RELATIONSHIP QUALITY AND PERCEIVED VALUE: THE MODERATING EFFECTS OF SWITCHING COST AND AVAILABLE ALTERNATIVES

Öznur ÖZKAN TEKTAŞ[1]

Bahtışen KAVAK[2]

ABSTRACT

This study investigates the direct impacts of relationship quality dimensions of trust, satisfaction and commitment on customer-perceived value; and the moderating effects of supplier switching cost and availability of alternative suppliers in B2B markets. A total of 311 marketing managers from medium and large-sized firms participated in the study via questionnaire. A multi-group comparison analysis reveals that the effect of relationship quality on perceived value is weaker when switching cost is low. When there are alternative suppliers, trust and satisfaction have stronger effects on customer-perceived value.

Keywords: Perceived Value, Relationship Quality, Supplier Switching Cost, Availability of alternatives.

İLİŞKİ KALİTESİ VE ALGILANAN KALİTE: DEĞİŞTİRME MALİYETİ VE ALTERNATİFLERİN VARLIĞI DEĞİŞKENLERİNİN DÜZENLEYİCİ ETKİLERİ

ÖZET

Bu çalışma, endüstriyel pazarlarda ilişki kalitesi boyutlarından güven, tatmin ve iletişim boyutlarının, müşterinin algıladığı değer üzerindeki etkilerini ve aynı zamanda tedarikçi değiştirme maliyeti ve alternatif tedarikçilerin varlığının söz konusu değişkenler üzerindeki düzenleyici etkilerini incelemektedir. Veriler, toplam 311 orta ve büyük işletme yöneticisinden anket yöntemi ile elde edilmiştir. Çoklu grup karşılaştırma analizi sonuçları, tedarikçi değiştirme maliyeti düşük olduğunda, ilişki kalitesinin algılanan değer üzerindeki etkisinin daha düşük olduğunu, alternatif tedarikçilerin varlığı durumunda ise, güven ve tatmin boyutlarının müşterinin algıladığı değer üzerindeki etkisinin daha güçlü olduğunu göstermektedir.

Anahtar Kelimeler: Algılanan Değer, İlişki Kalitesi, Tedarikçi Değiştirme Maliyeti, Alternatif Tedarikçi

[1] Dr., Hacettepe Üniversitesi İşletme Bölümü, oznuro@hacettepe.edu.tr

[2] Prof. Dr., Hacettepe Üniversitesi İşletme Bölümü, bahtisenkavak@gmail.com

1. Introduction

The increasingly intense competition and unstable environment of today's business to business (B-to-B) markets require focusing more on retaining customers and working with a limited number of suppliers. Producing high-quality or low-priced products is not enough for making a difference in these market conditions anymore. In order to build customer retention, there are two essentials: The first one is building high-quality buyer-seller relationships. As suppliers and buyers recognize the value of high-quality relationships, building close relationships and partnering have become major points (Barry and Terry, 2008; Lefaix-Durand, Kozak, Beauregard ve Poulin, 2009). Firms switch vendors due to low levels of relationship quality, rather than product quality (Whitten and Leidner, 2006). The second one is delivering superior value to the customer. Creating and delivering superior value to the customer is accepted as the key to create a sustainable competitive advantage by providing customer retention and greater market performance (Eggert and Ulaga, 2002; Lefaix-Durand et. al., 2009). As a result, the main focus of B-to-B markets has shifted to relationships and customer-perceived value (CPV) in the last decade.

Despite the increasing importance of value creation through high-quality relationships, there still exist some gaps and inconsistencies in our knowledge. First, research has investigated the benefits and costs of building a strong relationship (Barry and Terry, 2008), the functions of a quality relationship relative to value creation (Walter, Ritter, Gemünden, 2001), and the impact of relationship quality (RQ) on value through channel relationships (Wagner and Lindemann, 2008). Yet, the empirical evidence of direct relation between RQ and CPV remains unclear. Further, RQ is conceptualized as a multi-dimensional construct.

