resources it takes to grow sales for this dealer

Note: All responses for question 1 to 57 were recorded by circling a number on the following scale

Strongly disagree							Strongly agree
1	2	3	4	5	6	7	



Pls provide us some contact information about this dealer

Dealer name	
Dealer address	
Phone No	
Fax No	
Email address	
Contact person	
Position of contact person in dealer company	

### Respondent Information

Name		
Gender	Male	Female
Position in the company		
How many years have you been in this position?		
Are you the person who directly works with this dealer?	Yes	No
How many years have you worked directly with this dealer?		

### QUESTIONNAIRE FOR BUYER

	Please think about supplier _____ (name of supplier), and answer the following questions regarding the relationship between you and that supplier
1	This supplier offers full range of products
2	The quality of the products this supplier supplies for us is very reliable
3	The product quality of this supplier is very good
4	This supplier always has in stock the products that we need
5	We often have special offers when buying from this supplier
6	This supplier support us very effectively when we face difficulties
7	This supplier always deliveries their products to us precisely
8	This supplier always deliveries their products on time
9	When we are in urgent situations, this supplier always makes special deliveries to us
10	This supplier supports us effectively in our joint sales and promotion campaigns
11	This supplier responses quickly to our requirements for their products
12	This supplier responses quickly to our requirements for supports
13	This supplier always support us very well regarding technical issues
14	This supplier responses quickly when we have problems
15	This supplier responses quickly when we complain with them
16	This supplier deals with our complains very fairly
17	The service processing process of this supplier is flexible and effective
18	When buying large volume we always have special price from this supplier
19	The price this supplier offers is always very competitive compared to other suppliers in the market
20	This supplier offers the same price for dealers at the same level
21	This supplier ensures that their dealers do not sell below their listed price
22	This supplier offers us a reasonable credit policy
23	Having good relationship with this supplier helps us save our transaction costs with them
24	Having good relationship with this supplier helps us save our time
25	The staff of this supplier knows my name
26	The staff of this supplier knows very well about our company
27	In addition to business relationship, I have good personal relationship with this supplier's staff
28	My relationship with the staff of this supplier is a friendship
29	The staff of this supplier and I sometimes hang out after business hours
30	My relationship with the staff of this supplier makes me feel comfortable
31	I feel happy in doing business with this supplier
32	I feel happy about the social aspects of my relationship with this supplier

33	This supplier spends time listening to our problems or difficulties
34	This supplier respects us very much
35	This supplier understands our business objectives
36	We are proud to be the dealer for this supplier
37	We trust this supplier
38	Long term relationship with this supplier helps reduce our business uncertainties
39	We believe that in market turbulence situations this supplier will not try to take advantage of our relationship
40	We believe that this supplier will not reveal confidential business information that we share with them with other parties
41	We feel less anxious in doing business with this supplier
42	We know in advance what we can expect in doing business with this supplier
43	We believe that this dealer will seriously fulfill what they promise us
44	We believe in the consistency of this supplier's policy for us
45	This supplier provides us sufficient information about their new products and services
46	This supplier provides us sufficient information about their sales and promotion campaigns
47	This supplier provides us up-to-date information about the availability of their products and services
48	This supplier provides us up-to-date information about their distribution plans
49	This supplier provides us many information about business opportunities
50	This supplier provides us up-to-date billing information
51	We spend a lot of time for meetings with this suppliers
52	We spend a lot of time and efforts to negotiate with this supplier to come to agreements on business deals
53	We often argue with this dealer about business related issues
54	We have many business problems with this suppliers
55	We spend a lot of time to build and maintain our relationship with this supplier
56	We invest a lot of money to build and maintain our relationship with this supplier
57	We invest a lot of efforts and other resources (in addition to monetary resources) to build and maintain our relationship with this supplier
58	We spend a lot of time and efforts to meet the financial requirements of this supplier
59	We defend this supplier when others criticize the company
60	We have a strong sense of loyalty to this supplier
61	We are continually on the lookout for another product to add to or replace this supplier for this product type (R)
62	We expect to be distributing this supplier's products for some time
63	If another company offered us a better product line, we would most certainly take them on, even if it meant dropping this supplier (R)

64	We are not very committed to this supplier (R)
65	We are quite willing to make long-term investments in selling this supplier's line
66	Our relationship with this supplier is a long-term alliance
67	We are patient with this supplier when they made mistake that cause us trouble
68	We are willing to dedicate whatever people and resources it takes to grow sales of this supplier's products

Note: All responses for question 1 to 68 were recorded by circling a number on the following scale

Strongly disagree							Strongly agree
1	2	3	4	5	6	7	

### Respondent Information

Name		
Gender	Male	Female
Position in the company		
How many years have you been in this position?		
Are you the person who directly works with this supplier?	Yes	No
How many years have you worked directly with this supplier?		

