



*Department for Business Studies*

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# **Factors Influencing Customer-Relations in B2B**

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*A survey of Medical Rubber's customers*

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Kristianstad, December 2004

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## **Abstract**

In order to be successful on the market it gets more and more important to have a good relation to your customer. Without a good relationship to your customer you are just one among many other competitors. A healthy relationship in which both parties are satisfied is probably based on many different reasons. Many researchers in this field believe that power/dependence and commitment/trust are essential cornerstones in a business relationship. However, the researchers all stresses different factors that they believe influence these cornerstones. Our work is based on power, commitment and trust, and our intention is to point out the different factors that we believe are influencing our cornerstones. Furthermore we have constructed a model and created hypotheses that are tested through a survey conducted on Medical Rubbers customers.

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# 1. Introduction

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*In the first chapter the background of the dissertation is discussed. The research problem and the purpose of the dissertation are described. Finally, the limitations, the research questions and the outline are presented*

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## 1.2 Background

When people hear the word marketing, the first thing that comes to mind is probably advertising, and especially the everyday commercials effecting our purchase decisions. But a large part of marketing is something that never reaches the end consumer and that is the marketing of business-to-business companies. Medical Rubber is such a company. Their headquarter is in Hörby, Sweden and they have a total of three plants, two in Sweden and one in Poland. The two plants based in Sweden make advanced medical technical components in clean rooms. The plant in Poland manufactures the products that don't demand a clean room. Medical Rubber assists medical and technical companies around the world to develop customised precision components. Their speciality is to manufacture components in liquid silicone rubber and thermoplastic elastomers (TPE) as well as injection- and blow-mould thermoplastics. As an example they manufacture silicon-parts to pacemakers. A complete solution in design, manufacturing and supply of products is provided in close co-operation with their customers. Medical Rubber allows their customers to follow the development of their products from the beginning to the end.

As a business-to-business company Medical Rubber's marketing strategy can not only rely on the marketing mix of the four P's, i.e. price, product, place and promotion, but greater emphasis has to be put on the relationship to their costumers. Every year Medical rubber conducts customer research regarding their product and the service provided. Knowing that they have many competitors and compete with high quality rather than low price, Medical Rubber is in search of the strengths in the relationships to their customers. The main purpose of this dissertation is to analyse their relationships in order to find an answer to their question.

Relationship marketing has been a known concept since the beginning of trade, but it is not until recently further research has been made in the area. Globalisation trends of our world force companies to establish close relationships with partners around the globe, which also is facilitated by the development of information technology. This leads to that firms must adapt and change in order to keep up with their competitors. The companies must work over boundaries and manage intra-organisational relationships. This faster pace on the market creates new market opportunities but at the same time it threatens the existing market structure. Because of falling growth in the economy or market rationalisation, companies must co-operate in order to compete. Today many companies seek refuge in other companies in form of mergers and acquisitions due to rapid environmental change and increasing uncertainty. Today companies are also aware of that they need to improve the efficiency in their relationships. To manage that they tend to focus on their most important customers, and they establish a closer co-operation with their suppliers. The result of this action may be in the form of greater productivity, which you gain from shared knowledge, skills and resources. Other forms of co-operation can emerge in form of joint ventures, were the two parts work closely together in form of collaboration.

In established models relationship marketing is viewed either as a Power – Dependence spectra or based on the factors Commitment and Trust. This work is based upon these different approaches, which we intend to connect into one model.

## **1.2 Problem**

Our problem is to find out what Medical Rubber's customers value in the relationship. We intend to find out what it is in the relation that makes Medical Rubber attractive on the market. In existing theory it is proposed to view relationship marketing as characterized by power and dependence or commitment and trust. It is our intention to explore the importance of these factors for Medical Rubber's customers and to investigate if there are any differences in how the Swedish and the foreign customers perceive and value the relationship they have with Medical Rubber



### **1.3 Purpose**

The purpose of our dissertation is mainly to investigate and clarify which factors customers' value in a long-term relationship. This will be conducted based on Medical Rubber's customers and with an international perspective. Further, the purpose is to investigate existing theories of relationship marketing, with the intention to find relevant factors and if necessary build our own model for analysing the importance of the different factors.

### **1.4 Limitation**

The limitation for this research is primarily based on time constraints. A lot of literature regarding relationship marketing has been reviewed for this dissertation, but only a few approaches for analysing relationship marketing has been chosen as the base for this work. The few numbers of approaches also represents a limitation. The research could also comprise how Medical Rubber can build customer value and satisfaction but we have concentrated on how the customers' view the relationship. The collected data is based on the customers' perspective of the buyer-seller relation and we have not considered the relation from Medical Rubber's point of view. One also has to consider that this is only the opinion of the chosen sample and other customers might perceive things differently.

### **1.5 Research Questions**

With this dissertation, we search the answers to the following research questions:

- Can existing models for analysing relationship marketing be used in an international perspective?
- Which factors do Medical Rubber's customers find most valuable in a long-term relationship?
- Are there any significant difference between Swedish and foreign customers regarding how they value the relationship?
- Are Power, Commitment and Trust cornerstones in a relationship?

## **1.6 Outline**

The dissertation has the following outline.

*Chapter 2:* A presentation of the method, research approach and strategy.

*Chapter 3:* The theoretical framework is presented. Four relationship-marketing approaches, and the factors on which they are based are discussed.

*Chapter 4:* In this chapter we create our model for analysing business-to-business relationships. The chosen factors and the associated hypotheses are presented.

*Chapter 5:* A presentation of the empirical method. We discuss our sample and limitations as well as the research strategy. The response rate, validity and reliability are also presented.

*Chapter 6:* In this chapter the survey is analysed. Each question and the received responses is presented and evaluated.

*Chapter 7:* Our conclusions will be presented in this chapter. The dissertation is summarised, the model is evaluated and further research is suggested.

## 2. Methodology

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*In this chapter the choice of method is presented, including the collection of primary and secondary data as well as the scientific approach.*

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### 2.1 Choice of Method

In order to meet with the objectives of this dissertation, studies of previous research within the subject has been made. To get started with the dissertation relevant information was found with the assistance of Ms Hanna Persson at Medical Rubber. She gave us access to a survey they conduct every year in order to ISO-certify the company. As secondary data we also used the library and the Internet. As a result of examining existing approaches for analysing relationship marketing and discussing the different alternatives we decided to develop our own model. The reason for this was that we wanted to examine the phenomena only through the customer's point of view and with an international perspective. We found it interesting to see if there was any significant difference in how the Swedish and foreign customers perceive their relation to Medical Rubber, and which factors they value the most.

The choice of research approach is connected with the existence of theories. If there are already well-established theories, a deductive approach is most suitable compared with an inductive approach that assumes a lack of theory. According to Saunders et al. (2003, p. 85) “...*your research should use the deductive approach, in which you develop a theory and hypothesis (or hypotheses) and design a research strategy to test the hypothesis, or the inductive approach, in which you would collect data and develop theory as a result of your data analysis*”. In the area of relationships between buyer and seller in industrial business a variation of theories are to be found and therefore a deductive research approach were chosen for this work.

## **2.2 Data collection**

### **2.2.1 Secondary Data**

Relationship marketing as a concept is as old as trade, while the actual term first quite recently appeared in marketing and management literature. As a result, the existing literature is contemporary and of good use for our study. In order to find relevant literature, reference lists of studies with similar character has been revised. Some of the well-known researcher in the relationship marketing area is the IMP group, Morgan and Hunt, Cannon and Perreault, and Gummesson. This dissertation has its roots in their work, with a main focus on the factors they claim are of importance in a relationship. A number of various publications in the field of relationship marketing were also used as a complement. Except from the works of the IMP group we did not find any research with focus on cross-national relationships. Since Medical Rubber has many international customers we found it important to try to implement the factors in an international perspective. In order to collect information about the company we studied the home page and had a meeting with a spokesperson from Medical Rubber who told us what they were interested in finding out. We were also given access to a survey, which the company conducts once a year.

### **2.2.2 Primary Data**

In order to test our model developed through studying previous research of relationship marketing we formed a questionnaire to conduct telephone interviews, which was Medical Rubber's request. The questions in our questionnaire were designed to match our hypothesis. The sample for our study was chosen from a customer list provided by Medical Rubber, which contacted the chosen customers. From our sample, a number of possible participants were not active customers and some choose not to be a part of the survey. From the remaining customers there were some that we could not reach. Finally our active response rate reached 78%.

## **2.3 Scientific Approach**

The research philosophy chosen for this work is a mixture of the principles of positivism and interpretivism, which is often the case for business and

management research, reflecting the principles of realism (Saunders *et al.*, 2003). We prefer working with an observable social reality, but we do not assume that the end product of the research can be law-like generalisations, similar to those produced by physical and natural scientists. As researchers in the positivistic tradition we assumed the role of objective analysts when collecting our data. On the other hand our research is partly influenced by interpretivism agreeing with the view that the social world of business and management is far too complex for making generalisations. Our intention is to understand the customers' motives for choosing Medical Rubber as their supplier. In order to do so we study the social factors they regard as important for the relationship. This refers to the concept 'social constructionism', which is a core element of interpretivism. The realism stance indicates that "*there are large-scale social forces and processes that affect people without them necessarily being aware of the existence of such influences on their interpretations and behaviours*" (Saunders *et al.*, 2003, p 85). As mentioned earlier our aim is to understand which factors Medical Rubber's customers' value in their relationship. But this does not necessarily imply that the customers themselves are aware of what they value. We find it difficult to make a distinctive choice of research philosophy and research approach and as Saunders *et al.* (2003) notes that the different approaches are rarely totally separate from each other in reality.

As mentioned above we have chosen to use already existing theories as a base when formulating our own model and hypotheses. Our strategy for this research was designed to test our hypotheses. This is the core essence of the deductive approach. Another characteristic of the deductive approach is to have a sufficiently large sampling size in order to generalise human social behaviour. This is where our approach differs from the deductive. Our sample size is not large enough and we cannot draw any general conclusions regarding what customers' value more in relationships. Our findings might be of help for Medical Rubber, but it might lack in relevance for other partnerships. Our choice of deduction as research strategy is also based on the time restraints we have to complete our work and the risk-reduction involved with this strategy (Saunders *et al.*, 2003)

Data collection in a research project can be distinguished as either qualitative or quantitative. When using qualitative data, information is gathered, analysed and interpreted, but cannot in a meaningful way be quantified useful when adopting an interpretivistic research philosophy. In this dissertation quantitative data is used. This refers to studies where the collected material can be expressed in numbers and be analysed quantitatively, i.e. using diagrams and statistics.

The type of research approach can also be expressed in terms of time horizons. In this aspect the dissertation undertakes a cross-sectional study, which refers to a “*study of a particular phenomenon (or phenomena) at a particular time*” (Saunders *et al.*, 2003, p 96)

## 3. Theoretical Framework

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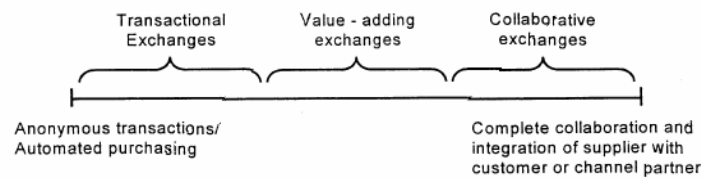
*In this chapter the theoretical framework will be presented. First the concept of relationship marketing will be defined and further explained. Secondly models for analyzing buyer-seller relationships in the business-to-business sector, and their underlying factors will be presented.*

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### 3.1 Introduction

#### 3.1.1 Transactional vs. Relational Approach

When looking at the characteristics of an exchange situation, distinctions are made between a transactional and a relational approach. These are two different ways of looking at the relation the two companies have to each other. Jackson (1985) was one of the first to differentiate between transaction marketing and relation marketing and she argued that; *“Successful relationship marketing involves doing a large number of thing right, consistently, over time. It takes coordination on the part of the seller of resources and tools to meet the customer’s future as well as its immediate needs”*(cited in Payne *et al.*, 1995, p. 45). Day (2000) refers to marketing as a spectrum with transactional exchanges at one end and collaborative exchanges at the other (see figure 3.1). When a transaction-based approach is used no involvement by either party is necessary or desirable, since this is mainly used for standardized products where the focus is on the price instead of the relationship. On the other hand if the product or service provided is more complex the parties will change information and knowledge and form a closer relationship. In between these two extremes Day (2000) puts the value adding exchanges, where the selling companies move from getting customers to keeping customers. The relationship can be of different importance for the organization, and for business-to-business companies a long-term relationship may result in benefits for both the buyer and the seller.



Source: Day, 2002, 'Managing Market Relationships', *Journal of the Academy of Marketing Science*, Vol. 28, page 25.

**Figure 3.1 The Relationship Spectrum**

### **3.1.2 Relationship Marketing**

#### **3.1.2.1 Definition**

Definitions of a phenomenon can give a hint of its essence. There are a lot of different contributions in this area; most of them stress the importance of establishing a long-term relationship with customers and other stakeholders. Grönroos (1990) defines it as *“the process of identifying and establishing, maintaining, enhancing, and when necessary terminating relationships with customers and other stakeholders, at a profit, so that the objectives of all parties involved are met, where this is done by a mutual giving and fulfillment of promises”* (cited by Payne, *et al.*, 1995, p.83). This is a broad definition, which argues that relationships are not only about supplier-customer relations but also includes relations to other stakeholders. Grönroos (1990) only includes profit-organizations and stresses the win-win situation of these. The win-win situation is also emphasized by Ballantyne (1991). The aspect of creating, maintaining and sustaining the values of the relationship, is part of most definitions. Morgan and Hunt define the phenomenon as *“all marketing activities directed to establishing, developing, and maintaining successful relational exchanges”* (1994, p.22). As opposed to Grönroos they include all organizations in their definition i.e. even the non-profit ones. The definition by Gummesson (2002, p.1) is also including the concepts of network and interaction: *“Relationship marketing is marketing based on interaction within networks of relationships”*, and it is primarily based on core variables for further thought and action.



