



# Master's degree thesis

LOG950 Logistics

**Title:**

**The Impact of Relationship Duration and Logistics Performance on Relational Norms in Wholesaler-Retailer Relationships**

**Author(s): Muhammad Hassan**

**Number of pages included the first page: 74**

**Molde, Date: 25 May 2009**

# Publication agreement

**Title: The Impact of Relationship Duration and Logistics Performance on Relational Norms in Wholesaler-Retailer Relationships**

**Author(s): Muhammad Hassan**

**Subject code: LOG950**

**ECTS credits: 30**

**Year: 2009**

**Supervisor: Arnt Buvik**

## Agreement on electronic publication of master thesis

Author(s) have copyright to the thesis, including the exclusive right to publish the document (The Copyright Act §2).

All theses fulfilling the requirements will be registered and published in Brage HiM, with the approval of the author(s).

Theses with a confidentiality agreement will not be published.

**I/we hereby give Molde University College the right to, free of**

**charge, make the thesis available for electronic publication: yes no**

**Is there an agreement of confidentiality?**

yes no

(A supplementary confidentiality agreement must be filled in)

**- If yes: Can the thesis be online published when the period of confidentiality is expired?**

yes no

**Date: 25 May 2009**

## **Dedication**

To my parents, Malik Charagh Ali Bucha, and, Tasneem Fatima, for always stressing the value of education. In my life, I owe a lot to them.

## **Preface**

My first experience with the field of logistics was in the course of Operations Management which I took in my studies of Business Administration at Bahauddin Zakariya University, Multan, Pakistan. When I joined University College, Molde, Norway, I got the chance to study the field of logistics in depth. The course of Purchasing Theory in my studies here made me think in a different way about the subtle and unique nature of buyer-seller relationships. Eventually, I made up my mind to study the business relationships and to observe the intricacies of these relationships. My background in business administration helped me to understand the roles of various parties in a relationship in business. I decided to conduct this study in Pakistan, so as to promote a culture of research and to understand and test various established theories in a different environment.

## **Acknowledgement**

First of all, I thank The Almighty, who gave me courage to complete this thesis. I extend my sincere gratitude to the Norwegian Government for sponsoring my studies through State Education Loan Fund (Lånakassen) as well as to see this part of world first time in life.

I am highly indebted to Prof. Arnt Buvik, my supervisor, for his support, guidance and advice, without which, I would not have been able to complete this thesis. He has always been a continuous source of inspiration for me. He helped me in every part of this study particularly to make me understand that how a thesis is written. The chapters of hypotheses development and data analysis are particularly completed with his guidance. He was there, whenever I needed him. To me, he was more than a supervisor.

My appreciations are also for my employer university, Bahauddin Zakariya University (B.Z.U.), Multan, Pakistan. I also appreciate the vice- chancellor of B.Z.U. for granting me paid study leave to study in Molde, Norway.

I also want to thank my parents whose prays and love has been a continuous source of inspiration for me. I also appreciate the cooperation of my wife who was could not come to Norway due to visa problem but helped me in taking care of my parents and my only kid, Abdul Moiz, in my absence in Pakistan.

I can't forget the cooperation of Mr. Umar Burki for arranging my admission in University College, Molde, Norway. My very special thanks to my colleagues Mr. Zubair Ahmad and Mr. Muhammad Rizwan who have been helping and cooperating to me for all the time I spent in Norway.

Molde, Norway

Muhammad Hassan Bucha

May 2009

# Table of Contents

Preface .....	4
Acknowledgement .....	5
Table of Contents .....	6
List of Tables .....	9
List of Figures .....	9
Abstract .....	9
1 Introduction .....	11
1.1 Background information .....	11
1.2 Research Problem .....	12
1.3 Research Setting .....	13
1.3 Purpose and Importance of the study .....	13
1.4 Scope of the Study .....	13
1.5 Organization of the Dissertation .....	14
2 Literature Review .....	15
2.1 Service Quality .....	15
2.2 Logistic Service Quality .....	15
2.3 Logistic Service and Relational Norms .....	18
2.4 Relational Contracting Theory .....	18
2.5 Relational Duration and Relational Norms .....	20
3 Research Model and Hypothesis .....	21
3.1 Hypotheses Development .....	23
3.2 Independent, Dependent, and Control Variables .....	26
3.2.1 Independent Variables .....	26