## Questionnaires for study 4 – Vietnamese version

## BẢNG CÂU HỎI CHO NHÀ CUNG CẤP

	Xin hãy nghĩ đến một đại lý mà Anh/ Chị đã xây dựng được một mối quan hệ kinh doanh tốt đẹp, và trả lời các câu hỏi sau đây dựa trên mối quan hệ đó
1	Doanh thu từ đại lý này ổn định
2	Doanh thu từ đại lý này tăng trưởng đều đặn
3	Chúng tôi luôn hoàn thành tốt mục tiêu doanh thu đề ra với đại lý này
4	Đại lý này mua nhiều chủng loại hàng hóa từ chúng tôi
5	Việc kinh doanh với đại lý này phát triển tốt giúp chúng tôi có nhiều lợi thế trong thương lượng với các nhà sản xuất
6	Quan hệ với đại lý này giúp chúng tôi hoạch định kế hoạch kinh doanh hiệu quả
7	Quan hệ với đại lý này giúp chúng tôi tiết kiệm các chi phí giao dịch
8	Đại lý này nói những điều tốt đẹp về chúng tôi với các đại lý khác
9	Đại lý này giới thiệu khách hàng khác cho chúng tôi
10	Khi giá tăng đôi chút đại lý này không quá nhạy giá
11	Đại lý này luôn thanh toán công nợ đúng hạn cho chúng tôi
12	Đại lý này hỗ trợ chúng tôi trong những thời điểm khó khăn
13	Đại lý này sẵn sàng hợp tác với chúng tôi trong các chương trình khuyến mãi và bán hàng
14	Đại lý này phản ứng nhanh với các yêu cầu hỗ trợ của chúng tôi
15	Nhân viên giao dịch của đại lý này biết tên chúng tôi
16	Nhân viên giao dịch của đại lý này biết rõ về chúng tôi
17	Bên cạnh công việc, chúng tôi có quan hệ cá nhân tốt với các nhân viên của đại lý này
18	Quan hệ của chúng tôi với các nhân viên đại lý này là quan hệ bạn bè
19	Thỉnh thoảng chúng tôi và các nhân viên đại lý này cũng đi chơi chung với nhau sau giờ làm việc
20	Quan hệ của chúng tôi với nhân viên của đại lý này khiến chúng tôi cảm thấy thoải mái
21	Chúng tôi cảm thấy vui khi làm việc với đại lý này
22	Chúng tôi cảm thấy thích thú trên phương diện xã hội trong quan hệ với đại lý này
23	Đại lý này chịu khó lắng nghe khi chúng tôi gặp rắc rối, khó khăn
24	Đại lý này rất tôn trọng chúng tôi
25	Đại lý này hiểu rõ các mục tiêu kinh doanh của chúng tôi
26	Chúng tôi tự hào khi là nhà cung cấp cho đại lý này
27	Chúng tôi tin cậy đại lý này
28	Quan hệ dài hạn với đại lý này giúp chúng tôi giảm được rủi ro trong kinh doanh
29	Chúng tôi tin tưởng rằng khi có những biến động bất lợi trên thị trường đại lý này sẽ không lợi dụng cơ hội để trục lợi trong quan hệ với chúng tôi