### **3.1.2.2 Overview**

It has been argued (Håkansson, 1982; Gummesson, 1999) that any previous models and principles contributing to the marketing literature lacked in relevance since they focused on the so called one time transaction and the marketing mix concept of the four P's (price, product, place and promotion) instead of emphasizing the ongoing relationship, and the benefits which can be drawn out of a mutual partnership.

Relationship marketing is widely accepted as an important determinant of long-term business success, especially in the service sector (Liljander & Roos, 2002), since there is a greater importance of personal contact. When looking at the relationships of buyers and sellers in business-to-business companies these have many similarities to those of service companies, with greater emphasis on the relationship.

The actual term 'relationship marketing' was first introduced by Berry in 1983 (Berry, 2000), even though the concept itself has been of importance since the beginning of trade. The research of Nordic academics, as Grönroos and Gummesson, has gained a lot of ground within Europe by their work on relationship marketing, which is based on service marketing and service quality (Christopher *et al.*, 2002). In the Industrial Marketing and Purchasing Group (IMP) researchers have made another important contribution to relationship marketing. The group consists of researchers from additional countries in Europe and what distinguishes their work is the equal emphasis they put on the characteristics of both the seller and the buyer (Christopher *et al.*, 2002). These early works have had a lot on influence on later relationship marketing approaches.

### **3.1.2.3 Value Creation**

As with product marketing, the core concept of relationship marketing is to deliver value to customers. A relationship cannot be established, nor maintained with unsatisfied customers. The difference between product- and relationship marketing is that the value in a relationship cannot only be valued in monetary terms such as cost per unit, but rather as the gains from for example exchanged

information and cooperation, referred to as a 'value exchange' by Christopher *et al.* (2002). As an example it has been argued (Gummesson, 1999) that through building closer relationships to a few, or even one supplier, and by linking together the order and delivery systems the relationship becomes a part of the organizational structure and transaction costs can be held down. Anderson and Narus (1999) stresses the importance for managers to understand, create and deliver value to their customers, since it is difficult for the customers themselves to evaluate which supplier that gives the highest value. With value creation as the core essence of relationship marketing, different researchers emphasize different aspects of relationship marketing.

### **3.2 Relationship Marketing Approaches**

The differences in definitions show how the view of relationships differs among the models. This is also clear when looking at the different models that have been developed over the years. The early work of the IMP group view the relationship as an interaction between two parties that are influenced by several factors at different levels. A later work, with similar aspects, is Cannon and Perreault's contribution of evaluating Buyer-Selling relationships. As the IMP group they emphasize the importance of market and situational aspects, as well as relationship specific aspects. Cannon and Perreault's work strive to characterize different types of relationships based on the importance of different factors. The greatest contribution to this area, i.e. characterizing different types of relationships is the 30R's presented by Gummesson. The works of the IMP group and Cannon and Perreault are based on social psychology, social exchange theory and theories of power and dependence, while Morgan and Hunt base their model on commitment and trust between the interacting parties.

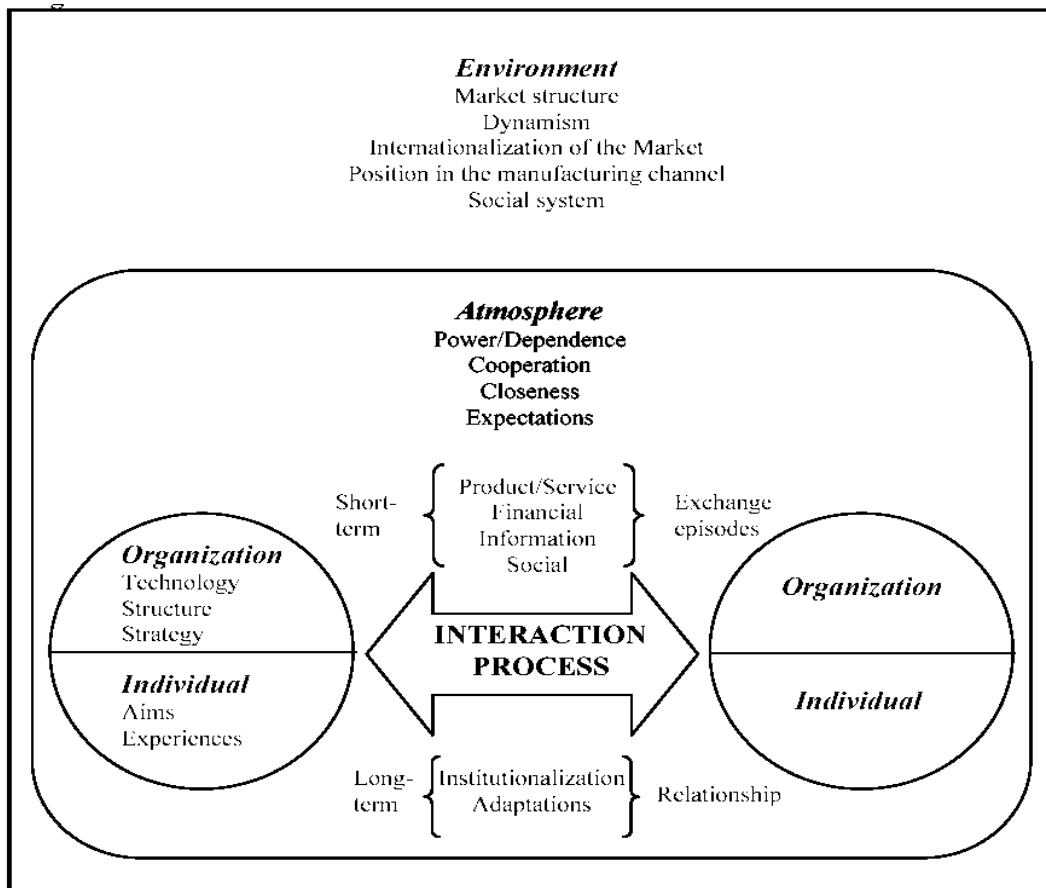
The main focus of the dissertation lies on the factors on which a relationship is built. In this chapter the chosen theories will be briefly presented followed by a closer presentation of their influencing factors.

### **3.2.1 The IMP (Industrial Marketing and Purchasing) Group – The Interaction Approach**

#### ***3.2.1.1 A short presentation of the theory***

The IMP group was formed in 1976 in order to carry out research regarding the nature of the relationships in business-to-business markets. They reacted against traditional marketing research that analysed the different categories of single industrial purchase and the process by which the purchase decision was taken. The IMP group stressed the importance of understanding the pattern of dependencies between companies at four levels. Firstly, that both buyer and seller are active participants in the market. Each may engage in the search to find a suitable buyer or seller, to prepare specifications of requirements or offerings and to manipulate or attempt to control the transaction process. Secondly, the relationship between buyer and seller is frequently long and close, involving a complex pattern of interaction between and within each company. Thirdly, the links between buyer and seller often become institutionalized into a set of roles that each party expects the other to perform, for example the division of responsibilities in product development. These processes may require significant adaptations in organization or operation by either one or both companies. As a consequence, relationships involve both conflict and cooperation. Fourthly, close relationships are often considered in the context of raw material or component supply. Furthermore, the importance of previous purchase, mutual evaluation and the associated relationship are also emphasized (Håkansson & Snehota, 1995). Their research resulted in the development of a model called the interaction approach (see figure 3.2). The IMP group views the marketing and the purchase situation as an interaction process between two parties, influenced by four elements.

- The interaction process
- The participants in the interaction process
- The environment in which interaction takes place and
- The atmosphere affecting and affected by the interaction.



Source: Håkansson, 1982, *International Marketing and Purchasing of Industrial Goods*, page 24.

**Figure 3.2 The Interaction Approach**

### 3.2.1.2 Features

The study by the IMP group is helpful for us since the international perspective is considered. Even though their research was conducted on European companies, the national environments and atmospheres are considered as influencing the exchange situations. Another important aspect of the Interaction Approach is the fact that power and dependence is treated as having a positive influence on relationships.

#### *The Interaction Process*

The IMP group found it important to distinguish between the short-term ‘episodes’ of placing or delivering orders and the long-term ‘patterns’. As for the episodes they stated four exchange elements of influence for the type of relation, i.e. a pure *product or service exchange*, *information exchange*, *financial exchange*

*and social exchange.* The characteristics of the product or service and the possibility to fulfill the buyer's requirements or the seller's resources have an important impact on the relationship when the focus of the relationship is around the product or service in question, as for short term episodes. The question of how much and what type of information being exchanged is also of importance for the depth of the relationship, as well as the way in which the information is exchanged, i.e. by personal or impersonal means. In order to evaluate the economic importance of the relationship one might consider the quantity of money being exchanged. When it concerns an international company it is interesting to consider the exchange rates over time and the possible uncertainties. The social exchange is a critical factor for building up relationships, especially when the parties come from different cultures or has little knowledge about each other.

The longer term patterns, referred to as relationships by Håkansson (1982) can be built up by continuous exchanges of products or services. As these exchanges are repeated the expectations and responsibilities of both parties increase and a mutual understanding and view of the relationship and its outcomes are developed. After some time in relation to a certain party the communication and information exchange contribute to the building of special contact patterns and relationship roles between the interacting entities. Adaptations can be made by one or both of the actors, regarding the product, financial arrangements, information routines or social exchange, and they might result in benefits as cost reduction, increased revenue or the like and consequently of high influence on the relationship. One can also make the conscious choice not to get too close a customer by not adapting. In short, the IMP group believes the institutionalization and the adaptations in the process to be of importance for long-term relationships.

### *The Interacting Parties*

Regarding the parties involved in an interaction, the IMP group argues that the characteristics of both the organizations and the representative individuals involved are of importance. Håkansson (1982) discusses different factors that have major influence on the parties. The difference and similarities of the two parties' technological systems can either tie them together or leave a gap in the

interaction process. As far as the organizational size, structure and strategy is concerned the features and positions of individuals within the parties as well as within the relationship are of great importance. This affects the procedures, the communication and the form of the interaction. The organizations' experiences from earlier partnerships leave them with knowledge, which can facilitate the management of new relationships and thereby influence the interaction. In any exchange there are always at least two individuals in close relation, and depending, for example, on their personality and experience they will interact differently. The relationship is thereby influenced by their experiences, and in turn their developed relationship will influence the decisions of the company they represent. Stereotypes and prejudices may affect the individuals' attitudes in a global perspective, but experiences of positive episodes may change attitudes and affect future cooperation. We believe that previous experience can lead to both a positive and negative outcome for a relation. The characteristics of the organization as well as the interacting parties are most likely to influence the relation. In an international market it is important to be aware of cultural differences and the effects they might have on business behavior and exchange situations.

#### *The Interaction Environment*

According to Håkansson (1982) the environment has to be considered in a wider context influenced by several aspects. (a) The first of them is *market structure*, i.e. the number of buyers and sellers at the market and whether or not it can be viewed as a national or international market. These factors are crucial in the decision of partner and level of relationship. (b) Of further importance is *dynamism*, which for instance influences the relationship in the way that knowledge about the other party increases the possibility to forecast that party's future actions. (c) The degree of *internationalization* of the interacting companies is of importance to the extent of organization and cultural as well as language and international trade regulations knowledge. (d) The *position in the manufacturing channel* also has to be considered as you need to think not only of the buyer of your components, but also in some cases your buyer's customers. We think that market structure can be of great importance for a relationship in the way that in a market with a high number of sellers, each buyer is of becomes more valuable and maintaining

existing relationships will be emphasized. We also posit that the position in the manufacturing channel has some impact, but more in the way of reputation, i.e. how the customer's customers' perceive your product or service and the company as an organization.

### *The Atmosphere*

Håkansson (1982) refers to the atmosphere as a spectrum of power or dependence between the parties. Benefits as reduced costs and increased revenue can be gained from a closer relationship, with cooperation in design, shared competence, knowledge and resources. Advantages can also be gained from control over the other company, expressed in reduced uncertainty. In the initial stages of a relationship the boundaries of power are set up and they might develop over time. Depending on the resources and the dependence of the relationship, as well as the other parties' expertise and access to information, the perceived power is formed. There is also vulnerability involved, when being too dependent on one powerful company.

## **3.2.2 Gummesson – 30R's Approach**

### ***3.2.2.1 A short presentation of the theory***

As a contribution to the relationship marketing theory, Evert Gummesson identifies thirty tangible relationships of different characteristics existing in business and other organizations and their consequences (1999). He stresses the importance of rethinking marketing management of the four P's (product, price, place and promotion) and to see the new research as a paradigm shift, i.e. a whole new way of looking at marketing. Further he claims that what distinguishes his framework from others is the belief "*that both competition and collaboration are essential in a functional market economy*" (Gummesson, 1999, p.10). As a base for his work he mentions eleven properties of importance for relationships<sup>1</sup>, which are the foundation for the thirty relationships listed in appendix 1. These relationships are grouped into four groups: *Classical* and *Special* market relationships, which refers to market relationships and, *Mega* and *Nano*

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<sup>1</sup> (1) collaboration (2) commitment, dependency & importance (3) trust, risk & uncertainty (4) power (5) longevity (6) frequency, regularity & intensity (7) closeness & remoteness (8) formality, informality & openness (9) routinization (10) content (11) personal & social properties

relationships, which refers to non market relationships. The essence of the relationships is that all parties do their best to deliver value for each other and are active participants with mutual responsibility. Gummesson suggest that it is important for every organization to be aware of the existence of the thirty different types of relationships and decide which one has the most impact on the business.

#### *Classical Market Relationship*

The first three relationships are concerned with the core components of a relationship and their relation to other partners.

#### *Special Market Relationship*

Relationships four to seventeen deal with elements beyond the classical market relationships and cover a wide range of groups including marketers, the customer's customer and factors such as environmental and technical influences.

#### *Mega Relationships*

The following six relationships are focused on the personal and cultural settings of the relationship and the need to identify the decision-making unit or the partner. These relationships deal with limitations of competition as, for example, alliances between organizations.

#### *Nano Relationships*

The final seven relationships are concerned with resource allocation and how to attract resources. They focus on organizational power structure, planning principles, incentive system and monitoring principles (Hougaard & Bjerre, 2002).

#### **3.2.2.2 Features**

We find this theory useful in the aspect of its underlying properties. In order to analyze and categorizes a relationship from the aspect of the customer it is important to determine which factors they value in the relationship. As mentioned earlier Gummesson (1999) identifies eleven properties as influencing the thirty relationships.