Second, as Walter, Miller, Helfert, and Ritter (2003) argue, business relationships are complex in nature, and different market-specific and situational factors may play moderating role in these relationships. Given the multi-dimensional and complex nature of both RQ and CPV, nature of their relation may change under different conditions. For instance, a buyer-seller relationship may continue not only due to the quality of the relationship, but also because of high supplier switching costs or lack of alternative suppliers. These two contingency conditions may act as an exit barrier or a motivator to retain, and make customers to perceive superior value even if in a poor-quality relationship. Consequently, the question of "which relationship quality dimension has

relatively more important effect when suppliers try to create perceived value?" remains unclear. In this study, we try to fill this gap by examining both overall and individual effects of relationship quality dimensions on CPV. Moreover, no empirical work has been done on the moderating effects of switching cost and availability of alternative suppliers on the RQ-CPV relationship in B-to-B markets.

In the following section, relevant literature and conceptual background were summarized. Next, we proposed a research model and conducted necessary analyses. Last sections discussed the study results and suggest managerial implications.

2. Theoretical Background

2.1. Customer-Perceived Value

There are different definitions of perceived value in B-to-B literature (Khalifa, 2004; Lindgreen and Wynstra, 2005). Using transaction cost theory; earlier studies (Zeithalm, 1988; Payne and Holt, 2001) suggest that perceived value is a comparison of the quality and price, or the monetary equivalent of technical benefits of a product. More recent studies (Barry and Terry, 2008; Ulaga and Chacour, 2001; Payne and Holt, 2001; Wilson and Jantrania, 1994), on the other hand, argue that value is not limited to technical benefits of a product, and monetary costs; it also includes some social and relational counterparts. According to this view, value contains all positive and negative aspects of a buyer-seller interaction, including behavioral, strategic, and economic benefits and costs (Barry and Terry, 2008). In the present study, consistent with more recent point of view, we adopt the definition of Ritter and Walter (2008) and define value as the "overall trade-off between all kinds of benefits and sacrifices of a supplier relationship perceived by the customer". According to this definition, CPV is measured as a difference between or ratio of benefits and sacrifices.

2.2. Relationship Quality

Relationship quality is the evaluation of interactions between buyer and seller firms that gives the overall depth and climate of a business relationship (Johnson, 1999). It reflects the perception of how well the whole relationship fulfils the expectations, predictions, goals, and desires of buyer firms (Jarvelin and Lehtinen, 1996). Although there is not a consensus regarding its

dimensions; RQ is generally considered as a three-dimensional, higher-order construct including *customer satisfaction from the relationship*, *commitment to the relationship*, and *trusting to the other party* (Walter et al., 2003; Roberts, Varki, and Brodie, 2003; Ulaga and Eggert, 2006; De Canniere et al., 2009; Vidal, 2012). *Satisfaction from the relationship* is the sum of buyer's emotional and cognitive evaluations regarding a relationship, in a way that covers all phases of relationship process (Lages, Lages and Lages, 2005). *Trusting to the other party* is the belief that a party is honest, fulfills its responsibilities, behaves in a way to protect the benefits of the other party, and focuses on the relationship (Dwyer and Oh, 1987; Jap, Manolis and Weitz, 1999; Vidal, 2012). *Commitment to the relationship* is the "… willingness to bear short term sacrifices in order to sustain the relationship and the belief that the relation is sustainable and strong" (Anderson and Weitz, 1992:20). It shows a channel member's intention to continue the existing relationship (Vidal, 2012).

2.3. Switching Cost

Supplier switching costs (SC) include one-time economic and relational costs that customers associate with the process of changing from one supplier to another (Ruyter, Wetzels, and Bloemer, 1998; Jones, Mothersbaugh and Beatty, 2000; Burnham, Frels ve Mahajan, 2003). These costs include all searches and evaluations before the change, and all post-change adaptation costs. Selection of a new supplier in business markets is a difficult process that may involve considerable effort. A customer faces a serious risk in switching to an alternative supplier which may motivate the customer to stay in the present, less-ideal relationship. Previous studies (e.g. Heide and John, 1990; Ping, 1993) show that as switching costs increase, buyer's intention to change its current supplier will decrease. SC may reflect loss of loyalty benefits and also buyer's dependence on a supplier, which refers to a buyer's need to maintain the relationship with a supplier to achieve desired goals (Lam, Shankar, Erramilli, and Murthy, 2004).