30	Chúng tôi tin tưởng đại lý này không tiết lộ các thông tin về kinh doanh khi chúng tôi chia sẻ với họ
31	Chúng tôi cảm thấy bất lo lắng khi quan hệ với đại lý này
32	Chúng tôi biết trước sẽ nhận được gì khi quan hệ với đại lý này
33	Chúng tôi tin tưởng đại lý này thực hiện nghiêm túc các lời hứa của họ với chúng tôi
34	Chúng tôi tin tưởng đại lý này sẽ bán đúng giá mà chúng tôi qui định cho họ
35	Đại lý này cung cấp đầy đủ các thông tin về khách hàng cho chúng tôi
36	Đại lý này cung cấp đầy đủ các thông tin về đối thủ cạnh tranh cho chúng tôi
37	Đại lý này cung cấp đầy đủ cho chúng tôi những thông tin liên quan đến hoạt động kinh doanh của hai bên
38	Đại lý này phản hồi cho chúng tôi những ý kiến của họ về các chương trình khuyến mãi và bán hàng mà chúng tôi thực hiện với họ
39	Đại lý này cho chúng tôi ý kiến về cách thức phục vụ đại lý của chúng tôi
40	Đại lý này chia sẻ với chúng tôi các nhu cầu về sản phẩm và dịch vụ của họ
41	Chúng tôi tốn rất nhiều thời gian cho các cuộc họp với đại lý này
42	Chúng tôi tốn rất nhiều công sức để mặc cả/ thương lượng với đại lý này để đạt được một thỏa thuận kinh doanh
43	Chúng tôi rất hay tranh cãi với đại lý này về các vấn đề kinh doanh
44	Chúng tôi có rất nhiều vướng mắc với đại lý này về các vấn đề kinh doanh
45	Chúng tôi mất nhiều thời gian để xây dựng và duy trì quan hệ với đại lý này
46	Chúng tôi đầu tư nhiều chi phí (tính bằng tiền) để xây dựng và duy trì mối quan hệ với đại lý này
47	Chúng tôi đầu tư nhiều công sức và tài nguyên khác để xây dựng và duy trì quan hệ với đại lý này
48	Chúng tôi bảo vệ đại lý này khi những người khác trích hợ
49	Chúng tôi có lòng trung thành mạnh đối với đại lý này
50	Chúng tôi tiếp tục tìm kiếm các đại lý để thay thế hay thêm vào trong khu vực phân phối của đại lý này®
51	Chúng tôi hy vọng vẫn tiếp tục sử dụng đại lý này trong tương lai
52	Nếu một đại lý khác phân phối tốt hơn, chúng tôi sẵn sàng chấp nhận họ ngay cả khi điều đó có nghĩa là phải chấm dứt quan hệ với đại lý này ®
53	Chúng tôi không rất cam kết với đại lý này ®
54	Chúng tôi sẵn sàng đầu tư lâu dài để cung cấp sản phẩm cho đại lý này
55	Quan hệ của chúng tôi với đại lý này là quan hệ đối tác chiến lược dài hạn
56	Chúng tôi kiên nhẫn với đại lý này ngay cả khi họ có những sai sót gây rắc rối cho chúng tôi
57	Chúng tôi sẵn sàng đầu tư thêm nhân sự và tài nguyên để gia tăng doanh thu đối đại lý này

Ghi chú: Trả lời cho câu hỏi từ 1 đến 57 bằng cách khoanh tròn trên thang đo sau:

Rất không đồng ý							Rất đồng ý
1	2	3	4	5	6	7	

Xin vui lòng cung cấp một số thông tin về đại lý này

Tên đại lý	
Địa chỉ	
Điện thoại	
Fax No	
Email	
Người liên hệ	
Chức vụ của người liên hệ tại đại lý	

Thông tin về người trả lời

Họ và tên		
Giới tính	Nam	Nữ
Chức vụ trong công ty		
Anh/ Chị đã làm việc ở vị trí này bao nhiêu năm?		
Anh/ Chị có phải là người trực tiếp làm việc với đại lý này?	Đúng	Sai
Anh chị đã trực tiếp làm việc với đại lý này bao nhiêu năm?		

## BẢNG CÂU HỎI CHO ĐẠI LÝ

	Xin hãy nghĩ đến mối quan hệ của Anh/ Chị với nhà cung cấp _____ (tên nhà cung cấp), và trả lời các câu hỏi dưới đây dựa trên mối quan hệ đó
1	Chúng loại hàng hóa của nhà cung cấp này đầy đủ và phong phú
2	Chất lượng hàng hóa của nhà cung cấp này ổn định qua mỗi lần giao hàng
3	Chất lượng hàng hóa của nhà cung cấp này tốt
4	Nhà cung cấp này luôn có sẵn hàng hóa khi chúng tôi cần
5	Chúng tôi được những ưu đãi đặc biệt khi mua từ nhà cung cấp này
6	Nhà cung cấp này hỗ trợ tốt chúng tôi khi chúng tôi gặp khó khăn
7	Nhà cung cấp này luôn giao hàng chính xác cho chúng tôi
8	Nhà cung cấp này luôn giao hàng đúng hẹn cho chúng tôi
9	Khi cần nhà cung cấp này luôn giao hàng linh hoạt theo yêu cầu của chúng tôi
10	nhà cung cấp này hỗ trợ chúng tôi các chương trình bán hàng và khuyến mãi rất hiệu quả
11	Nhà cung cấp này phản ứng nhanh với các yêu cầu về hàng hóa của chúng tôi
12	Nhà cung cấp này phản ứng nhanh với các yêu cầu hỗ trợ của chúng tôi
13	Nhà cung cấp này luôn hỗ trợ rất tốt cho chúng tôi về mặt kỹ thuật
14	Nhà cung cấp này phản ứng nhanh khi chúng tôi gặp khó khăn
15	Nhà cung cấp này phản ứng nhanh khi chúng tôi khiếu nại
16	Nhà cung cấp này xử lý những khiếu nại của chúng tôi rất thỏa đáng
17	Quy trình xử lý công việc của nhà cung cấp này rất linh động và hiệu quả
18	Khi mua với số lượng lớn chúng tôi được giá đặc biệt
19	Giá cả của nhà cung cấp này luôn cạnh tranh trên thị trường
20	Nhà cung cấp này chào cùng một mức giá cho các đại lý cùng cấp
21	Nhà cung cấp này đảm bảo các đại lý không bán phá giá trên thị trường
22	Chính sách hỗ trợ tín dụng của nhà cung cấp này rất hợp lý
23	Quan hệ với nhà cung cấp này giúp chúng tôi tiết kiệm các chi phí giao dịch
24	Quan hệ với nhà cung cấp này giúp chúng tôi tiết kiệm thời gian trong kinh doanh
25	Nhân viên của nhà cung cấp này biết tên chúng tôi
26	Nhân viên của nhà cung cấp này biết rõ về chúng tôi
27	Bên cạnh công việc, chúng tôi có quan hệ cá nhân tốt với các nhân viên nhà cung cấp này
28	Quan hệ của chúng tôi với các nhân viên nhà cung cấp này là quan hệ bạn bè
29	Thỉnh thoảng chúng tôi và các nhân viên nhà cung cấp này cũng đi chơi chung với nhau sau giờ làm việc
30	Quan hệ của chúng tôi với nhân viên nhà cung cấp này khiến chúng tôi cảm thấy thoải mái
31	Chúng tôi cảm thấy vui khi làm việc với nhà cung cấp này