### *Collaboration*

Wilkinson and Young (1994) suggest that the degree of collaboration between two or more companies can be linked to the degree of competition (cited by Gummesson, 1999, p. 15). For example, a situation characterized with a high degree of collaboration and a low degree of competition is a good foundation for a long-term relationship. In situations with a low degree of both collaboration and competition there is an opportunity for developing a deeper collaboration, while relationships characterized with a high degree of collaboration and competition might have to be reconsidered or reinforced.

### *Commitment, dependency and importance*

When a relationship is of importance for companies they commit themselves to them in order to make them work (Gummesson, 1999). As for the buyer dependency of a supplier is important in the sense that the product is delivered in time. The supplier is in turn dependant on keeping the buyer and does what it can to keep delivery dates. Dependency can exist in different levels, depending on the degree of shared information and recourses. We posit that the degree of commitment depends on the importance of the relationship.

### *Trust, risk and uncertainty*

Without trust in a relationship the parties are unlikely willing to collaborate. It is never possible to be certain on what can be gained from a relationship and there is always risk involved (Gummesson, 1999). Mutual trust deepens the relationships and as noted in 3.2.4 there is various levels of trust in a relationship. According to Donaldson and O'Toole (2002) the reputation and size of the salesperson may be an indicative of trust from the point of view of the buyer. They also mention the willingness to make adaptations and investments as signals of trust.

### *Power*

It is rare that the amount of power is equally divided in a relationship (Gummesson, 1999). One party may have greater influence over the relationship and make the other party feel weak or even used, but this can still be a functional relationship. We posit that asymmetrical power in a relationship can result in both positive and negative outcomes depending on other factors of importance for the

relationship in question, as the type of business, product, level of adaptation and competition in the market.

#### *Longevity*

The essence of relationship marketing is that the relationships are on a long-term basis and according to Gummesson (1999) it results in a more effective relationship. We posit that longevity has to do with commitment in the sense that in time one gets more committed and uses the resources of the relationship in order to strengthen and lengthen it. As Gummesson (1999) mention, the parties might sometimes find it rational to break the relationship, which can result in high switching costs. With the knowledge of these costs, one commits oneself to the relationship in order to make it work. In our context of business-to business this cannot be seen as an underlying factor for a satisfying relationship, but rather a condition.

#### *Frequency, regularity and intensity*

Relationships can be important even if they are not frequent, depending on the type of business and product. Even if the relationships lack in frequency, loyalty makes the relationship worthy and it might be rich in intensity.

#### *Closeness and remoteness*

The closeness between two parties in a relationship varies depending on where the parties are situated and on how much personal contact is actually needed. Gummesson (1999) mentions cultural differences as an obstacle for getting close to your business partner.

#### *Formality, informality and openness*

Gummesson (1999) argue that informality is crucial for industrial marketing as a compliment to formal agreements. The parties need to be able to solve problems quickly and without meetings and paperwork, which require a high level of trust.

#### *Routinization*

Every kind of relationship develops certain routines and procedures that make it work satisfyingly and sufficiently. Still suppliers need to show interest in the

relation, by for example speeding up the manufacturing process and cutting the costs, in order to maintain their customers.

### *Content*

In the meaning of 'relationship marketing' the content of a relationship has changed from being about economic exchange to mutual value creation. The changed information and knowledge between the two parties has become more important.

### *Personal and social properties*

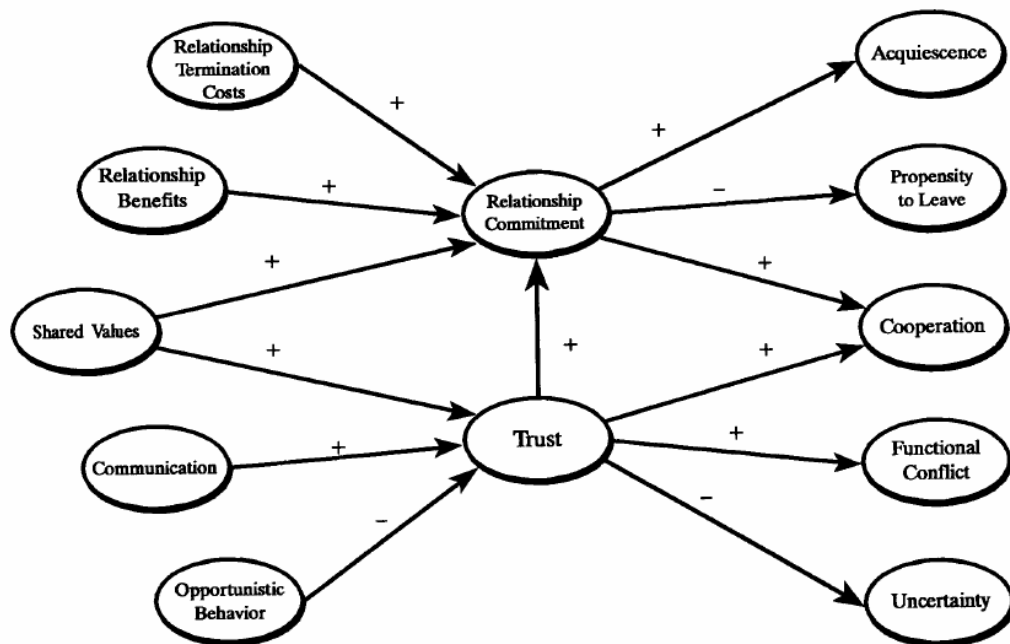
The personal behavior, values and the like make a difference in relationships. It affects the way in which you conduct business, and the way in which you view other people and interact with them.

## **3.2.3 Morgan and Hunt - The Commitment-Trust Theory**

### ***3.2.3.1 A short presentation of the theory***

Robert M. Morgan and Shelby D. Hunt developed in 1994 a model called the KMV-model, based on the Key Mediating Variables Commitment and Trust (see figure 3.3). The model maintains that business-to-business relationship requires commitment and trust. These 'keys' focuses on one party in the relational exchange and that party's relation to these. Morgan and Hunt stress that relationships characterized by trust are so highly valued that parties will desire to commit themselves to such relationships and thereby trust will affect the relationship commitment in a positive way. Morgan and Hunt (1994) claim that the presence of the factors commitment and trust is central to successful relationship marketing since it encourages marketers to work on relationship investment, resist attractive short-term alternatives and view high-risk actions as carefully as possible. They 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*" (1994, p. 23) and draw parallels to the commitment in a repurchase decision, i.e. brand loyalty. As for trust their definition is something "*existing when one party has confidence in an exchange partner's reliability and integrity*"(1994, p. 23) and they argue that one can be confident first when one is willing to take risks. They believe these two to be

influenced by five factors and resulting in five factors, which is of importance for the relation. Power is not considered in their model since their belief is that power in relationships lead to conflict and market failure, and not a well working relationship.



Source: Morgan & Hunt, 1994, 'The Commitment-Trust Theory of Relationship Marketing', *Journal of Marketing*, Vol. 58, page 22.

**Figure 3.3 The KMV Model of relationship Marketing**

### 3.2.3.2 Features

The interesting aspect of this model is that it focuses on one of the parties involved in the relation instead of both parties. Since we want to evaluate the factors of importance for the customers we find this model useful. Morgan and Hunt concentrate the model around commitment and trust, which they claim to be influenced by a number of factors and resulting in other factors.

#### *Precursors of commitment and trust*

Morgan and Hunt (1994) identify five factors influencing commitment and trust. Relationship termination costs and relationship benefits, as direct influences of

commitment, shared values as influencing both commitment and trust, and communication and opportunistic behavior as direct influences of trust.

#### *Relationship termination costs*

As both parties benefit from a relationship it makes an ending of the relationship costly. Termination cost is the expected price of ending a relationship. The cost can be both the lack of a satisfying replacement and also the actual switching cost involved in changing business partner, and according to Morgan and Hunt (1994) the fear of high termination costs produces commitment.

#### *Relationship benefits*

With the existence of various competitions in each market, relationship marketing states that every company seeks out the partner from whom they will get the greatest benefits. According to Morgan and Hunt (1994) one seeks to establish, develop and maintain relationships with partners that provide the highest benefit. When evaluating possible partners, the one delivering the highest value will be chosen for establishing, developing and maintaining a relationship. Morgan and Hunt (1994) claim that companies that receive superior benefits from their relationship, as customer satisfaction, profitability and outstanding product performance, will be committed to the relationship.

#### *Shared values*

Shared values involve what partners have in common when it comes to behavior, goals and policies. Morgan and Hunt (1994) see this as influencing both commitment and trust in relationships. In accordance with the organizational behavior literature they say that the more one share ones partners' values the more committed to the relationship one becomes.

#### *Communication*

Morgan and Hunt (1994) mention the aspect of communication, and especially timely communication as an important influence of trust. They use a definition by Anderson and Narus (1990, p. 44) as "*can be defined broadly as the formal as well as informal sharing of meaningful and timely information between companies*" (cited by Morgan and Hunt, 1994). The quality and frequency of the

information shared with formal partners may result in greater trust with existing ones.

#### *Opportunistic behaviour*

By opportunistic behavior it is meant to involve oneself in self-interest, non-appropriate behavior. Morgan and Hunt posit that it influences a partner's trust negatively when he engages in opportunistic behaviour, which in turn will lead to a decreased relationship commitment.

#### *Outcomes of Relationship Commitment and Trust*

In addition to relationship commitment and trust, as desirable outcomes of a relationship, Morgan and Hunt (1994) suggest five other outcomes: acquiescence and propensity to leave as direct outcomes from relationship commitment, functional conflict and uncertainty as the results of trust and finally cooperation as an outcome from both commitment and trust.

#### *Acquiescence*

According to Morgan and Hunt (1994) acquiescence refers to the degree to which a partner accepts or adheres to another's specific requests or policies.

#### *Propensity to leave*

If there is a probability that a partner will leave the relationship in a near future, one talk about propensity to leave, i.e. if one can find a strong negative relationship between the organisations that collaborate, the degree of leaving is very high.

#### *Cooperation*

Cooperation is a kind of relationship where the two parties work together towards mutual goals. Effective cooperation within a network promotes effective competition among existing networks, which can lead to success in the field of relationship marketing. However, conflict between the parties can still exist. They may have a great deal of conflict between them but they will continue to work with each other because the termination costs are high. There are both theory and empirical evidence indicating that trust also leads to cooperation. Both sides of the

relationship are committed to work with each other with the desire to make the relationship successful.

#### *Functional Conflict*

The conflicts occurring in relationships must be solved otherwise the whole relationship may be dissolved. When a conflict is resolved amicably one refers to 'functional conflict', which can be a positive factor for relationship marketing through increased productivity. It is also stated that past cooperation and communication will result in increased functionality of conflict as a result of increasing trust.

#### *Decision-making uncertainty*

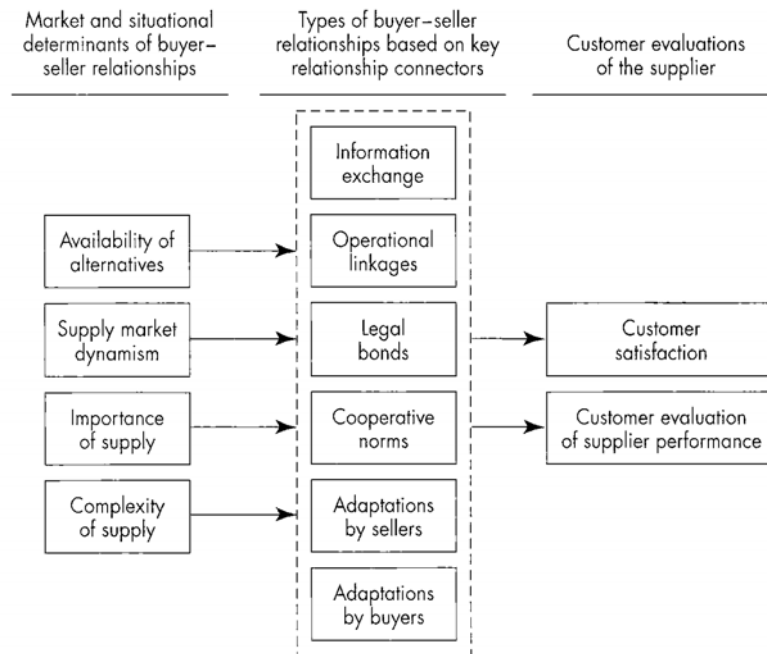
By having enough trust in relationships one decreases the decision-making uncertainty. It is important to have sufficient trust in your partner in order to have confidence in decisions made. Morgan and Hunt (1994) believe that trust decreases a partner's decision-making uncertainty because the trusting partner is confident that the trustworthy party can be relied on.

### **3.2.4 Cannon and Perreault - Buyer-seller relationships in business markets**

#### ***3.2.4.1 A short presentation of the theory***

Joseph P. Cannon and William D. Perreault JR. developed in 1999 a model for classification of different types of business relationships (see figure 3.4). Based on previous research and theories they specify six different dimensions, which they call connectors. These connectors explain different dimension of relations between sellers and buyers. In order to evaluate the connectors Cannon and Perreault suggest four market and situational determinants of buyer-seller relationships leading to the connectors. These four are connected to the degree of uncertainty, risk and dependence involved in the relationships. The different connectors deal with and reflect legal, economic, political, sociological and psychological aspects. These aspects are important when it comes to understanding commercial exchange relationships. The market and situational determinants of buyer-seller relationship shape the outcome of the model, customer satisfaction and customer evaluation of supplier performance. Cannon

and Perreault find it important to consider a different set of relationship characteristics at the same time, since it can be based on several factors.



Source: Cannon & Perreault, 1999, 'Buyer-Seller Relationships in Business Markets', Journal of Marketing Research, Vol.35, page 442.

**Figure 3.4 Schematic Overview of Constructs Relevant to the Practice of Buyer-Seller Relationships**

### 3.2.4.2 Features

As Cannon and Perreault, we intend to focus our model on how the buyer views the relationship. They draw attention to both characteristics of the market and the exchange situation.