2.4. Availability of Alternative Suppliers

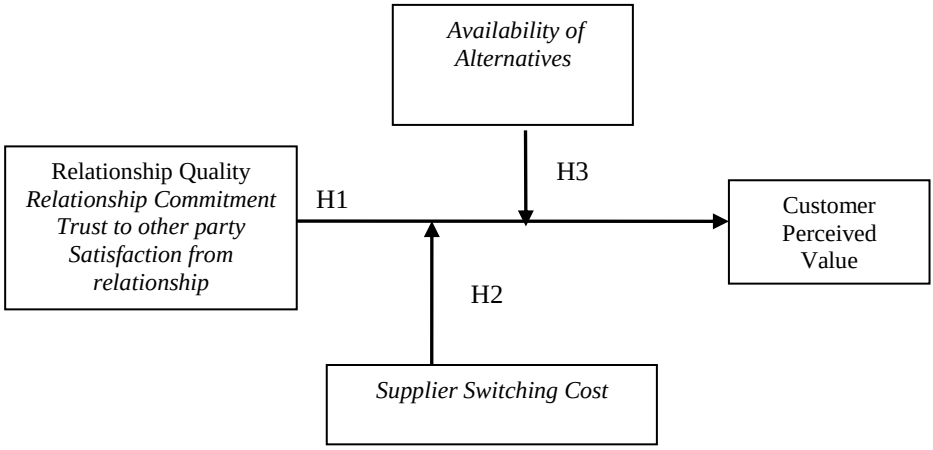
Availability of alternative suppliers (AA) refers to the perception of how well the next best alternative will meet the buyer's expectations (Walter et al., 2003; Patterson and Smith, 2003). It shows the estimated customer satisfaction from an alternative buyer-seller relationship (Sharma and Patterson, 2000) as well as number of other suppliers and the competition level in the market. The existence of an alternative supplier offers a price and quality comfort for the buyer firm, facilitates their access to technical information, increases their

quality expectations, provides know how and market information (Ritter and Walter, 2008).

3. Research Hypotheses

In this study, perceived value is conceptualized as an outcome of a high-quality business relationship which has three dimensions (Figure I). Essential purpose of creating a relationship between a customer and supplier should be to work together in a way that creates value for them both (Walter et al., 2001). Moreover, since CPV is the trade-off between benefits and sacrifices that customers perceive from a relationship; partners, as they work toward common goals and gain more knowledge about each other, benefit from other's sources and abilities. When the relationship quality is high, firms act more like friends, ask fewer questions, spend less time for communication, and therefore minimize their sacrifices such as time and effort (Jap et al., 1999) which increase benefit side of the value equation, while decreasing cost side. Wilson and Jantrania (1994) argue that value is formed as a result of relationships, networks, and interactions; so it is the outcome of a collaborative relationship that improves partner competitiveness.

Figure 1: Model of the Study



Moreover, relationship quality dimensions individually may cause an increase or a decrease in the CPV equation. For instance, a more *satisfied* customer may better understand the roles supplier should bear, be more tolerant and have an

attitude that fosters maintaining the relationship (Roberts et al., 2003). Dissatisfaction, on the other hand, may lower the morale, prevent cooperation, and increase legal conflicts, all of which decrease benefit side of the CPV equation (Naude´ and Buttle 2000). A relationship based on *trust* creates benefits to both parties by providing honesty, confidence and support (Walter et al., 2003). The third RQ dimension, *commitment* helps parties to realize that their own success depends on the partner relationship performance (Lages et al., 2005). A committed relationship decreases the opportunistic behavior and conflict; leads profiting from results achieved together which will strengthen the partnership, and provide benefits for both parties (Lages et al., 2005; Wu and Cavusgil, 2006).