32	Chúng tôi cảm thấy thích thú trên phương diện xã hội trong quan hệ với nhà cung cấp này
33	Nhà cung cấp này chịu khó lắng nghe khi chúng tôi gặp rắc rối, khó khăn
34	Nhà cung cấp này rất tôn trọng chúng tôi
35	Nhà cung cấp này hiểu rõ các mục tiêu kinh doanh của chúng tôi
36	Chúng tôi hãnh diện là đại lý của nhà cung cấp này
37	Chúng tôi tin cậy nhà cung cấp này
38	Quan hệ dài hạn với nhà cung cấp này giúp chúng tôi giảm được rủi ro trong kinh doanh
39	Chúng tôi tin tưởng rằng khi có những biến động bất lợi trên thị trường nhà cung cấp này sẽ không lợi dụng cơ hội để trục lợi trong quan hệ với chúng tôi
40	Chúng tôi tin tưởng nhà cung cấp này không tiết lộ các thông tin về kinh doanh khi chúng tôi chia sẻ với họ
41	Chúng tôi cảm thấy bớt lo lắng khi quan hệ với nhà cung cấp này
42	Chúng tôi biết trước sẽ nhận được gì khi quan hệ với nhà cung cấp này
43	Chúng tôi tin tưởng nhà cung cấp này thực hiện nghiêm túc các lời hứa của họ với chúng tôi
44	Chúng tôi tin tưởng vào tính nhất quán trước sau như một trong chính sách đối với đại lý của nhà cung cấp này
45	Nhà cung cấp này cung cấp đầy đủ các thông tin về sản phẩm và dịch vụ mới cho chúng tôi
46	Nhà cung cấp này cung cấp đầy đủ thông tin về các chương trình khuyến mãi và bán hàng cho chúng tôi
47	Nhà cung cấp này cung cấp đầy đủ các thông tin về tình trạng hàng hóa cho chúng tôi
48	Nhà cung cấp này cung cấp đầy đủ các thông tin về các kế hoạch phân phối của họ
49	Nhà cung cấp này cung cấp nhiều thông tin về các cơ hội kinh doanh cho chúng tôi
50	Nhà cung cấp này thường xuyên cập nhật cho chúng tôi tình hình công nợ của chúng tôi với họ
51	Chúng tôi tốn rất nhiều thời gian cho các cuộc họp với nhà cung cấp này
52	Chúng tôi tốn rất nhiều công sức để mặc cả/ thương lượng với nhà cung cấp này để đạt được một thỏa thuận kinh doanh
53	Chúng tôi rất hay tranh cãi với nhà cung cấp này về các vấn đề kinh doanh
54	Chúng tôi có rất nhiều vướng mắc với nhà cung cấp này về các vấn đề kinh doanh
55	Chúng tôi mất nhiều thời gian để xây dựng và duy trì quan hệ với nhà cung cấp này
56	Chúng tôi đầu tư nhiều chi phí (tính bằng tiền) để xây dựng và duy trì mối quan hệ với nhà cung cấp này