#### *Market and situational determinants*

Cannon and Perreault find the two supply market factors, supply market dynamism and availability of alternatives as important influences for relationships. Changes of a companies supply market are a result of rapid changes in technology, price or product availability, which can create uncertainty and risk for the buyer. Cannon and Perreault posit that the positive and negative outcomes



of supply market dynamism will affect the type of relationship. With many players at the market, information about prices and quality is easier to find. It is also noted that few alternative sources of supply can make the buyer uncertain and exposed to risk. Cannon and Perreault notes that for a company with complex supply needs, the choice of supplier is more difficult and more exposed to risk, and the supplier that reduces this will be chosen. The way in which the buying company perceives the financial and strategic importance of a certain supply will also influence the type of relationship.

#### *Information exchange*

Information exchange means that parties exchange and share information that might be useful for both parties. For example to let the other party in on a sensitive product design or for the parties to discuss or share for example demand forecasts. Companies now consider the benefits of sharing information instead of the risks; they start to see that the advantages are greater than the disadvantages in many situations. When parties exchange information they understand each other's behaviour better, this joint effort may increase the outcome for both parties. The increasing information exchange between parties also increases the commitment in the relationship. But according to Cannon and Perreault this increased sharing of information is not only positive; in some cases it has made it easier for one party to act or behave opportunistic.

#### *Operational linkages*

Operational linkages refer to the extent the buyer and the seller cooperate in the procedure to make the operations run more efficiently. There are different levels of operational linkages. Two companies can work close together without any stated cooperation agreements. The opposite is two companies operating quite independently despite similar agreements. The meaning with operational linkages is to make the flow of goods, services or information easier.

#### *Legal bonds*

Legal bonds are the connectors that deal with contractual agreements between the two parties, explaining the parties' roles, obligations and rights in the relationship. Legal bonds mean more than just basic agreements like signed documents,

sometimes business is made with rigorous contracts that are very exact and leaves nothing out, and some people prefer to do business with just a handshake. Primary legal bonds have two motives, first protection and secondly a plan for the future relationship of the two parties.

#### *Cooperative norms*

The expectations the two parties have on each other to work together and to reach their mutual goals are explained with cooperative norms. The parties must understand that they need to work together in order to reach success. They have to cooperate and be flexible in case of changing conditions or occurring problems.

#### *Relationship-specific adaptations by the seller or buyer*

The first connectors, i.e. information exchange, operational linkages, legal bonds, cooperative norms, deal with the joint cooperation between both parties while relationship-specific adaptations by the seller or buyer focus more on one part of the relationship. It focuses on how much one part invests in adapting the process product or procedures in order to fulfil the other parts' needs. Relationship-specific adaptation can be both a one-time investment that might be necessary for just that one time as well as it can be a gradual adaptation over time. Adaptation can be seen as a trust-building process that hopefully can increase revenues or at least reduce cost for one or both parties. These two connectors are very common and many producers adapt to their business partners when it comes to research or customized manufacturing. On the other hand, the buying party often design or market their product on the basis of cooperation with the supplier.

### **3.3.5 Overview**

In order to get an overview of which factors are regarded in the selected theories we have organised them below (see figure 3.5). We have chosen to put the IMP group in the first column, since their model contains most of the factors, and then we have tried to categorise the factors of the other theories from that. The factors put at the same level are not equal, but they share some characteristics. This is made mainly as some kind of guidance.

The IMP Group	Cannon and Perreault	Gummeson	Morgan and Hunt
Market Structure	Availability of Alternatives		
Dynamism	Supply Market Dynamism		
Internationalization			
Position in the manufacturing channel	Importance and Complexity of Supply		Relationship Termination Costs (P) and Propensity to Leave (O)
Social system		Personal and Social Properties	
Power/Dependence		Power	Opportunistic Behaviour (P)
Cooperation	Information Exchange and Cooperative Norms	Collaboration	Cooperation (O)
Closeness	Information Exchange and Operational Linkages	Closeness and Remoteness	Communication (P) and Functional Conflict (O)
Expectations			Opportunistic Behaviour (P)
Institutionalization	Information Exchange and Operational Linkages	Routinization	Shared Values
Adaptations	Adaptations by Sellers and Buyers		Relationship Benefits (P) and Acquiescence (O)
Technology			
Structure			
Strategy			
Aims		Personal and Social Properties	
Experience			Communication (P)
	Legal Bonds	Formality, Informality and Openness	
		Trust, Risk and Uncertainty	Trust (K) and Uncertainty (O)
		Commitment, Dependency and Importance	Relationship Commitment (K)
		Longevity	Propensity to Leave (O)
		Frequency, Regularity and Intensity	

**Figure 3.5 A simplified overview of factors influencing long-term relationships**

### **3.3.6 Summary**

When looking at existing theories we see that they all share some characteristics, even though they treat the phenomena in different ways. For example, the work of the IMP group and Cannon and Perreault are based on social psychology and social exchange theory with emphasize on power and dependence, while Morgan and Hunt base their theory on commitment and trust between the interacting parties. Both Cannon and Perreault and Gummesson identify different types of relationships. All these four theories are based on different factors, which are considered to be important for a business-to-business relationship.

## 4. Analysis – Model Creation

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*In this chapter our model for analysing business-to-business relationships is created, and the associated hypotheses are presented.*

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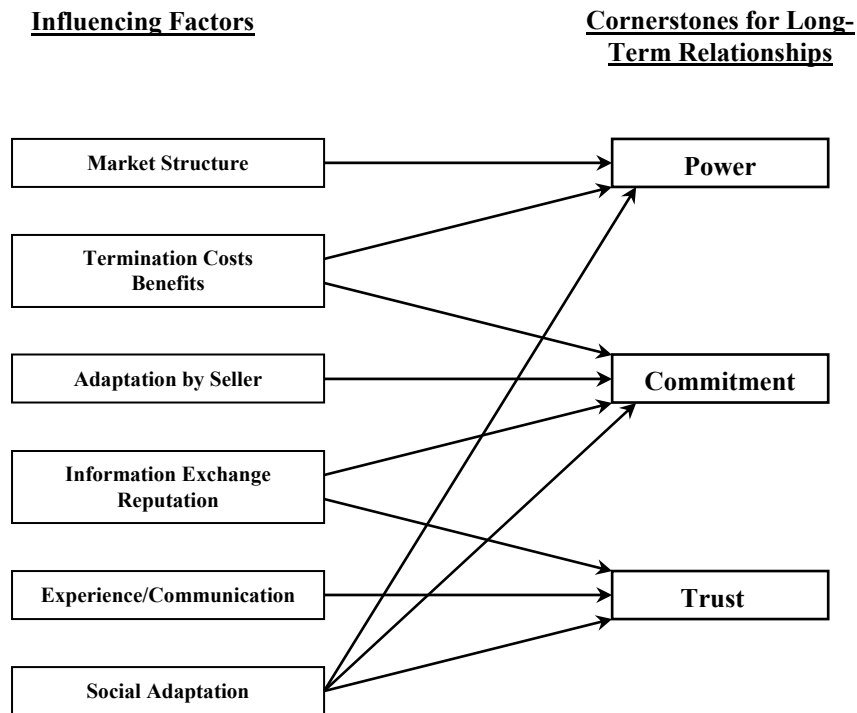
### 4.1 Introduction

As shown in the previous chapter, a lot of research exists in the field of relationship marketing. With roots in service and consumer marketing, the theories have been complemented by several different factors, since the presence of a working relationship has become increasingly important. Not much research has been made in the international market. The IMP group studied the European market, but a worldwide study has not been found. Our intention is to get a global perspective on the matter, since Medical Rubber's customers is found in Europe as well as the United States and Asia. Since we did not find any of the chosen theories to be a sufficient tool for analysing international business-to-business relationships the creation of a new model took place. And this model will be used to test if there are any difference between Swedish and foreign customers, regarding the factors they value the most in their relation to Medical Rubber. Previous work has focused on power/dependence or commitment/trust as factors of key importance. We posit that these can be of equal importance, and in our model we separated them from each other and as influenced by several factors. The factors we use in our model are based on what previous researchers have found to be of importance for relationships (see figure 4.1).

### 4.2 Outline of our model

After evaluating the presented relationship marketing approaches and their underlying factors, we have considered which of these are most valuable from the buyer's point of view when choosing and staying with a partner. Many factors reappear in several approaches and the ones we believe to be of greatest importance will now be presented. As mentioned earlier we have put the factors Power, Commitment and Trust as separate from each other. The cornerstone of our model is that long-term relationships are based on these three factors to different degrees. We posit that some relationships can be based on an equal

amount of power, commitment and trust, while in other relationships one of the factors can be of more importance, for example trust or commitment. Six different factors are distinguished as influencing the three cornerstones.



**Figure 4.1 The Power, Commitment and Trust Model**

#### 4.2.1 Trust

Many models regarding relationship marketing are based on the belief that trust is crucial in a business-to-business relationship. There are many different definitions on what trust is but most of them agree that it is confidence between parties that the other part is reliable (Morgan & Hunt, 1994). Examining the literature we find that trust can be built in three ways. According to Kumar (1996), dependable, reliable and honour are three key elements that the firm must demonstrate in order to build trust. The firm must also act in the partners' firm's best interest. At last the firm must work on its reputation of fairness (cited by Anderson & Narus, 1999, p.407). Sako (1992) also divide trust into three categories; competency trust, contractual trust and goodwill trust (cited by Donaldsson & O'Tool, 2002, p.10). One could say that trust is the company's belief that another company will

perform actions that will result in positive outcomes for the company. But this strength may lead the company to make a trusting response or action.

#### **4.2.2 Commitment**

Commitment is a desirable outcome of relationships and throughout most relationship marketing research commitment has been compared to the kind of commitment existing in marriages. Morgan and Hunt (1994, p. 23) define the concept as “*an ongoing relationship with another that is so important as to warrant maximum efforts at maintaining it*”. Anderson, Håkansson and Johansson (1994) define commitment as “*captures the perceived continuity or growth in a relationship between two firms*” (cited by Anderson & Narus, 1999, p. 347). In order for the company to grow and prosper, it is important to put effort into the relationship and to show the other company goodwill.

#### **4.2.3 Power**

In relationship marketing power has been linked together with dependence on another party. According to Thorelli (1986) “*Power is the central concept in network analysis [because its] mere existence [can] condition others*” (cited by Morgan & Hunt, 1994, p 22). It is suggested that power is rarely equally divided between two parties (Gummesson, 1999; Alvensson 1996). The company that has the power advantage in a transaction situation can force the weaker company to make price changes. For example, if the customer has the power advantage, it can secure a lower price from the supplier. Alvensson (1996) implies that the concept of power needs to be extended in addition to the traditional view that power is connected to competition and conflict. Power can also be a good thing and lead to for example safety and structure. Morgan and Hunt (1994) divide power into two parts, coercive and noncoercive although noncoercive is basically not power but rather influence, and they state that successful long-term relationships are more likely if they are based on commitment and trust instead of coercive power. Relationships are healthier if the parties want to be in the relationship than if the parties have to be in the relationship (Morgan & Hunt 1994).

#### **4.2.4 Social Adaptation**

The persons active in the interaction need to have knowledge about differences in business cultures and be willing to understand and adapt to these. The IMP group's model for analysing relationships states that the environment in which the business is conducted is of importance for its outcome, and this includes the degree of internationalisation of the market as well as cultural knowledge. Hofstede argues that it is hard, if not impossible to create a universal model for marketing, since the surrounding culture shape ones value system (cited in de Mooij, 1998). Except cultural values we also include personal characteristics in this factor. Many business relations exist because the seller and the buyer have good communication, understand and like each other, and both the IMP group and Gummesson stresses the importance of personal and social properties. Our belief is that without being able to adapt socially and build a strong social relationship, many business relationships would not exist and therefore we find social adaptation to influence all of the three factors, power, commitment and trust.

**H<sub>1</sub>** : Social adaptation is important in order to build strong relationships across cultures.

#### **4.2.5 Market Structure**

By market structure we refer to the size of the market and how many actors there are. Both buyer and seller need to consider the complexity of the market and the product, i.e. how many alternative suppliers and competitors they have, if the market can be regarded as international or just local. In our definition of market structure we also consider the position in the manufacturing channel, as we believe it might be of importance for a selling company to consider who their customers' customer is. According to Cannon and Perreault a buyer gets uncertain and exposed to risk in a market characterized with few suppliers. We posit that the market structure influences the power situation in a relationship in the aspect that if a market is characterized by few suppliers and non standardised products the supplier can exercise its power over the buyer.

**H<sub>2</sub>** : The buyer gets less power in the relationship if the market is characterized with few suppliers



#### **4.2.6 Termination Costs**

A company's termination costs can in a way be linked to the market structure. If the market is characterized by a small number of suppliers, a complex market structure, and if it is difficult to reach other suppliers the termination costs are assumed to be higher and consequently gives the supplier more power. We believe termination costs influence both power and commitment. Suppliers are assumed to be more committed to their partner if they know that the termination costs are high.

**H<sub>3</sub>** : The buyer gets less power in the relationship, if the termination costs are high.

**H<sub>4</sub>** : The buyer gets more committed to the relationship, if the termination costs are high.

#### **4.2.7 Benefits**

We believe that the seller is more willing to adapt to the customers' needs if the benefits are greater. Both parties actively seek the partner who adds the most value to the company. We believe that in an international market, with a higher number of players, the choice of partner gets even more complex and the gained benefits will play a greater role in the decision. In our model, benefits are regarded as influencing both power and commitment. If you as a buyer have higher benefits from a relation than your supplier, the supplier have greater control over the relation. At the same time, with high beneficial gains a partner is supposed to be more committed to the relation, which in turn leads to greater benefits.

**H<sub>5</sub>** : The buyer gets less powerful in a relationship, from which he/she gains high benefits.

**H<sub>6</sub>** : The buyer gets more committed to a relationship, from which he/she gains high benefits.

#### **4.2.8 Adaptation by Seller**

The more the seller adapts to the buyer's needs the more committed he gets, because he has invested time, money or effort in the relationship, and does not want to lose those investments. The adaptation made by the seller shows goodwill, which makes the buyer more committed, and with high commitment in a relationship we believe that a seller might be more willing to adapt. Adaptations have been an important factor in all the models revised. We will focus on adaptation by the seller, since we treat the matter from the buyer's point of view.