3.2.2	Dependent Variable .....	27
3.2.3	Control Variables.....	27
3.3	Variable Interaction Effects.....	28
4	Research Methodology.....	29
4.1	Introduction: .....	29
4.2	Research Design:.....	29
4.3	Methodological Issues .....	29
4.3.1	Empirical Setting .....	30
4.3.2	Study Data.....	30
4.3.3	Population, Sample frame and Sampling Procedures.....	31
4.3.4	Data Collection Technique .....	32
4.3.5	Questionnaire Administration .....	32
5	Variables Measurement.....	34
	Introduction .....	34
5.1	Operationalization Process .....	34
5.2	Reliability and Validity Issues.....	35
5.3	Measurement Models.....	36
5.4	Measurement of Research Variables.....	36
5.4.1	Purification of scales for constructs in the research model.....	37
5.4.2	Discriminant validity .....	39
5.5	Adapted Constructs .....	41
6	Data Analysis and Hypothesis Testing .....	42
6.1	Regression Model .....	42
6.2	Hypotheses Testing.....	46
7	Conclusion, Implications and Limitations of the Study.....	49

7.1	Statistical Results .....	49
7.2	Theoretical Implications of the study .....	49
7.3	Managerial Implications.....	51
7.4	Conclusion.....	51
7.5	Limitations.....	52
7.6	Future Research .....	53
8	References: .....	54
	Appendix A .....	61
	Appendix B .....	62
	Appendix C .....	69



## **List of Tables**

Table 3-1: Relationship Matrix.....	24
Table 5-1: Data Types.....	35
Table 5-2: Logistic service Performance .....	38
Table 5-3: Relational Norms.....	39
Table 5-4: Discriminant Validity .....	40
Table 6-1: Correlation Matrix.....	43
Table 6-2: Regression Values .....	44
Table 6-3: Extended Relationship Matrix.....	47

## **List of Figures**

Figure 3-1: Research Model.....	22
Figure 6-1: Interaction effect .....	45

## **Abstract**

Last decade has witnessed a tremendous increase in the body of literature regarding various dimensions of buyer-seller relationships. In this study we have tested the impact of relationship duration and logistic service performance on relational norms in wholesaler-retailer relationships. We argue that the effect of relationship duration on relational norms is contingent on the level of logistic service performance. The nature of relationship has been investigated in wholesale-retail sector of Pakistan. The hypotheses were tested on the sample of retailers in Pakistan.

The aim was to develop the research model to gain further insight regarding this phenomenon. Our model explains the details of business relationship between buyer-seller in terms of relationship duration, logistic service performance and relationship duration. Through the lens of relational contracting theory, coupled with logistic service performance quality; our model was tested in Pakistan's retail-wholesale sector. The empirical part was done through cross-sectional survey. The respondents were the shopkeepers in retail sector.

Results revealed conformance with respect relational contracting theory which is our main research domain. Similarly, findings also support the previous research regarding relational contracting theory and logistic service quality literature. An interesting interaction effect was found between relationship duration and logistic service performance. Thus our research hypotheses are proved empirically and the results give a deeper insight into this aspect of business relationship.

# Chapter 1

## 1 Introduction

### *1.1 Background information*

In 2006-2007 the whole sale and retail trade sector of Pakistan contributed Rs. 897 billion to the national GDP and employed 6.6 million individuals, as a result this sector was the second largest sector in terms of contribution to GDP and third largest in terms of employment (Economic Survey, 2008). The structure of population in terms of disposable income and lifestyle, and also the structure of the retail, differ widely by level of urbanization. The analysis will only be limited to the city Multan, because of its unique nature of urbanization with a fine blend of demographics representing the urban and rural mix. It has a population of approx. 2.5 million and situated in the mid of the country on the intersection of northern and southern part of Pakistan (FBS,2002). The analysis will also be limited to stores selling fast moving consumer goods such as packaged foods, toiletries and household items. The nature of retailing is bit different in Pakistan. The business of retailing has not yet, consolidated, in the form of chain stores and mega malls. Therefore the dynamics of retailing are also different. The most common forms of retail stores are called "Kiriyana Stores" and "General Stores", where "Kiriyana Stores" are traditional small shops where goods are mostly stocked in sacks kept on the floor. These shops use over 50 % of the floor space for unbranded grocery items such as spices, sugar, pulses, rice, flour, and kerosene oil. These shops also store some branded and packaged items like dairy products, personal care products, and traditional fast food. They are typically 300 square feet in size and "General Stores" typically allocate fifty percent shelf space to branded and packaged category grocery items including foods, toiletries and household goods. Products are generally stocked on the floor or wall-mounted shelves ( Government of Pakistan, Survey of Wholesale and Retail Trade, 1998). They are mostly high frequency stores where volume of sales per customer is low but the turnover is high because of high population density. Service is typically provided over the counter, rather than through self-service. They are typically 500 square feet in size (Abdul Ghani, 2005).