57	Chúng tôi đầu tư nhiều công sức và tài nguyên khác để xây dựng và duy trì quan hệ với nhà cung cấp này
58	Chúng tôi mất nhiều thời gian và công sức để thực hiện các yêu cầu của nhà cung cấp này (bảo lãnh ngân hàng, phương thức thanh toán)
59	Chúng tôi bảo vệ nhà cung cấp này khi những người khác chỉ trích họ
60	Chúng tôi có lòng trung thành mạnh với nhà cung cấp này
61	Chúng tôi tiếp tục tìm kiếm các sản phẩm khác để thêm vào hay thay thế các sản phẩm cùng loại do nhà cung cấp này cung cấp ®
62	Chúng tôi hy vọng vẫn tiếp tục phân phối các sản phẩm của nhà phân phối này trong thời gian tới
63	Nếu một nhà cung cấp khác chào chúng tôi một dòng sản phẩm tốt hơn, chúng tôi chắc chắn sẽ mua từ họ, ngay cả khi điều đó có nghĩa phải chấm dứt quan hệ với nhà cung cấp này ®
64	Chúng tôi không rất cam kết với nhà cung cấp này ®
65	Chúng tôi khá sẵn sàng đầu tư lâu dài để bán các sản phẩm của nhà cung cấp này
66	Quan hệ của chúng tôi với nhà cung cấp này là quan hệ đối tác chiến lược lâu dài
67	Chúng tôi kiên nhẫn với nhà cung cấp này ngay cả khi họ có những sai sót gây những rắc rối cho chúng tôi
68	Chúng tôi sẵn sàng đầu tư thêm nhân sự và tài nguyên để gia tăng doanh thu đối với các dòng sản phẩm của nhà cung cấp này

Ghi chú: Trả lời cho câu hỏi từ 1 đến 68 bằng cách khoanh tròn trên thang đo sau:

Rất không đồng ý							Rất đồng ý
1	2	3	4	5	6	7	

Thông tin về người trả lời

Họ và tên		
Giới tính	Nam	Nữ
Chức vụ trong công ty		
Anh/ Chị đã làm việc ở vị trí này bao nhiêu năm?		
Anh/ Chị có phải là người trực tiếp làm việc với nhà cung cấp này?	Đúng	Sai
Anh/Chị đã trực tiếp làm việc với nhà cung cấp này bao nhiêu năm?		

## Appendix 4: Measures of relationship commitment

Buyer's Commitment	Seller's Commitment
1. We defend this supplier when others criticize the company	1. We defend this dealer when other scriticize them
2. We have a strong sense of loyalty to this supplier	2. We have a strong sense of loyalty to this dealer
3. We are continually on the lookout for another product to add to or replace this supplier for this product type (R)	3. We are continually on the lookout for another dealer to replace or to add in this dealer's territory (R)
4. We expect to be distributing this supplier's products for some time	4. We expect to be using this dealer for some time
5. If another company offered us a better product line, we would most certainly take them on, even if it meant dropping this supplier (R)	5. If another dealer offered us a better coverage, we would most certainly take them on, even if it meant dropping this dealer (R)
6. We are not very committed to this supplier (R)	6. We are not very committed to this dealer (R)
7. We are quite willing to make long-term investments in selling this supplier's line	7. We are quite willing to make long-term investments in selling this dealer
8. Our relationship with this supplier is a long-term alliance	8. Our relationship with this dealer is a long-term alliance
9. We are patient with this supplier when they made mistake that cause us trouble	9. We are patient with this dealer when they made mistake that cause us trouble
10. We are willing to dedicate whatever people and resources it takes to grow sales of this supplier's products.	10. We are willing to dedicate whatever people and resources it takes to grow sales for this dealer.

Source: Adapted from Anderson and Weitz (1992)