**H<sub>7</sub>** : The buyer gets more committed to a relationship where the seller is willing to adapt to his/her needs.

#### **4.2.9 Information Exchange**

In all the revised models collaboration/cooperation is mentioned as an important factor for relationships. We posit that relationships always consist of some kind of cooperation. It might be characterized by a high or low degree, depending on the length, depth and importance of the relation. This is the reason why we have chosen not to concentrate our model to this factor. We believe that the depth of the relationship is depending on the amount and the importance of information being exchanged. Sharing sensitive information with a partner about product and organisational features is an indication of being committed and having trust in that partner and conversely it results in having that partner trust you.

**H<sub>8</sub>** : With a high degree of information exchange between the parties, commitment increases.

**H<sub>9</sub>** : With a high degree of information exchange between the parties, trust increases.

#### **4.2.10 Reputation**

This factor is not mentioned in any of the described theories, but we refer reputation to how the seller is seen upon in the market. As a supplier you do not want to have a reputation as a leaving customer i.e. behave in an opportunistic way or breaking contracts. You want to be known as reliable. Morgan and Hunt posit that opportunistic behaviour influences a business partners trust negatively,

which in turn will lead to decreased commitment. Many companies might choose their supplier after recommendations. We also believe that sometimes the customer's customer can influence a company's choice of partner, based on its demand for well-known parts, and that the expectations would be greater as a result of the reputation. The IMP group mentions the expectations you have on a business partner to influence the atmosphere. A company's reputation is of influence for both the degree of commitment and trust a buyer has for its seller.

**H<sub>10</sub>** : The buyers gets more committed to a supplier with a good reputation.

**H<sub>11</sub>** : The buyers gain increased trust for a company with a good reputation.

#### **4.2.11 Experience/Communication**

Previous experience from other relationships can make the communication and the relationship work easier. Knowing how the cluster works and how to handle different situations reduces the risk of misunderstandings. Previous and long experience combined with good communication builds trust.

**H<sub>12</sub>** : The buyer gains increased trust for a company with a long experience/good communication.

### 4.3 Overview

With reference to figure 3.5 we present the factors chosen for the Power, Commitment and Trust model, and to which factors in the existing models, they correspond.

The IMP Group	Cannon and Perreault	Gummeson	Morgan and Hunt	Our model
Market Structure	Availability of Alternatives			Market Structure
Position in the manufacturing channel	Importance and Complexity of Supply		Relationship Termination Costs (P) and Propensity to Leave (O)	Termination Costs
Social system		Personal and Social Properties		Social Adaptation
Power/Dependence		Power	Opportunistic Behaviour (P)	Power
Cooperation	Information Exchange and Cooperative Norms	Collaboration	Cooperation (O)	Information Exchange
Closeness	Information Exchange and Operational Linkages	Closeness and Remoteness	Communication (P) and Functional Conflict (O)	Experience / Communication
Expectations			Opportunistic Behaviour (P)	Reputation
Adaptations	Adaptations by Sellers and Buyers		Relationship Benefits (P) and Acquiescence (O)	Benefits and Adaptation by Seller
Experience			Communication (P)	Experience / Communication
		Trust, Risk and Uncertainty	Trust (K) and Uncertainty (O)	Trust
		Commitment, Dependency and Importance	Relationship Commitment (K)	Commitment

**Figure 4.2 A summarizing overview of the chosen factors for the power, commitment and trust model**

#### **4.4 Summary**

After having reviewed four important theories for analysing business-to-business relationships we concluded that none of these could be fully implemented in a global market, since none of them considers the fact of cultural differences and how this might influence the relationship. Based on the chosen theories we have created a model of our own. In this model we put power, commitment and trust as cornerstones influenced by eight other factors, which is why we call it the Power, Commitment and Trust model. These three factors have been of importance in many previous models, which is why they will provide a base for our model as well. In this chapter we have thoroughly presented the factors we found important for a well-functioning relationship, after having studied previous models, and in connection to each factor one or two hypotheses has been developed.

## 5. Empirical Method

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*In this chapter the Empirical Method is presented. The main focus here is to test the hypotheses connected with the Power, Commitment and Trust Model with the questionnaire. The validity and reliability will also be presented.*

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### 5.1 Research Strategy

A research strategy is a general plan of how one will answer the research questions. There are different kinds of research strategies, for example, experiment, survey and case study. A survey was chosen in this dissertation. The research strategy will contain the objectives of the survey, the sources of the data collection and the constraints that will occur (Saunders *et al.*, 2003).

The base of this dissertation is to establish why Medical Rubber's customers stay in the relationship, and to define the factors of highest value for the customers. In order to do so a model was created and through the primary data the hypotheses connected to our model were tested. Medical Rubber asked to have the interviews conducted by telephone. This request was respected, when we contacted their customers.

### 5.2 The Sample

Since our work is based on Medical Rubber and their customers, it was no problem to find a suitable sampling frame. After a customer list of 153 customers, listed after purchase size, a sample of 51 customers were chosen according to systematic sampling (Saunders *et al.*, 2003). Systematic sampling is recommended for a research based on a large geographical area. The purpose was to find customers of a great variety regarding nationality, product group and purchase size. After the systematic sampling was made, it resulted in twentyfive Swedish customers and twentysix foreign customers. This was an appropriate figure since we intended to compare the Swedish and the foreign customers. The complete sampling list and the prepared questions were sent to Medical Rubber for approval. We encountered a few problems since the list contained former customers as well as present customers. In addition Medical Rubber did not want

us to call a number of customers for different reasons. That generated in a number of reductions, which also included the customer that we did not get in contact with for different reasons. Medical Rubber contacted by email all the customers that we wanted to interview a couple of days in advance in order to make sure that they accepted to be interviewed. Some of them did not want to be contacted, which was respected. Since we had a complete list with the qualified contact person of each company, we were sure that each respondent had the right experience in this field.

Since we did not get as many respondents as intended, we are aware of the fact that our sample size is not large enough to draw any general conclusions. But our result might be of some help for Medical Rubber.

### 5.3 Response rate

From the beginning the sample consisted of 51 customers, which we received from Medical Rubber's customer list. When Medical Rubber contacted them for approval 5 of these stated that they did not want to participate in the research. Further, 15 of the customers were no longer involved in a business exchange with Medical Rubber. Our final sample resulted in 31 customers. We were able to reach 18 of these and they constituted our sample i.e. 12 Swedish and 6 foreign (see table 5.1).

**Table 5.1 Questionnaire responses**

Questionnaire Response	Number of firms	Percent
Respondents in total	51	100%
Participants	18	35%
Respondents that did not answer	13	25%
Respondents that did not want to participate	5	10%
Respondents that were no longer customers	15	29%

As seen in table 5.1 there were 51 respondents. According to (Saunders, *et al*, 2003, p. 157) we can calculate the *total response rate* and the *active response*

*rate*. In order to calculate the total response rate one divide 18 (total number of responses) with 51 (total number in sample) minus 15 (ineligible). Our total response rate was 50%.

The active response rate is 18 (total number of responses) divided with 51 (total number in sample) minus 15 (ineligible) plus 13 (unreachable). Our active response rate was 78%. As seen in table 5.1 five of the respondents did not want to participate, the most frequent answer was due to insufficient time.

According to Sanders, Lewis and Thornhill the likely response rate for telephone interviews is high, about 50-70%.

The reason why there was such a high number of ineligible was because we got Medical Rubbers entire customer list, which included every customer they had a business exchange with. Unfortunately we picked fifteen of those customers who were not active customers anymore.

## **5.4 The Questionnaire**

### **5.4.1 Body of the Questionnaire**

As mentioned earlier we chose to collect our data through telephone questionnaires, which was also the request of Medical Rubber. A questionnaire is considered to be a cheap and reliable way of collecting data. There are different types of questionnaires, and the choice of which to use is concerned with our research questions and other factors, such as the types of questions, and characteristics of the respondents. Telephone questionnaires belong to the category 'interviewer administered' questionnaires and these usually have a high respondent rate. Our intention was to ask simple questions, which could be analysed quantitatively, and this is recommended when conducting telephone interviews (Hague, 1992). According to Anderson and Schwencke (1998), it is very important to have an interview guide when starting to conduct the interviews. Some of the customers asked to be contacted by e-mail instead of by phone. We mailed the questionnaire and wrote a short introduction, where we explained who we are and our intention with the survey. The problem with emailing the



questionnaire is that one cannot be absolutely sure that they interpreted the question in a way that was intended.

Some problems have to be considered when conducting telephone questionnaires, and especially if they are held in different languages. As our sampling contained both Swedish and foreign customers we had to write the interview guide in both Swedish and English. We started by writing the English version, which we translated to Swedish. The Swedish version was then given to an independent person for translating it back into English for us to see if it was interpreted as intended. Despite this, misinterpretations as a result of language and misunderstandings cannot be taken out of consideration. Since we were three interviewers we cannot know if the questions were perceived in exactly the same way, due to, for example, different tone of voice.

Hague (1992) states that it is important that a telephone questionnaire has a short, well-worked introduction, which quickly states the purpose of the study and explains what is required. A short introduction was also written in the e-mail, which was sent to the customers who preferred to participate in this manner. Hauge also mentions that the questions must be short and clear. According to Saunders *et al.* (2003) it is important to have both open and closed question but most important, to have simple questions. These were factors that we had in mind during the time we constructed the questionnaire.

The questions were designed in order to test our hypotheses. In the questionnaire we used both open and structured questions. We believe that the simplest way is to use only structured questions since they are easier to compare. The respondents were asked to answer on a five-graded scale, with one correspond to 'not much' and number five to 'very much'. They were also given the alternative six that states 'do not know or if they chose not to answer' (see appendix 2). We chose to have a few open questions as a complement, in case we missed something that the respondents wanted to stress. We experienced internal reduction, regarding questions that the respondents did not want to or could not answer.

When the questionnaire is finished it should be tested on a colleague according to Hague (1992). We distributed a number of questionnaires to several of our colleagues in order to make sure that the questions were easy to understand and well formulated.

#### **5.4.2 Explanation of the Questions**

The initial questions in the questionnaire are used as opening questions, giving general information about the respondent. The following questions are connected to our hypotheses.

##### ***How much have you invested in the business exchange? Time, money or effort?***

With this question we strive to examine the customers' evaluation of how much they have invested in the relationship in order to see if they regard the termination costs as high or low. This question is related to hypotheses number three and four, i.e. the degree of power and commitment that depends on the termination costs.

##### ***Has Medical Rubber made any adjustments in order to fulfil your needs?***

Our intention with this question is to determine how adaptations made by the supplier affect the degree of commitment the customer feels for the relationship. This question is connected with our seventh hypothesis.

##### ***Do you trust Medical Rubber with sensitive information concerning your product? Organization or future?***

Question four was divided into two questions since they treat different kinds of information, but both strive to give us an indication of how much information is shared between the parties and how this information exchange influences the degree of commitment and trust in the relation. The questions will be tested against hypotheses eight and nine.

##### ***Why did you initially choose Medical Rubber as your supplier?***

By this question we intended to evaluate whether the company's reputation influenced the customers' choice of supplier, i.e. test the significance of hypotheses ten and eleven.

***To what extent do your customers influence your choice of supplier, within the product group?***

This question is, as the previous one, concerned with the influence company reputation has on commitment and trust in relations.

***Regarding communication, do you think that experience from previous business exchanges can be helpful for your relation to Medical Rubber?***

With this question we want to test the twelfth hypothesis, i.e. how former relationships is of help in the existing relation, and how this influences the degree of trust in the relationship.

***Is Medical Rubber a supplier of strategic importance to you?***

Our intention with this question is to test hypotheses three to six. They are connected with both the degree of power and commitment in long-term relationships, influenced by the factors termination costs and benefits.

***Are there many alternative suppliers on the market?***

This question is concerned with how the market is structured and how the power is divided between the two parties. The question test hypotheses number two.

***Would you estimate a change of supplier to be costly?***

Our intention is to test hypothesis number three through this question, i.e. to provide us with information regarding exercise of power as a result of termination costs.

***Have any problems occurred in your business exchange as a result of cultural difference? (Only foreign customers)***

With this question we intended to explore if Medical Rubber has made any social adaptation, and how this have affected the relationship. The question refers to our first hypothesis. This question was only asked to the twenty-six foreign customers that we contacted.

The two last questions were designed for the respondents' opinions about what they believe are valuable in the relation, and what they believed could be improved. This was made in the purpose to receive a general opinion of what the customers thought of their business exchange with Medical Rubber.

## **5.5 Validity**

*“Validity refers to whether the scale is measuring what it is supposed to be measuring”* (Myers, 1999, p. 173).

According to Robsson (2002) there exist some threats to validity namely history, testing, instrumentation, mortality, maturation and ambiguity about causal direction (cited by Saunders *et al.*, 2003). One must keep in mind that this might have led to falsely answered questions from the respondents due to misunderstanding or maybe a misleading question.

We constructed our questionnaire in order to receive answers to implement in our theories. However, there is always the risk that the respondents understood the questions in different ways. To avoid this scenario we tried to formulate the questions in a way to exclude any misinterpretations.

However, due to the fact that we did not get so many answers as we had hoped, we cannot be sure of the survey's validity.

## **5.6 Reliability**

Reliability refers to *“the accuracy of measurement, or the consistency from one measurement to the next”*. (Myers, 1999, p. 173)

According to Robson (2002) there may exist four different threats to reliability; subject or participant error, subject or participant bias, observer error and observer bias (cited by Saunders *et al.*, 2003).

In order to avoid subject or participant error we collected our data on a natural time for them. Since our respondents were both Swedish and foreign, we had to

consider the possible time difference when we contacted them. To avoid subject or participant bias we insured the respondent that their answers would be strictly confidential, so that they would give an honest answer without any influence from for example their boss. Still the questions could be found relatively sensitive, which may have influenced the answers. Some of the respondents did not want to participate out of this respect.

To minimize the risk of observer error we developed an interview guide, so that we all knew how to ask the questions. We also discussed how to explain every question if some of the respondents did not understand the question. To avoid observer bias we used a structured design of our questionnaire (see appendix 2).