In the relevant literature, Wagner and Lindemann (2008) investigate supplier-perceived value in collaborative channel relationships and conclude that suppliers receive more value as the quality of the relationship increases. Kashyap and Sivadas (2012) conceptualize relationship quality in the form of trust, satisfaction and commitment as the antecedent of shared values in channel relatioships. In a literature review, Athanasopoulou (2009) points out three studies (i.e. Wilson and Jantrania, 1994; Ulaga and Eggert, 2006) conceptualizing CPV as one of the consequences of RQ. Yet, none of these studies empirically and directly test the effect of RQ as an antecedent of CPV in B-to-B markets. Therefore,

H 1: *The relationship quality dimensions of (a) trust, (b) commitment, (c) satisfaction have positive effects on customer-perceived value.*

On the other hand, a variety of market factors can influence output of a relationship. For instance, a customer-supplier relationship may continue because of the customer's perception of high switching costs (Sharma and Patterson, 2000). In B-to-B markets, changing a supplier requires a more complex, and long-term process which may affect buyer profitability. Therefore, switching cost may be too high to assume, and its barrier effect may be stronger in B-to-B markets. For instance, under high switching cost conditions, even if the relationship with the current supplier is not totally satisfying, buyer firms may continue to work with the same supplier regardless of the quality of the relationship (Sharma and Patterson, 2000; Yanamanadram and White, 2006). In such a case, CPV from a relationship may be different. High switching costs reduce customer sensitivity to relationship quality levels. If there is a high SC, buyer would go on with the current supplier regardless of the quality level of

relationship. So, the effect of RQ on CPV may become weaker. When SC is low, on the other hand, customers may switch to another supplier more easily. In this case, quality of the existing relationship will be the main criteria, not depending on switching cost, on deciding the value of that relationship.

Yang and Peterson (2004) produce findings indicating that switching costs positively moderate the effect of customer-perceived value on loyalty for BtoC markets. More recently, researchers (García-Acebrón, Vazquez-Casielles and Iglesias, 2010) find support for the moderating effect of switching barriers on perceived value and price tolerance relationship in a BtoB context. Yet, no study to date examines the moderating effect of switching cost in the RQ – CPV relationship. Therefore,

H 2: *Customers perceive more (less) value from relationship quality when switching cost is relatively low (high).*

Besides switching cost, the existence and position of alternative suppliers in a market may affect a buyer firm's perception, attitude and behavior in his business relationships (Walter et al., 2003). Alternatives may cause the buyer to be more sensitive to and more assertive in addressing problems with his current suppliers and to adopt an easy-to-quit attitude (Ping, 1993; Sharma and Patterson, 2000). On the other hand, lack of alternatives makes customers remain passive in addressing problems which, in turn, may reinforce dependence to the existing supplier (Yanamandram and White, 2006). If there are no alternative suppliers, the buyer may be more comfortable and less dependent on its supplier, and may behave more active in dealing with problems. Consequently, the buyer firm's sensitivity might increase and respond quickly to problems with the supplier by looking out for another seller, by exiting from the relationship, or by giving more importance to the relationship (Ping, 1993; Walter et al., 2003).

In the B-to-B literature there is some empirical evidence about the moderating effect of existence of alternative suppliers. Walter et al. (2003) find that the impact of direct and indirect relationship functions on relationship quality is stronger when the customer has alternative sources of supply. Ritter and Walter (2008) state that availability of alternatives increases the importance of direct and indirect relationship functions on CPV. Yet, studies do not address the moderating effect of availability of alternatives on RQ and CPV relation. Thus, our last hypothesis is:

H3: *Customers perceive more (less) value from relationship quality when the availability of alternative suppliers is relatively high (low).*

4. Method

4.1. Measurement

All measurement items were adopted from the relevant literature. The measure for *CPV* uses the items of benefits, sacrifices and general evaluation adapted from Hansen et al. (2008). *RQ* measure was a 10-item scale including the three dimensions of trust, commitment, and satisfaction, adopted from Walter et al. (2003), Crosby, Evans and Kowles (1990), and Ping (1993). *Switching cost* measure included benefit loss cost, uncertainty cost, setup cost, pre- and post-switching cost, and sunk costs and adopted from Sharma and Patterson (2000), Jones et al. (2000), and Ping (1993). Finally, *Availability of alternative suppliers* was a four-item measure adapted from Ping (1993) and Sharma and Patterson (2000). Appendix A presents the measurement items, for all of which a five-point Likert type scale was used ranging from "1=strongly disagree" to "5=strongly agree". Items were translated into Turkish with forward-backward translation by two different academics. To clarify their evaluations, participants answered the questions by considering their biggest and/or the most important supplier.