Note: (R) indicates item was reverse worded

All responses were recorded by circling a number on the following scale

Strongly disagree							Strongly agree
1	2	3	4	5	6	7	

## Appendix 5: Details of Measurement Models

		Loading	R <sup>2</sup>	AVA
	<b>SELLER SIDE</b>			
	<b>SALES VOLUME</b>			0.704
1	Sales from this dealer is stable	0.864	0.747	
2	Sales from this dealer is growing gradually	0.837	0.700	
3	We always meet our sales objectives with this dealer	0.877	0.770	
4	This dealer buys variety of product lines from us	0.809	0.654	
5	We gain negotiating advantage with manufacturers due to our successful business relationship with this dealer.	0.804	0.647	
	<b>SPECIAL SUPPORTS</b>			0.657
1	Thank to our good relationship with this dealer, our business plans have been formulated and implemented successfully	0.791	0.626	
2	Doing business with this dealer helps us save our administrative costs	0.867	0.751	
3	This dealer say good words about us with other dealers	0.842	0.709	
4	This dealer introduce new customers for us	0.801	0.642	
5	When price increases slightly, this dealer is not too price sensitive	0.815	0.665	
6	This dealer always pays us on time	0.826	0.682	
7	This dealer supports us in difficult times	0.807	0.652	
8	This dealer is willing to work with us in our sales and marketing campaign	0.783	0.613	
9	This dealer responds quickly every time we ask for their supports	0.758	0.575	
	<b>FRIENDLINESS</b>			0.712
1	The staff of this dealer knows my name	0.819	0.670	
2	The staff of this dealer knows very well about our company	0.865	0.749	
3	In addition to business relationship, I have good personal relationship with this dealer's staff	0.835	0.698	
4	My relationship with the staff of this dealer is a friendship	0.875	0.765	
5	The staff of this dealer and I sometimes hang out after business hours	0.840	0.706	
6	My relationship with the staff of this dealer makes me feel comfortable	0.880	0.775	
7	I feel happy in doing business with this dealer	0.851	0.725	
8	I feel happy about the social aspects of my relationship with this dealer	0.778	0.606	
	<b>UNDERSTANDING</b>			0.769
1	This dealer spends time listening to our problems or difficulties	0.873	0.762	
2	This dealer respects us very much	0.912	0.831	
3	This dealer understands our business objectives	0.902	0.813	
4	We are proud to be the supplier for this dealer	0.818	0.669	
	<b>SELLER CONFIDENT BENEFITS</b>			0.730
1	We trust this dealer	0.905	0.819	
2	Long term relationship with this dealer helps reduce our business uncertainties	0.855	0.731	
3	We believe that in market turbulence situation this dealer will not try to take advantage of our relationship	0.853	0.728	
4	We believe that this dealer will not reveal business information that we share with them with other parties	0.802	0.643	
5	We feel less anxious in doing business with this dealer	0.910	0.829	
6	We know in advance what we can expect in doing business with this dealer	0.847	0.718	
7	We believe that this dealer will seriously fulfill what they promise us	0.845	0.714	

8	We believe that this dealer will sell at the price that we set for them	0.810	0.656	
	<b>SELLER INFORMATIONAL BENEFITS</b>			0.738
1	This dealer provides sufficient customers' information and feedback for us	0.873	0.762	
2	This dealer provides all the competitors' information for us	0.886	0.785	
3	This dealer provides us all information that is related to our business relationship	0.889	0.790	
4	This dealer provides us their feedback and suggestions on our sales and promotion campaigns	0.815	0.664	
5	This dealer provides us their feedback and suggestions on the way we serve them	0.878	0.771	
6	This dealer share with us their needs for products and services	0.811	0.658	
	<b>SELLER MAINTAINANCE COSTS</b>			0.743
1	We spend a lot of time for meetings with this dealer	0.874	0.764	
2	We spend a lot of time and efforts to negotiate with this dealer to come to agreements on business deals	0.889	0.790	
3	We often argue with this dealer about business related issues	0.839	0.704	
4	We have many business problems with this dealer	0.904	0.817	
5	We spend a lot of time to build and maintain our relationship with this dealer	0.832	0.692	
6	We invest a lot of money to build and maintain our relationship with this dealer	0.859	0.738	
7	We invest a lot of efforts and other resources (in addition to monetary resources) to build and maintain our relationship with this dealer	0.835	0.697	
	<b>SELLER COMMITMENT</b>			0.64
1	We defend this dealer when others criticize them	0.825	0.681	
2	We have a strong sense of loyalty to this dealer	0.797	0.636	
3	We are continually on the lookout for another dealer to replace or to add in this dealer's territory (R)	0.852	0.726	
4	We expect to be using this dealer for some time	0.800	0.640	
5	If another dealer offered us a better coverage, we would most certainly take them on, even if it meant dropping this dealer (R)	0.804	0.647	
6	We are not very committed to this dealer (R)	0.841	0.707	
7	We are quite willing to make long-term investments in selling this dealer	0.804	0.647	
8	Our relationship with this dealer is a long-term alliance	0.729	0.532	
9	We are patient with this dealer when they made mistake that cause us trouble	0.817	0.668	
10	We are willing to dedicate whatever people and resources it takes to grow sales for this dealer	0.696	0.484	
	<b>BUYER SIDE</b>			
	<b>PRODUCT QUALITY</b>			0.684
1	This supplier offers full range of products	0.892	0.795	
2	The quality of the products this supplier supplies for us is very reliable	0.814	0.662	
3	The product quality of this supplier is very good	0.837	0.701	
4	This supplier always has in stock the products that we need	0.760	0.578	
	<b>SPECIAL SUPPORTS</b>			0.700
1	We often have special offers when buying from this supplier	0.766	0.587	
2	This supplier support us very effectively when we face difficulties	0.799	0.638	
3	This supplier always deliveries their products to us precisely	0.844	0.712	