## **5.7 Summary**

We have presented the methods in this chapter, which we worked with in order to complete the empirical evaluation. To be able to evaluate our theory we chose to conduct a number of telephone interviews. Our final sample consisted of 18 respondents who were asked to answer a questionnaire with questions regarding their relationship to Medical Rubber. Both closed and open questions were used, the response rate has been mentioned, along with validity and reliability in this chapter.

## 6. Analysis

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*In this chapter the survey is analysed. An evaluation of each question and the received responses is presented.*

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### 6.1 Introduction

Our sampling led to that 31 customers were contacted and from these 18 answers were received. Regarding the number of Swedish respectively foreign companies the responses ended up being unevenly distributed, with 12 Swedish and 6 foreign participants. In order to analyse the survey we used SPSS. We compared the results between Swedish and foreign respondents in terms of mean value, p-value and in order to see to what extent the values differ from the means, we also derived the standard deviation. We have also looked at the valid percentage, presented in appendix 5, for the whole sample.

The “*mean value is often known as the average, that includes all data values in its calculation*” (Saunders *et al.*, 1999, p.352). Standard deviation “*describes the extent of spread of data values around the mean for a variable containing quantifiable data*” (Saunders *et al.*, 1999, p.450). The p-value measure the probability that the result achieved would have occurred randomly. The result is regarded as significant if the p-value is between one and five percent. However, the result should not be higher than five percent to be regarded as significant (Andersson *et al.*, 1994)

The given results show us that there are no significant differences between the two customer groups, since the received p-values are higher than five percent. The respondents had the option to answer each question from a five-graded scale, where one signified ‘not much’ and five ‘very much’. The option ‘no answer’ will be excluded from our analysis. Some of our respondents answered the questionnaire by e-mail and in their cases the reason for a missing response can be a result of simply having overlooked the question or not being able to answer it. Some of the customers we interviewed were not direct customers to Medical

Rubber and could not answer some of the questions. Our intention was to determine which factors the customers regarded as important in the relationship and if a significant difference could be distinguished between Swedish and foreign customers. The missing responses will not be of any interest for our research.

## 6.2 Power

The balance of power has been of different influence in the literature reviewed. It has been argued that the relationship atmosphere is featured by power and dependence (the IMP group). Others argue that power in a relationship is foremost a factor which leads to the destruction of it instead of enhancing it (Cannon & Perreault). In our model we put market structure, termination costs and benefits as factors of influence for the balance of power in a relationship. We posit that asymmetrical power in a relationship can result in both positive and negative outcomes depending on other factors of importance for the relationship in question, as the type of business, product, level of adaptation and competition in the market. Figure 6.1 shows which questions we connect to the factors that we posit influence power.

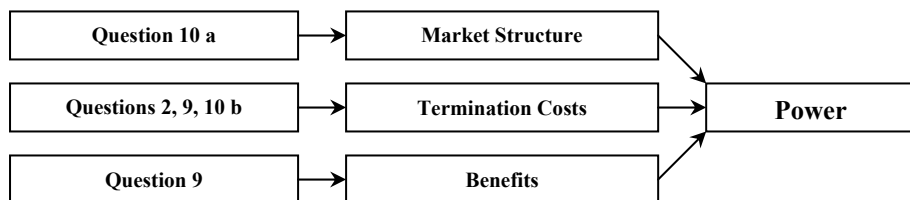


Figure 6.1 Factors connected to power

### 6.2.1 Market Structure

In the hypotheses we set up to test the influence market structure has on relationship we posit that *the buyer gets less power over the relationship if the market is characterized with few suppliers*. The respondents were asked if they had many alternative suppliers to choose from on the market. Our intention with the question was to see whether it would be easy to change supplier, if the buyer are aware of the different actors on the market or if they are satisfied with the exchange they have with Medical Rubber. We also hoped to see a difference regarding how the customers appreciate the market, concerning the degree of

internationalisation. Our belief is that the actual number of players at the market is not as important as how aware the buyers are of their options. Since the foreign customers have found a supplier outside their country we posit that they are more likely to be aware of their many international options. Out of the 18 respondents, three of the Swedish did not answer. The mean value for the foreign respondents is 2.33 and for the Swedish 3.00 while the standard deviation is 1.03 for the foreigners and 1.12 for the Swedish respondents (see table 6.1). This implies that even if there are many actors in the market, the customers are not aware of it. As mentioned in the introduction there is no significant difference between the Swedish and the foreign customers. Our belief was that the possible difference could be that the foreigners would be more aware of the different suppliers but they were not. The case might also be that they have not bothered to investigate alternative suppliers. According to our hypothesis, this would mean that both the Swedish and the foreign customers are less powerful in the relation.

**Table 6.1 Mean and P-value for question 10a**

Question	Swedish Mean	Foreign Mean	Scale	P-Value
10a	3.00	2.33	1=Not Many 5=Many	0.265

### 6.2.2 Termination Costs

The hypothesis connected to termination costs implies that *the buyer gets less power over the relationship, if the termination costs are high*, and are tested through question 2, 9 and 10b (see appendix 2). The mean value of question 2 for the foreign customers is 3.17 with a standard deviation of 0.75, which implies that they are quite unanimous (see table 6.2). The foreign customers believe that the investments made in the relationship are not very high but the Swedish customers appreciate their investments to be lower. The mean value for the Swedish is 2.40 with a standard deviation of 1.58. The answers were widely dispersed and it is difficult to draw any conclusions, but it seems like the customers do not think they have invested much in the exchange. Regarding question 9 the mean value and the standard deviation is rather similar for both customer categories. Even though the



answers of this question are widely dispersed as well, the majority seem to appreciate Medical Rubber as a supplier of strategic importance. In total 75 % of the respondents answered three or higher (see appendix 5). In question 10b the answers did not differ as much either. In total 78.6 % of the respondents estimated a change of supplier as being medium- to very costly. As a conclusion of these three questions, it seems like the customers have not made a lot of investments in the relationship, but they estimate a change of supplier to be rather costly. Taken into consideration that both customer categories regard Medical Rubber as being a supplier of strategic importance, our hypothesis would suggest that the buyers have less power than Medical Rubber in their relationship.

**Table 6.2 Means and P-values for question 2, 9 and 10b**

Question	Swedish Mean	Foreign Mean	Scale	P-Value
2	2.40	3.17	1=Not Much 5=Very Much	0.287
9	3.40	3.33	1=Not Important 5=Very Important	0.928
10b	3.25	3.33	1=Not Much 5=Very Much	0.899

### 6.2.3 Benefits

In our questionnaire we had one question, i.e. number 9 (see appendix 2), connected the hypothesis *the buyer gets less powerful in a relationship, from which he/she gain high benefits*. As mentioned in section 6.2.2 the mean value derived from the different customer categories were similar, with a high standard deviation (see table 6.3). Even though the number is quite low we draw the conclusion that the customers find Medical Rubber to be a supplier of relatively high strategic importance, meaning that they gain high benefits from the relation. In accordance with our hypothesis this implies that the customers are the less powerful of the two parties.

**Table 6.3 Mean and P-value for question 9**

Question	Swedish Mean	Foreign Mean	Scale	P-Value
9	3.40	3.33	1=Not Important 5=Very Important	0.928

#### **6.2.4 Summary of Power**

Since the p-value for each of the questions are higher than five percent we can see no significant difference between the Swedish and the foreign customers. However, they show a tendency of imbalanced power where the customers are the weaker part. Regarding Market Structure we found that, even if there are many alternative suppliers in the market, the customers are not aware of it. We thought that the foreign customers would be more aware of additional options, but we got a low mean value from both sampling groups. None of the groups seem to appreciate their made investments in the relationship as very high, but they all seem to view Medical Rubber as being a supplier of strategic importance to them and most of them believed a change of supplier to be quite costly. As Medical Rubber seems to be a supplier of strategic importance for the responding customers we posit that that they gain quite high benefits out of the relation. Since the question regarding social adaptation only was asked to the foreign customers and since the mean value is so low we exclude this factor when calculating the total mean-value for the cornerstones Power, Commitment and Trust. The mean value derived from our questions in total for the factor power is 3.06 (see Table 6.4), and we conclude that Power is to some degree present in this relationship.

**Table 6.4 Total mean value for Power**

Factor	Swedish Mean	Foreign Mean	Mean for Power
Market Structure	3.00	2.33	
Termination Costs	3.04	3.28	3.06
Benefits	3.40	3.33	

### 6.3 Commitment

Commitment has been argued to be a central part of long-term relationships. A relationship of great importance for both parties will receive more commitment in order to make the relationship work. Termination costs, benefits, adaptation by seller, information exchange and reputation are factors that we include in our model. We have tried to implement these factors into questions, which are presented in figure 6.2, in order to evaluate the research.

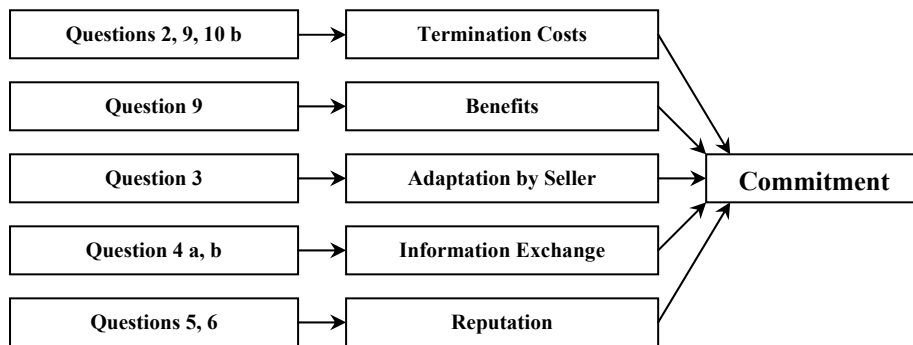


Figure 6.2 Factors connected to Commitment

#### 6.3.1 Termination Costs

In our model we have put termination costs as an influencing factor to both power and commitment. The hypothesis connected to commitment posit that *the buyer gets more committed to the relationship, if the termination costs are high*. As mentioned in section 6.2.2 the respondents answered three questions regarding termination costs and our conclusion from these are that the buyers appreciate a change of supplier as relatively costly even though they have not invested a lot in the relationship. This is not dependent on the nationality. In accordance with our hypothesis the buyer is more committed as a result of high termination costs.

**Table 6.4 Means and P-value for questions 2, 9 and 10b**

Question	Swedish Mean	Foreign Mean	Scale	P-Value
2	2.40	3.17	1=Not Much 5=Very Much	0.287
9	3.40	3.33	1=Not Important 5=Very Important	0.928
10b	3.25	3.33	1=Not Much 5=Very Much	0.899

### 6.3.2 Benefits

We have connected the benefits the parties receive from a relationship with both power and commitment, and our second hypothesis regarding benefits posit that *the buyer gets more committed to a relationship, from which he/she gain high benefits*. This hypothesis is tested through question number 9 (see appendix 2). As mentioned in section 6.2.2 the answers are rather similar between the Swedish respondents and the foreign. The mean value of the Swedish respondents is 3.4 against 3.33 of the foreign respondents (see table 6.5). The standard deviation is rather high, which implies that the answers are widely dispersed and it is hard to draw any conclusions from the answers. However, 75% of the respondents answered three or higher (see appendix 5), which indicates that these respondents see Medical Rubber as a strategic important supplier, indicating that they gain high benefits from the relation. In accordance with our hypothesis this implies that the customers are more committed to the relation due to the fact that it give them high benefits.

**Table 6.5 Mean and P-value for question 9**

Question	Swedish Mean	Foreign Mean	Scale	P-Value
9	3.40	3.33	1=Not Important 5=Very Important	0.928

### 6.3.3 Adaptation by Seller

Previous research of relationship marketing has stated the importance of adaptation by both seller and buyer, in order to make the relation function. In our model we only consider which factors the buyer value, which is why we name our factor adaptation by seller. Our seventh hypothesis, namely that *the buyer gets more committed to a relationship where the seller is willing to adapt to his/her needs*, is tested through question number three (see appendix 2). Only one of the respondents could not answer this question. The mean value of the Swedish respondents is higher than that of the foreign respondents, while the standard deviation is lower for the Swedish customers than for the foreign (see table 6.6). The figures indicate that the Swedish respondents are quite unanimous believing that Medical Rubber adapts to their customers needs. In total 76.4% gave the answer 3 to 5 (see appendix 5). As a result of these answers we posit that the customers, and especially the Swedish, are more committed to the relationship as a result of a high degree of adaptation by Medical Rubber.

The answers of the open-ended question regarding what the customers' value in the relationship confirms the fact that the adaptations made by Medical Rubber is highly valued (see appendix 3). These are some examples showing that Medical Rubber puts an effort in to adapting to the customers' needs.

**Table 6.6 Mean and P-value for question 3**

Question	Swedish Mean	Foreign Mean	Scale	P-Value
3	3.64	3.17	1=Not Much 5=Very Much	0.45

### 6.3.4 Information Exchange

As another factor influencing commitment, we have put information exchange. The revised literature suggests cooperation/collaboration to be of great importance for relationships, while we suggest that cooperation/collaboration are always present if you have an exchange and that it is the degree of exchanged information that is important. The hypothesis connected to information exchange, i.e. *with a*

*high degree of information exchange between the parties, commitment increases*, is tested through questions 4a and b (see appendix 2). Both the mean value and the standard deviation for question 4a is about the same for the two sampling groups (see table 6.7), indicating that the respondents have different opinions but that the average number was rather high. This implies that sensitive information concerning the product is being exchanged and that, according to our hypothesis, commitment increases as a result of this shared information. The numbers derived from question 4b implied a larger difference, of about one unit in mean value, between the Swedish and foreign customers. It seems like the foreign customers is more likely to share sensitive information with Medical Rubber, than the Swedish customers. One could suggest that this has something to do with cultural differences. Summarized, one could say that information is being exchanged to a rather great extent, except information about the organisation and the future of the Swedish companies. Connected with our hypothesis, we posit that commitment increases as a result of information exchange.

The answers of the open-ended question regarding what the customers' value in the relationship confirms the fact that information exchange is highly valued (see appendix 3). These are some examples showing that Medical Rubber puts an effort in to maintaining a good information exchange.