4.2. Sampling

The participants of the survey are the managers of medium and large-sized firms operating in Turkey. Number of employees is used to classify firm sizes. According to trade law in Turkey, firms that have 50 to 250 employees are medium-sized, and firms with more than 250 employees are large-sized firms. Questionnaire was sent to 670 purchasing managers via e-mail selected with convenience sampling. After reminder phone calls and three weeks deadline, the final sample size was 311 questionnaires with a response rate of 46%. Table I reports the characteristics of the sample.

Table 1: Characteristics of the Sample

	Number	%		Number	%
Respondent			*Firm*		
Education level					
High School	45	14,4	*Number of Workers*		
College	225	72,3	50-250	120	38,6
Master/PhD	41	13,3	>250	191	61.4
Age			*Industry*		
18-24	9	2,9	Service	153	49,2
25-30	71	22,8	Manufacture	158	50,8
31-39	129	41,5			
40-49	70	22,5			
>50	32	10,3			
Gender					
Female	98	31,5			
Male	213	68,5			
Time length with the company					
0-5	88	28,3			
6-10	125	40,2			
>10	98	31,5			

5. Findings

Data Screening: All reliability coefficients of Cronbach's Alpha exceeded the threshold value of 70% (Perceived Value=0.76, Relationship Quality=0.85, Switching Cost=0.76, Availability of Alternatives=0.78). Common method bias was checked by Harman's one-factor test (Podsakoff and Organ, 1986) and by CFA, loading all items on one factor and compared the model fit. Harman's one-factor test results indicated that the largest factor did not account for a majority of the variance (0.38); and CFA ($\chi^2_{(367)}$ = 1542.07; p< .00; GFI= .69, CFI= .51; RMSEA= .21) had worse fit indices than the proposed measurement model. Thus, results showed no evidence of common method bias.

Table 2 shows the results that all correlation coefficients are below the critical point of .70 indicating adequate level of discriminant validity. Multicollinearity is checked with correlation coefficients between independent variables (i.e. three dimensions of RQ). All correlation coefficients were below the critical level of 0.8 (Hutcheson and Sofroniou, 1999:82) (Table 3). The variance inflation factor (VIF) measures and tolerance rates were also examined. All VIF measures of relationship quality dimensions were below the critical point of 5 (Trust = 1.73; Satisfaction= 1.29; Commitment = 1.78) and tolerance rates were greater than .20

(Trust = .57; Satisfaction = .77; Commitment = .56) indicating that there was not multicollinearity between exploratory variables.

Table 2: Correlation Coefficients, Means and Standard Deviations of the constructs

Variables	1	2	*2a*	*2b*	*2c*	3	4
1. Perceived Value	1.00						
2. Relationship Quality	0.69*	1.00					
2a. Trust			*1.00*				
2b. Commitment			*0.63**	*1.00*			
2c. Satisfaction			*0.41**	*0.44**	*1.00*		
3. Switching Cost	0.22*	0.32*				1.00	
4. Alternative Availability	-0.17*	-0.10*				-0.27*	1.00
Mean	*3.76*	*3.58*				*3.33*	*2.84*
Standard Deviation	*1.71*	*0.94*				*1.06*	*1.57*

*All correlation coefficients are significant at p <.05; (2-tailed).

Hypothesis Tests: Regression analysis was performed to test the effect of relationship quality and its dimensions on perceived value. The results generated Adjusted R-squared values of 0.47 and 0.55 for Model 1 and 2 respectively, suggesting satisfactory predictive power. Referring to Table 3, Model 1, results showed relationship quality has a significant ($p<0.01$) and positive ($\beta=0.82$, $R^2=47\%$) effect on customer-perceived value in total. The results of multiple regression analysis (Model 2 in Table 3) indicate that three RQ dimensions have significant effects on CPV. This result provides support for H1. Further, commitment ($\beta=0.41$, $p<0.01$) has higher impact on CPV than trust ($\beta=0.36$, $p<0.01$) and satisfaction ($\beta=0.16$, $p<0.10$).