4	This supplier always deliveries their products on time	0.823	0.678	
5	When we are in urgent situations, this supplier always makes special deliveries to us	0.846	0.716	
6	This supplier supports us effectively in our joint sales and promotion campaigns	0.861	0.742	
7	This supplier responses quickly to our requirements for their products	0.864	0.746	
8	This supplier responses quickly to our requirements for supports	0.835	0.698	
9	This supplier always support us very well regarding technical issues	0.880	0.775	
10	This supplier responses quickly when we have problems	0.802	0.644	
11	This supplier responses quickly when we complain with them	0.848	0.719	
12	This supplier deals with our complains very fairly	0.854	0.729	
13	The service processing process of this supplier is flexible and effective	0.843	0.710	
	PRICING AND COST REDUCTION			0.659
1	When buying large volume we always have special price from this supplier	0.746	0.557	
2	The price this supplier offers is always very competitive compared to other suppliers in the market	0.829	0.687	
3	This supplier offers the same price for dealers at the same level	0.769	0.592	
4	This supplier ensures that their dealers do not sell below their listed price	0.850	0.722	
5	This supplier offers us a reasonable credit policy	0.815	0.664	
6	Having good relationship with this supplier helps us save our transaction costs with them	0.869	0.755	
7	Having good relationship with this supplier helps us save our time	0.799	0.639	
	FRIENDLINESS			0.711
1	The staff of this supplier knows my name	0.825	0.680	
2	The staff of this supplier knows very well about our company	0.838	0.703	
3	In addition to business relationship, I have good personal relationship with this supplier's staff	0.875	0.765	
4	My relationship with the staff of this supplier is a friendship	0.822	0.675	
5	The staff of this supplier and I sometimes hang out after business hours	0.839	0.704	
6	My relationship with the staff of this supplier makes me feel comfortable	0.873	0.762	
7	I feel happy in doing business with this supplier	0.814	0.662	
8	I feel happy about the social aspects of my relationship with this supplier	0.857	0.735	
	UNDERSTANDING			0.760
1	This supplier spends time listening to our problems or difficulties		0.775	

		0.880		
2	This supplier respects us very much	0.895	0.801	
3	This supplier understands our business objectives	0.856	0.732	
4	We are proud to be the dealer for this supplier	0.854	0.730	
	BUYER CONFIDENT BENEFITS			0.740
1	We trust this supplier	0.826	0.682	
2	Long term relationship with this supplier helps reduce our business uncertainties	0.812	0.659	
3	We believe that in market turbulence situations this supplier will not try to take advantage of our relationship	0.859	0.738	
4	We believe that this supplier will not reveal confidential business information that we share with them with other parties	0.906	0.821	
5	We feel less anxious in doing business with this supplier	0.911	0.830	
6	We know in advance what we can expect in doing business with this supplier	0.897	0.804	
7	We believe that this dealer will seriously fulfill what they promise us	0.820	0.672	
8	We believe in the consistency of this supplier's policy for us-BCON8	0.845	0.714	
	BUYER INFORMATIONAL BENEFITS - BINF			0.747
1	This supplier provides us sufficient information about their new products and services	0.869	0.756	
2	This supplier provides us sufficient information about their sales and promotion campaigns	0.821	0.674	
3	This supplier provides us up-to-date information about the availability of their products and services	0.868	0.754	
4	This supplier provides us up-to-date information about their distribution plans	0.931	0.867	
5	This supplier provides us many information about business opportunities	0.837	0.700	
6	This supplier provides us up-to-date billing information	0.856	0.733	
	BUYER MAINTAINANCE COSTS			0.681
1	We spend a lot of time for meetings with this supplier	0.825	0.680	
2	We spend a lot of time and efforts to negotiate with this supplier to come to agreements on business deals	0.797	0.636	
3	We often argue with this dealer about business related issues	0.873	0.762	
4	We have many business problems with this suppliers	0.850	0.722	
5	We spend a lot of time to build and maintain our relationship with this supplier	0.856	0.733	
6	We invest a lot of money to build and maintain our relationship with this supplier	0.869	0.756	
7	We invest a lot of efforts and other resources (in addition to monetary resources) to build and maintain our relationship with this supplier	0.756	0.571	
8	We spend a lot of time and efforts to meet the financial requirements of this supplier	0.764	0.584	