**Table 6.7 Means and P-values of questions 4a and 4b**

Question	Swedish Mean	Foreign Mean	Scale	P-Value
4a	3.44	3.83	1=Not Much 5=Very Much	0.618
4b	2.89	3.83	1=Not Much 5=Very Much	0.189

### **6.3.5 Reputation**

When creating our model we posit that the companies reputation may be of influence when customers choose their supplier. The hypothesis *the buyer gets more committed to a supplier with good reputation* is connected to this question. The respondents' were asked to grade a number of statements regarding their

initial choice of supplier. They had the option to add a factor they thought was important (see appendix 2). This was only made by one of the respondents who answered the questionnaire by email. He/she did not specify the factor he/she graded which is why this is excluded.

There are not any significant difference between the Swedish and foreign answers, but the greatest difference is found regarding availability, where the p-value is 0.254. This is far from significant but being one of the lowest values received it indicates a certain difference. The result is not surprising due to the fact that it is easier for the Swedish customers to communicate and to understand each other when you share the same language and culture. This may result in that the Swedish respondents give the factor availability a higher grade. Regarding to grading of the price one can see that the Swedish respondents find Medical Rubber's products a bit more expensive than the foreign respondents. 54.5 % of the respondents marked the grade 2 for the price (see appendix 5). The fact that the customers consider Medical Rubber as quite expensive can also be seen in the open ended questions, where many mentioned that they thought the price could be improved. The grades for professional organisation were quite dispersed in both sampling groups. This was also the case with question number 5e, regarding their reputation. The foreign customers grade the mean value of both these questions slightly higher, but no significant difference can be noted.

The main point with this question was to get a higher mean value regarding the importance of a good reputation. This was also the outcome. The foreign respondents ranked good reputation as the most important factor, followed by professional organisation and high quality. The Swedish, on their part, found availability more important than professional organisation and good reputation. Since both sampling groups valued the professional organisation and the good reputation we conclude that these are regarded as important factors at an international market.

Within the factor named reputation in the Power, Commitment and Trust model we included the influence of the customer's customer. Question number 6, which

we connected to this got similar mean values of 2.71 and 2.17, but with widely dispersed answers. These answers tell us that the opinion of the respondents' customers is not something that is of high importance. Our belief is that this might have something to do with the line of business they are in. In accordance with our hypothesis this would suggest that Medical Rubber is a company with a good reputation and that this leads to increased commitment.

**Table 6.8 Means and P-values of questions 5a-e and 6**

Question	Swedish Mean	Foreign Mean	Scale	P-Value
5a	3.44	3.83	1=Do Not Agree 5=Fully Agree	0.618
5b	2.67	2.80	1=Do Not Agree 5=Fully Agree	0.822
5c	3.67	3.00	1=Do Not Agree 5=Fully Agree	0.254
5d	3.60	4.00	1=Do Not Agree 5=Fully Agree	0.572
5e	3.50	4.20	1=Do Not Agree 5=Fully Agree	0.383
6	2.71	2.17	1=Not Much 5=Very Much	0.461

### **6.3.6 Summary of Commitment**

The five factors we have put as influences to commitment do not show a significant difference between Swedish and foreign customers, since none of the question had a lower p-value than five percent. However they all show a tendency to increase the degree of commitment in the relationship. As mentioned before the customers do not seem to have made a lot of investments but they do regard Medical Rubber as a strategic important supplier and would appreciate a change of supplier to be costly. Regarding adaptation by seller, it seems like the Swedish companies have noted a higher degree of adaptation than the foreign companies. But overall the customers seemed to find Medical Rubber as a company adapting to their needs. The response we got from our questions implies that both Swedish and Foreign customers share sensitive information concerning their product with Medical Rubber. It seems like the foreign customers are more likely to share



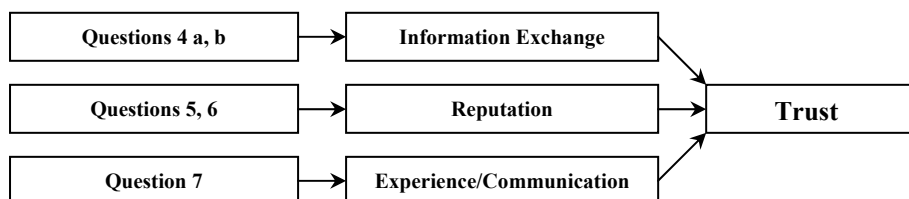
sensitive information concerning their organization and future with Medical Rubber, than the Swedish customers. One could say that most of the respondents do trust Medical Rubber with sensitive information. As for the question of reputation we calculated the total mean value of question 5e and 6, since question 5a-d does not concern the reputation. When the customers initial chose supplier the foreign customers regarded reputation as more important than the Swedish did. The total mean value for commitment is 3.32 (see table 6.9), which is slightly higher than power.

**Table 6.9 Total mean value for Commitment**

Factor	Swedish Mean	Foreign Mean	Mean for Commitment
Termination Costs	3.04	3.28	
Benefits	3.40	3.33	
Adaptation by Seller	3.64	3.17	3.32
Info Exchange	3.17	3.83	
Reputation	3.11	3.19	

## 6.4 Trust

According to existing theories, trust is a fundamental factor for a business exchange to function. Both parties strive to reduce uncertainty and to enhance collaboration. Factors that we have chosen to influence trust are, (as we can see in figure 6.3), information exchange, reputation and experience/communication.



**Figure 6.3 Factors connected to Trust**

### 6.4.1 Information Exchange

We posit that the factor information exchange influence both commitment and trust. The hypothesis we have connected to information exchange is; *with a high*

*degree of information exchange between the parties, trust increases.* The hypothesis is tested through question 4a and b (see appendix 2). As noted in section 6.3.4 sensitive information concerning the product is being exchanged and it seems like the foreign customers are more likely to share sensitive information concerning their organisation and future with Medical Rubber, than the Swedish customers. The figures concerning these questions are presented in table 6.9. To conclude these questions one could say that most of the respondents do trust Medical Rubber with sensitive information. According to our hypothesis the degree of trust in the relationship are increased as a result of exchanged information.

**Table 6.9 Mean and P-value of question 4a and 4b**

Question	Swedish Mean	Foreign Mean	Scale	P-Value
4a	3.44	3.83	1=Not Much 5=Very Much	0.618
4b	2.89	3.83	1=Not Much 5=Very Much	0.189

#### **6.4.2 Reputation**

The hypothesis connected to reputation implies that “*the buyer gain increased trust for a company with a good reputation*”, and this is tested through question 5 and 6. The respondents’ were asked to grade a number of statements regarding their initial choice of supplier. We had an option where they could add a factor that they thought was important (see appendix 2). This was only made by one of the respondents who answered the questionnaire by email. He/she did not specify the factor he/she graded which is why this is excluded. The received answers are presented in table 6.10. As noted in section 6.3.5 there are no significant difference between the answers of the Swedish and the foreign customers. The Swedish respondents ranked good reputation as being the third important factor after professional organisation and availability, while the foreign customers valued a good reputation the highest followed by professional organisation and high quality. Since both sampling groups valued the professional organisation and the good reputation our conclusion is that these are regarded as important factors

at an international market. When looking at our hypothesis this would imply that trust increases as a result of the companies good reputation.

**Table 6.10 Means and P-values of question 5a-e and 6**

Question	Swedish Mean	Foreign Mean	Scale	P-Value
5a	3.44	3.83	1=Do Not Agree 5=Fully Agree	0.618
5b	2.67	2.80	1=Do Not Agree 5=Fully Agree	0.822
5c	3.67	3.00	1=Do Not Agree 5=Fully Agree	0.254
5d	3.60	4.00	1=Do Not Agree 5=Fully Agree	0.572
5e	3.50	4.20	1=Do Not Agree 5=Fully Agree	0.383
6	2.71	2.17	1=Not Much 5=Very Much	0.461

### 6.4.3 Experience/Communication

*The buyer gains increased trust for a company with a long experience/good communication*, is the hypothesis connected to trust, which are tested through question 7 (see appendix 2). The mean value for the Swedish customers is 3.9 with a standard deviation of 0.88. The answers were not widely dispersed and one could conclude that the Swedish customers did think that previous experiences could be of help in a business relationship. The result for the foreign customers is rather similar to the Swedish customers. The mean value is 3.67 with a slightly higher standard deviation than the Swedish (see table 6.11). By that one could conclude that the foreign customers have a larger variation of their answers. In total 87.5 % (see appendix 5) of the respondents gave an answer between three and five, with a concentration on answer four (56.3 %). Our conclusion is that both Swedish and foreign customers regard previous experience as helpful in their relation to Medical Rubber, and according to our hypothesis this leads to increased trust.

The answers of the open-ended question regarding what the customers value in the relationship confirms the fact that the communication between Medical Rubber and their customers is satisfying (see appendix 3). This does not imply that experience from previous relationships are important but it shows that the customers with the present communication.

**Table 6.11 Mean and P-value of question 7**

Question	Swedish Mean	Foreign Mean	Scale	P-Value
7	3.90	3.67	1=Not Much 5=Very Much	0.636

### 6.4.3 Summary of Trust

None of the factors we have put as influences to trust show a significant difference between Swedish and foreign customers. However they seem to increase the degree of trust in the relationship. As mentioned before both Swedish and foreign customers seem to share sensitive information with Medical Rubber, but the foreign tend to share more information concerning their organization and future than the Swedish. Regarding the reputation it was more important for the foreign customers when initially choosing their supplier. The opinions of the Swedish and the foreign customers were quite similar implying that they believe experience and communication from previous relations to be of help in the existing relationship. The total mean value is 3.46 (see table 6.12), which shows that trust is the most important factor for Medical Rubbers customer. This might be because of the situation that Medical Rubber is in. Where they develop and produce products in close cooperation with their customers.

**Table 6.12 Total mean value for Trust**

Factor	Swedish Mean	Foreign Mean	Mean for Trust
Info Exchange	3.17	3.83	
Reputation	3.11	3.19	3.48
Experience/comm.	3.90	3.67	

## 6.5 Power Commitment and Trust

When developing our model we thought of the differences that can occur in a business exchange as a result of cultural differences. The question regarding social adaptation was only asked to the foreign respondents, in order to see if they had encountered any problems as a result of an inadequate adaptation. Instead of only concentrating on the perception of the foreign customers we could have included the Swedish customers as well by asking a general question about the personal relation with Medical Rubber. This would have given us a general opinion of the working relationship, with an indication of possible problems due to cultural differences.



Figure 6.4 Factors connected to Power, Commitment and Trust

### 6.5.1 Social Adaptation

The hypothesis *social adaptation is important in order to build strong relationships across culture* was tested through question 8 (see appendix 2). The mean value derived from the question was 1.17 with a standard deviation of 0.41. This indicates that the customers have not encountered any problems due to cultural differences. This can be interpreted in two different ways, either as Medical Rubber being very good at adapting socially, or that there are no need for social adaptation. It is our belief that the business, in which Medical Rubber is involved, is quite complex and demands good cooperation. In order to cooperate across cultural borders one has to be good at adapting socially to the other parts characteristics that differs from your own. According to our hypothesis social adaptation helps building a strong relation.

The answers of the open-ended question regarding what the customers' value in the relationship indicates that the personal relations are satisfying (see appendix

3). These are some examples showing that the employees at Medical Rubber puts an effort in to creating and maintaining a good relation to their customers.

**Table 6.12 Mean and P-value of question 8**

Question	Swedish Mean	Foreign Mean	Scale	P-Value
8	1.33	1.17	1=Very often 5=Never	0.626

## 6.6 Summary

In this chapter we have conducted a presentation and an analysis of the material we have received from the survey. We compared the Swedish respondents against the foreign to see if we could see a difference in their answer. One can only conclude that the answers were quite similar, with a few exceptions. We could determine that some factors increased the degree of trust in the relationship. One could also see that the factors could increase the degree of commitment in the relationship. Finally the three factors that influenced power are not significant, but showed a tendency of imbalance. We draw the conclusion that the cornerstones power, commitment and trust are present in these relationships.

## 7. Conclusion

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*This chapter will conclude our research. A short summary of the dissertation will be followed by an evaluation of the Power, Commitment and Trust Model, methodological criticism and finally, suggestions for further research will be made.*

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### 7.1 Summary of dissertation

The main purpose of this dissertation was to identify the factors of main influence for customers in a long-term relationship. The research is based on Medical Rubber's customers. At first we started with studying literature regarding relationship marketing. There exists a lot of research in this field, and we chose to base our dissertation on four models for analysing relationships. The four models were created by well-known researchers, which all treated the subjects in different ways. Based on these we developed a model for analysing the relationship with an international perspective, which we call the Power, Commitment and Trust Model.

The model we created is based on the different factors that influence the cornerstones power, commitment and trust. We posit that the factors that influence power are: Market Structure, Termination Costs, Benefits and Social Adaptation. The factors that influences Commitment are: Termination Costs, Benefits, Adaptation by Seller, Information Exchange, Reputation and Social Adaptation. And finally the factors that influence trust are: Information Exchange, Reputation, Experience/Communication and Social Adaptation.

In order to complete our research we conducted a survey by which we intended to get our hypotheses tested. The Swedish and the foreign customers of Medical Rubber were compared in order to see if there were any differences in the way they perceive the business relationship.

## **7.1 Evaluation of the Model**

From our sample we received answers from six foreign and twelve Swedish customers. This sample was too small to draw any general conclusions. However, we could see some indication of which factors the customers emphasize in their relationship. Even though the mean values derived from the questions were not very high they signalled that the factors we have in our model are of importance in a long-term relationship. With this in mind we draw the conclusion that our model's cornerstones power, commitment and trust are present in long-term relationships. The importance of these fundamentals may vary from relation to relation but they are always present.

## **7.3 Methodological Criticism**

We conducted our research through a survey. The survey was carried out through telephone questionnaires, with the intention to identify what factors the customers' value in their relation to Medical Rubber. It might have been appropriate to start the research by conducting a case study of one of the customers in order to get a general picture over the relation. This could have helped us to form the questionnaire in a better way.

Another problem that occurred in our survey was the choice of sample. The respondents were chosen from e list including former and indirect customers, which led to a reduction of the sample size that could have been avoided.