Table 3: The Direct Impact of Relationship Quality and Its Dimensions on Perceived Value, Hierarchical Regression Results

	R^2	*Adj.* R^2	*F*	*B*	*P*
Model 1	0.47	0.47	296.50*		
(Constant)				3,76	0,000
Relationship Quality				0,82	0,000*
Model 2	0.55	0.54	76.22*		
(Constant)				3,76	0,000
Relationship satisfaction				0,16	0,053**
Trust				0,36	0,000*
Commitment to relationship				0,41	0,000*

*Dependent Variable: Perceived Value; *p<0.01; **p<0.10*

To explain moderating effects, two subgroups were formed by splitting the data at mean for both switching cost (SWC) and availability of alternative suppliers (AA). The mean is 3.33 for SWC (160 cases in low group, 151 cases in high group) and 2.84 for AA (149 cases in low group and 162 cases in high group). For all groups, the model was tested using the structural model and weighted least square method. Table 4 summarizes the results.

Table 4: Results of Structural Models with Moderating Variables

Independent Variables	**Moderators** **High SWC[a]** *(n = 151)*		**Low SWC** *(n = 160)*		**High AA[b]** *(n = 162)*		**Low AA** *(n = 149)*	
	SL[c]	**t-value**	**SL**	**t-value**	**SL**	**t-value**	**SL**	**t-value**
Rel. Quality (Total)	.82	10.9*	.87	12.4*	.89	14.5*	.76	10.3*
Trust	.64	2.43**	.74	3.16*	.86	2.31**	Ns	ns
Commitment	.55	2.20**	.56	2.41*	.37	2.99*	.71	2.80*
Satisfaction	ns	ns	.36	1.98**	.45	2.75*	Ns	ns
Goodness of Fit Statistics								
χ^2	137.98		140.7		160.5		119.2	
RMSEA	.065		.068		.075		.053	
GFI	.98		.98		.98		.99	
NFI	.96		.97		.97		.98	

Dependent Variable: Perceived Value; a: Switching Cost; b: Availability of Alternatives; c: Standardized Loadings; *P<.01; **P<.05; *RMSEA=Root Mean Square Error; GFI=Goodness of Fit Index; NFI=Normed Fit Index*

H2 predicts that the effect of RQ on CPV would be different for low and high levels of switching cost. Chi-square difference test is used to test two groups are significantly different and to test the existence of interaction effect (Jonsson, 1998:17). For switching cost groups, $\chi^2\Delta$ (1) = 21.18, p<0.01 suggests that the effect of RQ on perceived value is significantly different for high and low levels of SWC. For high level of switching cost, the impact of RQ is weaker than low level for total RQ. Further, for high level of SWC, the RQ dimensions of Trust (0.64, p < .05) and Commitment (.55, p < .05) have weaker impacts on perceived value. Satisfaction, on the other hand, is insignificant when SWC is high, supporting the previous literature. So, H2 was supported.

When we look at the effect of availability of alternative suppliers, the effect of RQ on perceived value is stronger for the high level of AA (0.89, p<0.01) than the low level (0.76, p<0.01) and chi-square difference test indicates that this difference is significant ($\chi^2\Delta$ (2) = 38.92, p<0.01). When the AA is low, trust and satisfaction are insignificant. Yet, unexpectedly the effect of commitment is stronger (0.71, p<0.01). In the high AA group, on the other hand, the effect of trust (0.86, p< 0.05) and satisfaction (0.45, p< 0.01) significantly increased. So, H3 is supported for trust and satisfaction dimensions of RQ.

6. Discussion and Conclusion

The results of this study show a significant and positive impact of buyer-seller relationship quality on customer-perceived value for medium and large-sized firms operating in Turkey. This finding provides empirical support for previous research suggesting that firms should invest in high-quality relationships to create and deliver superior value to their customers (e.g. Walter et al., 2001; Menon et. al., 2005).