BUYER COMMITMENT - BCOM				0.589
1	We defend this supplier when others criticize the company	0.634	0.402	
2	We have a strong sense of loyalty to this supplier	0.784	0.614	
3	We are continually on the lookout for another product to add to or replace this supplier for this product type (R)	0.785	0.616	
4	We expect to be distributing this supplier's products for some time	0.734	0.539	
5	If another company offered us a better product line, we would most certainly take them on, even if it meant dropping this supplier (R)	0.864	0.746	
6	We are not very committed to this supplier (R)	0.805	0.648	
7	We are quite willing to make long-term investments in selling this supplier's line	0.815	0.665	
8	Our relationship with this supplier is a long-term alliance	0.733	0.537	
9	We are patient with this supplier when they made mistake that cause us trouble	0.758	0.574	
10	We are willing to dedicate whatever people and resources it takes to grow sales of this supplier's products	0.742	0.551	



## VITA

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### EDUCATION

- 2002 - 2007:**     **Doctor of Philosophy in Business Administration, Marketing**  
College of Business and Public Administration  
Old Dominion University, VA, USA
- 1997 - 1999:**     **Master of Business Administration, International Business**  
School of Management  
Asian Institute of Technology, Bangkok, Thailand
- 1991 - 1995:**     **Bachelor of Business Administration**  
School of Business Administration  
University of Economics, Ho Chi Minh City, Viet Nam

### LANGUAGE AND COMPUTER

Vietnamese, English

Computer:         MS Office, SPSS, AMOS

### RESEARCH INTERESTS

1. Relationship Marketing
2. Consumer Behavior
3. Export Management, Export Strategy, International Marketing for Less Developed Countries
4. Marketing for SMEs

## WORKING EXPERIENCE

- 1997 till now: Instructor of Marketing at the School of Industrial Management, HCMC University of Technology. Courses offered for undergraduates, MBA, and local businesses: Marketing Management, Business to Business Management, Customer Satisfaction Index Management, Services Marketing, Selling Skills, Advertising and Sales Promotion, Marketing Research
- 2000 – 2002: Head of SMEs Support Office, HCMC University of Technology  
Major duties: (1) designing and marketing training programs for local businesses; (2) offering consultancy services
- 1996 – 1998: Consulting and Preparing several FDI projects in Viet Nam
- 1995 – 1997: Sales Manager at HPT Co, Ltd.  
Major duties: formulating strategies, marketing PCs and PC related products/ services

## RESEARCH AND CONSULTANT PROJECTS

1. Vu, D.T et al (2007), “Consumer Profile 2007 in Viet Nam”, Client: Sai Gon Marketing Magazine.
2. Vu, D.T et al (2006), “Consumer Profile 2006 in Viet Nam”, Client: Sai Gon Marketing Magazine.
3. Vu, D.T and Truong, T.H.D (2004), “Evaluating customer relationship of FPT Distribution Company in HCMC”, Client: FPT Corporation, Viet Nam.
4. Vu, D.T and Bui, N.H (2004), “Examining Export Barriers Perceived by local businesses in HCMC”, Client: HCMC Department of Science, Technology and Environment.
5. Vu, D.T and Truong, T.H.D (2003), “Need Assessment for Agtek members in HCMC”, Client: Mekong Private Sector Development Facility (MPDF).
6. Vu, D.T and Truong, T.H.D (2003), “Need Assessment for Bat Trang Ceramic Association’s members in Ha Noi”, Client: Mekong Private Sector Development Facility (MPDF).
7. Le, N.H, Vu, D.T., Tran, H.T (2000), “Assessment of Customer Satisfaction towards HP services”, Client: Hewlet Packard Viet Nam.

## BOOKS

1. Vu, D.T and Truong, T.H.D (2004),, “**Marketing Management: Concepts and Case Studies**” , Technology Publisher (in Vietnamese)
2. Vu, D.T (2002), “**Business to Business Marketing**”, Viet Nam National University Publication (in Vietnamese)

## ACADEMIC PAPERS

### Articles published in peer reviewed journals

1. Vu, D.T, (2003), “Relationship Marketing: A review of the literature”, Proceeding International Management Education Conference, Hanoi, Vietnam, 2003.
2. Vu, D.T, (2003) “The Role of Relationship Marketing in Export Performance”, Proceeding International Management Education Conference, Hanoi, Vietnam.
3. Vu, D.T and Nguyen, Binh, “Export Barriers in Developing Countries: a study in Hochiminh City, VN”, Proceeding International Management Education Conference, Hanoi, Vietnam, 2003.
4. Vu, D.T and Nguyen, Binh, Applications of Case Study method in teaching Marketing related courses, 8<sup>th</sup> Science and Technology Conference of HCMC University of Technology, 2002