## **7.4 Further Research**

Our research only focuses on how the customers perceive the relation. It can also be of interest to see which factors the seller value. This could give a clearer view of the factors that really are of importance in order to get a well-functioning long-term relationship. Relationship marketing is all about creating greater values for both parties.

Another aspect for conducting research would be to see how a customer values the different suppliers he or she is involved with. This might clarify what different factors a customer value in a relationship in a wider perspective.



Moreover, to further investigate cross-cultural relationships in a greater extent would be interesting. This was our intention but our small sample and time restraint made it impossible. A suggestion would be to try the Power, Commitment and Trust model with a larger sample, on customers not only connected to one company.

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Internet

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## Appendix 1

### Classic market relationships

- R1 The classic dyad - the relationship between supplier and customer
- R2 The classic triad – the triangle-drama of customer-supplier-competitor
- R3 The classic network – distribution channels

### Special market relationships

- R4 Relationships via full-time and part-time marketers
- R5 The service encounter
- R6 The many-headed customer and the many-headed supplier
- R7 The relationship to the customer's customer
- R8 The close vs. the distant relationship
- R9 The relationship to the dissatisfied customer
- R10 The monopoly relationship: the customer or supplier as prisoner
- R11 The customer as 'member'
- R12 The electronic relationship
- R13 Parasocial relationships – relationships to symbols and objects
- R14 The non-commercial relationship
- R15 The green relationship
- R16 The law-based relationship
- R17 The criminal network

### Mega relationships

- R18 Personal and social networks
- R19 Mega marketing – the real 'customer' is not always found in the marketplace
- R20 Alliances change the market mechanism
- R21 The knowledge relationship
- R22 Mega alliances change the basic conditions for marketing
- R23 The mass media relationship

### Nano relationships

- R24 Market mechanisms are brought inside a company

- R25 Internal customer relationship
- R26 Quality provides a bridge between operations management and marketing
- R27 Internal marketing: relationships with the 'employee market'
- R28 The two-dimensional matrix relationship
- R29 The relationship to external providers of marketing services
- R30 The owner and financier relationship

## Appendix 2

### *Interview guide*

Company Name:

Respondent's Name:

Respondent's Position:

Country:

1. What year did your business exchange with Medical Rubber begin? \_\_\_\_\_

2. How much have you invested in the business exchange? Time, money or effort?

**1= Not much**

**5= Very much**

= No answer

**1**

**2**

**3**

**4**

**5**

3. Has Medical Rubber made any adjustments in order to fulfil your needs?

**1= Not much**

**5= Very much**

= No answer

**1**

**2**

**3**

**4**

**5**

4a. Do you trust Medical Rubber with sensitive information concerning your product?

**1= Not much**

**5= Very much**

= No answer

**1**

**2**

**3**

**4**

**5**

4b. Do you trust Medical Rubber with sensitive information concerning your organization or future?

**1= Not much**

**5= Very much**

= No answer

**1**

**2**

**3**

**4**

**5**

5. In this question we have a few statements. Please rank them from 1 to 5;

1=Do not agree, 5= Fully agree. If no answer, jump to next question.

Why did you initially choose Medical Rubber as your supplier? It was because of their:

high quality	1	2	3	4	5
low price	1	2	3	4	5
availability	1	2	3	4	5
prof. organisation	1	2	3	4	5
good reputation	1	2	3	4	5
<b>other _____</b>	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>

6. To what extent do your customers influence your choice of supplier, within the product group?

1= Not much

5= Very much

= No answer

1          2          3          4          5

7. Regarding communication, do you think that experience from previous business exchanges can be helpful for your relation to Medical Rubber?

1= Not much

5=Very much

= No answer

1          2          3          4          5

8. Have any problems occurred in any business exchange as a result of cultural differences?

1= Never

5= Very often

= No answer

1          2          3          4          5



9. Is Medical Rubber a supplier of strategic importance to you?

**1= Not important**

**5= Very important**

= No answer

1

2

3

4

5

10a. Are there many alternative suppliers on the market?

**1= Not many**

**5= Many**

= No answer

1

2

3

4

5

10b. Would you estimate a change of supplier to be costly?

**1= Not much**

**5= Very much**

= No answer

1

2

3

4

5

11. What do you believe is most valuable in your relationship?

12. What can be improved?

Thank you

### **Appendix 3**

#### **What do you believe is most valuable in your relationship?**

*“Open for new ideas and fast in making changes”*

*“They help us with suggestions we have regarding the product, react fast and listen to our ideas”*

*“They have understanding for our work and adjust to our needs”*

*“Fast order confirmation”*

*“Delivery precision”*

*“They work towards joint problem solving”*

*“Friendly service minded personnel”*

*“Working together towards joint problem solution”*

*“Quality, delivery and reasonable delivery times”*

*“Good exchange”*

#### **What can be improved?**

*“Communication”*

*“Price”*

*“Availability”*

*“Delivery not satisfactory”*

*“One of our worst suppliers”*

## Appendix 4

**Group Statistics**

	ORIGIN	N	Mean	Std. Deviation	Std. Error Mean
Q2	Swedish	10	2,40	1,58	,50
	Foreign	6	3,17	,75	,31
Q3	Swedish	11	3,64	1,03	,31
	Foreign	6	3,17	1,47	,60
Q4A	Swedish	9	3,44	1,42	,47
	Foreign	6	3,83	1,47	,60
Q4B	Swedish	9	2,89	1,05	,35
	Foreign	6	3,83	1,60	,65
Q5A	Swedish	6	3,33	,82	,33
	Foreign	5	3,80	,84	,37
Q5B	Swedish	6	2,67	,82	,33
	Foreign	5	2,80	1,10	,49
Q5C	Swedish	6	3,67	,52	,21
	Foreign	5	3,00	1,22	,55
Q5D	Swedish	5	3,60	1,34	,60
	Foreign	5	4,00	,71	,32
Q5E	Swedish	6	3,50	1,52	,62
	Foreign	5	4,20	,84	,37
Q5F	Swedish	1	5,00	,	,
	Foreign	0 <sup>a</sup>	,	,	,
Q6	Swedish	7	2,71	1,25	,47
	Foreign	6	2,17	1,33	,54
Q7	Swedish	10	3,90	,88	,28
	Foreign	6	3,67	1,03	,42
Q8	Swedish	0 <sup>a</sup>	,	,	,
	Foreign	6	1,17	,41	,17
Q9	Swedish	10	3,40	1,35	,43
	Foreign	6	3,33	1,51	,61
Q10A	Swedish	9	3,00	1,12	,37
	Foreign	6	2,33	1,03	,42
Q10B	Swedish	8	3,25	1,04	,37
	Foreign	6	3,33	1,37	,56

a. t cannot be computed because at least one of the groups is empty.

## Appendix 5

### Independent Samples Test

		Levene's Test for Equality of Variances		t-test for Equality of Means						
		F	Sig.	t	df	Sig. (2-tailed)	Mean Difference	Std. Error Difference	95% Confidence Interval of the Difference	
									Lower	Upper
Q2	Equal variances assumed	3,938	,067	-1,106	14	,287	-,77	,69	-2,25	,72
	Equal variances not assumed			-1,308	13,601	,212	-,77	,59	-2,03	,49
Q3	Equal variances assumed	1,183	,294	,775	15	,450	,47	,61	-,82	1,76
	Equal variances not assumed			,695	7,735	,508	,47	,68	-1,10	2,04
Q4A	Equal variances assumed	,228	,641	-,511	13	,618	-,39	,76	-2,03	1,25
	Equal variances not assumed			-,508	10,605	,622	-,39	,77	-2,08	1,30
Q4B	Equal variances assumed	1,836	,199	-1,386	13	,189	-,94	,68	-2,42	,53
	Equal variances not assumed			-1,272	7,892	,240	-,94	,74	-2,66	,77
Q5A	Equal variances assumed	,012	,914	-,934	9	,375	-,47	,50	-1,60	,66
	Equal variances not assumed			-,931	8,557	,377	-,47	,50	-1,61	,68
Q5B	Equal variances assumed	2,460	,151	-,232	9	,822	-,13	,58	-1,44	1,17
	Equal variances not assumed			-,225	7,308	,828	-,13	,59	-1,52	1,26
Q5C	Equal variances assumed	1,053	,332	1,220	9	,254	,67	,55	-,57	1,90
	Equal variances not assumed			1,136	5,182	,306	,67	,59	-,83	2,16
Q5D	Equal variances assumed	4,872	,058	-,590	8	,572	-,40	,68	-1,96	1,16
	Equal variances not assumed			-,590	6,063	,577	-,40	,68	-2,06	1,26
Q5E	Equal variances assumed	1,667	,229	-,917	9	,383	-,70	,76	-2,43	1,03
	Equal variances not assumed			-,968	7,987	,362	-,70	,72	-2,37	,97
Q6	Equal variances assumed	,368	,556	,764	11	,461	,55	,72	-1,03	2,13
	Equal variances not assumed			,760	10,463	,464	,55	,72	-1,05	2,14
Q7	Equal variances assumed	,455	,511	,483	14	,636	,23	,48	-,80	1,27
	Equal variances not assumed			,463	9,283	,654	,23	,50	-,90	1,37
Q9	Equal variances assumed	,001	,982	,092	14	,928	6,67E-02	,73	-1,49	1,63
	Equal variances not assumed			,089	9,729	,931	6,67E-02	,75	-1,61	1,74
Q10A	Equal variances assumed	,075	,788	1,165	13	,265	,67	,57	-,57	1,90
	Equal variances not assumed			1,185	11,484	,260	,67	,56	-,57	1,90
Q10B	Equal variances assumed	,261	,619	-,130	12	,899	-8,33E-02	,64	-1,48	1,31
	Equal variances not assumed			-,125	9,035	,903	-8,33E-02	,67	-1,59	1,42

## Appendix 6

### *Frequency Table*

#### Q2

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	1	4	22,2	25,0	25,0
	2	3	16,7	18,8	43,8
	3	5	27,8	31,3	75,0
	4	2	11,1	12,5	87,5
	5	2	11,1	12,5	100,0
	Total	16	88,9	100,0	
Missing	System	2	11,1		
Total		18	100,0		

#### Q3

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	1	1	5,6	5,9	5,9
	2	3	16,7	17,6	23,5
	3	3	16,7	17,6	41,2
	4	7	38,9	41,2	82,4
	5	3	16,7	17,6	100,0
	Total	17	94,4	100,0	
Missing	System	1	5,6		
Total		18	100,0		

#### Q4A

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	1	2	11,1	13,3	13,3
	2	1	5,6	6,7	20,0
	3	3	16,7	20,0	40,0
	4	4	22,2	26,7	66,7
	5	5	27,8	33,3	100,0
	Total	15	83,3	100,0	
Missing	System	3	16,7		
Total		18	100,0		

**Q4B**

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	1	2	11,1	13,3	13,3
	2	1	5,6	6,7	20,0
	3	7	38,9	46,7	66,7
	4	1	5,6	6,7	73,3
	5	4	22,2	26,7	100,0
	Total	15	83,3	100,0	
Missing	System	3	16,7		
Total		18	100,0		

**Q5A**

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	2	1	5,6	9,1	9,1
	3	4	22,2	36,4	45,5
	4	5	27,8	45,5	90,9
	5	1	5,6	9,1	100,0
	Total	11	61,1	100,0	
Missing	System	7	38,9		
Total		18	100,0		

**Q5B**

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	2	6	33,3	54,5	54,5
	3	2	11,1	18,2	72,7
	4	3	16,7	27,3	100,0
	Total	11	61,1	100,0	
Missing	System	7	38,9		
Total		18	100,0		

**Q5C**

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	1	1	5,6	9,1	9,1
	3	4	22,2	36,4	45,5
	4	6	33,3	54,5	100,0
	Total	11	61,1	100,0	
Missing	System	7	38,9		
Total		18	100,0		

**Q5D**

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	2	1	5,6	10,0	10,0
	3	3	16,7	30,0	40,0
	4	3	16,7	30,0	70,0
	5	3	16,7	30,0	100,0
	Total	10	55,6	100,0	
Missing	System	8	44,4		
Total		18	100,0		

**Q5E**

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	1	1	5,6	9,1	9,1
	3	3	16,7	27,3	36,4
	4	3	16,7	27,3	63,6
	5	4	22,2	36,4	100,0
	Total	11	61,1	100,0	
Missing	System	7	38,9		
Total		18	100,0		

**Q5F**

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	5	1	5,6	100,0	100,0
Missing	System	17	94,4		
Total		18	100,0		

**Q6**

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	1	5	27,8	38,5	38,5
	3	5	27,8	38,5	76,9
	4	3	16,7	23,1	100,0
	Total	13	72,2	100,0	
Missing	System	5	27,8		
Total		18	100,0		

**Q7**

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	2	2	11,1	12,5	12,5
	3	2	11,1	12,5	25,0
	4	9	50,0	56,3	81,3
	5	3	16,7	18,8	100,0
	Total	16	88,9	100,0	
Missing	System	2	11,1		
Total		18	100,0		

**Q8**

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	1	5	27,8	83,3	83,3
	2	1	5,6	16,7	100,0
	Total	6	33,3	100,0	
Missing	System	12	66,7		
Total		18	100,0		

**Q9**

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	1	2	11,1	12,5	12,5
	2	2	11,1	12,5	25,0
	3	4	22,2	25,0	50,0
	4	4	22,2	25,0	75,0
	5	4	22,2	25,0	100,0
	Total	16	88,9	100,0	
Missing	System	2	11,1		
Total		18	100,0		

**Q10A**

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	1	2	11,1	13,3	13,3
	2	4	22,2	26,7	40,0
	3	6	33,3	40,0	80,0
	4	2	11,1	13,3	93,3
	5	1	5,6	6,7	100,0
	Total	15	83,3	100,0	
Missing	System	3	16,7		
Total		18	100,0		



**Q10B**

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	1	1	5,6	7,1	7,1
	2	2	11,1	14,3	21,4
	3	5	27,8	35,7	57,1
	4	4	22,2	28,6	85,7
	5	2	11,1	14,3	100,0
	Total	14	77,8	100,0	
Missing	System	4	22,2		
Total		18	100,0		