Importantly, the study also demonstrates that three different components of RQ have different effects on value. Among all, commitment has the strongest impact on CPV. Commitment seems to be considered central to high-quality relationships, since, without commitment, it is unlikely that partners are able to work together in cooperation. This result supports the view that commitment helps customers be aware of the full value of inter-firm cooperation and realization of long-term benefits (Wu and Cavusgil, 2006). Trust is the second most effective relationship quality dimension on value. This result may be vital, especially in markets that are where uncertainty and risks are high (such as Turkey) as Ndubisi (2007) states. Satisfaction has the least impact on value among RQ dimensions. This result supports previous research (e.g. Reichheld,

1996) that point out satisfaction as a necessary, but not sufficient condition to produce long-term customer relationships.

The results also provide some moderating effects of switching cost and availability of alternatives. First, under high switching cost conditions, the impact of relationship quality on perceived value is significantly weaker. Buyer firms may consider the existing relationship more valuable if perceived cost of building and maintaining a new relationship is too high. Further, there are some differences across RQ dimensions: For instance, when switching cost is high, the effect of trust and commitment is weaker on value, and satisfaction has no effect. Satisfaction is significant only under low switching cost condition. This finding supports the notion that high switching cost can play an exit barrier role and force the buyer to continue an unsatisfactory relationship (Sharma and Patterson, 2000).

Second, the existence of alternative suppliers makes the impact of RQ stronger. This finding indicates that the customer's value evaluations are based on the possibility of building other networks in the market as well as the quality of the relationship. This result is in line with the study of Ritter and Walter (2008) indicating that when other suppliers become attractive, they need to be more careful to maintain higher quality relationships with their customers. On the other hand, the effect of RQ is still significant even the availability of alternatives is low and this effect mainly comes from the commitment dimension. This finding confirms that commitment to a relationship has a significant importance even if switching to another supplier is difficult; or the availability of other suppliers is high.

This study has some limitations: First, results represent no specific industry. Investigating direct and moderated effects may produce different results across different markets (i.e. high vs. low competitive) or between goods and service offerings. Second, relationship quality is a complex and multi-dimensional construct composed of several dimensions. Other dimensions such as communication or conflict may contribute the variance of CPV explained by relationship quality.

We have some suggestions for future studies: It would be interesting to compare and contrast the effects of independent and moderating variables on perceived value for different sectors (e.g. B-to-B services vs. manufacturers) or different organization types. Future research may also consider testing the effects of other moderators such as economic conditions and firm size on RQ-CPV link.

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APPENDIX

SCALE ITEMS

Customer Perceived Value

Our relationship to this supplier is beneficial to us.

Sacrifices we bear to continue our relationship with this supplier are worth to benefits we gain.

The sacrifices we bear to continue our relationship with this supplier are worth for the benefits we gain.

Relationship Quality

Trust

When making important decisions, this supplier is concerned about our welfare.

This supplier is not always honest to us.

When we have an important requirement, we can depend on this supplier's support.

We can rely on this supplier handling critical information on our company confidentially.

Commitment

We focus on long-term goals in this relationship.

We are willing to invest time and other resources into the relationship with this supplier.

We put the long-term cooperation with this supplier before our short-term profit.

We continue our business with this supplier in the future.

Satisfaction

In general, we are very satisfied from the relationship with our supplier.

Our satisfaction level is really high from this relationship.

Switching Cost

On the whole, it would cost us a lot of time and energy to find another supplier.

It is risky to change as the new supplier may not give good service.

All things considered, the company would lose a lot in changing primary wholesalers

The cost to stop doing business with this supplier and start up with a new supplier would be high

Our company would be unfamiliar with the policies of a new supplier.

Our company put a lot into previous dealings with current supplier.

Availability of alternative suppliers

A new supplier would provide a full range of services than the present supplier is.

A new supplier is located closer to me as compared to the current supplier.

The alternative supplier would be a better company to do business with than the current one.

I would be more satisfied with the product available from the alternative supplier than the product provided by the current supplier.