The objective of the study is to look into the retailer-wholesaler relationship by studying the impact of relationship duration of the business partners on the relational norms dependent upon

the level of logistic service quality performance of the wholesaler. Traditionally, the logistics management has been the domain of managing and mobilizing inventory which is the operational aspect of the logistics. The interacting partners often strive to identify the perceptual impact of customer service activities associated with logistics which can be said as the marketing aspect of the logistics (Mentzer et al, 1999).

An overwhelming quantity of the marketing literature addresses customer service, or more specifically service quality with respect to the end-use customer. Our aim is to look in to the domain of the performance of logistic service quality with respect to wholesaler and retailer perspective and study it under the paradigm of relational contracting theory (Macneil, 1981, 1983). Several authors, nevertheless, have attempted to elaborate the theoretical domain of the service quality to a business to business context, particularly in the field of logistic service quality. In particular, Bienstock et al, 1997 developed a valid and dependable scale of what they termed as physical distribution service quality through surveying a broad range of purchasing managers. Our focus, here are retailers in the urban context of Multan, the city of Pakistan, on the logistic service environment provided by the wholesalers in this setting. We should keep in mind, particularly, that the research culture is low in such environments due to lack of intensified national level distribution setups and the small scale wholesale and retail setups. At the moment, there is no foreign or national level distribution center providing integrated services to the retailers across the whole country.

## ***1.2 Research Problem***

The study is concerned with the buyer supplier relationship in the wholesale and retail sector of Pakistan. The study intends to analyze the business relationship of seller- buyer by observing the impact of relationship duration on relational norms in terms of logistic service quality. The study uses the theoretical framework of relational contracting theory by coupling it with logistic service quality theory. The study intends to answer the following question.

What is the impact of relationship duration and logistics performance on relational norms in wholesaler-retailer relationships?

### ***1.3 Research Setting***

Empirical part of this research was conducted in Multan, a city of Pakistan, which involves a survey from wholesalers and retailer in the city. The underlying objective was to empirically test the performance of wholesalers based upon the logistic service quality and the relationship norms perceived by the retailers. Our respondents were the retailers. The studies' theoretical foundations stem from the concept of logistic service and relational contracting theory which is a fundamental marketing concept and the paradigm determining the relational norms and discussed in the next chapter.

### ***1.3 Purpose and Importance of the study***

The basic objective of the study is to investigate the dynamics of buyer-seller relationships in Pakistan and to judge the application of relational contracting in this society as mostly the theories are developed and tested in Western culture and environment. The study will also help in promoting the research culture in Pakistan and developing awareness amongst the subjects of the study a sense of analysis. Our aim is to judge the wholesale and retail sector of Pakistan which is the second largest sector in Pakistan after agriculture in contribution to GDP with grocery market having size to the tune of \$ 1.8 billion annually (Economic survey of Pakistan, 2008) and to develop a model which can be used by the practitioners to predict and project their future business plans with respect to logistic service performance and the health of relationship in the dyad setup.

### ***1.4 Scope of the Study***

Our studies will be covering Multan, a city of Pakistan having a population of almost 2.5 million people (FBS, 2002) which is situated almost in the middle of the country with borders to all provinces of Pakistan and the demographics consists of almost all major ethnic and economic segments of the country (Abdul Ghani, 2005). The study will deal only with grocery and dairy products usually considered the fast moving consumer goods. The logistic service will be measured only through the delivery related aspects of the goods from the wholesaler to the retailer. Although study can be replicated to wider area both in terms of physical coverage as

well as more number of products but due to time and resource constraints the scope of the study is limited to this level.

### ***1.5 Organization of the Dissertation***

The dissertation consists of seven chapters. Chapter one is dedicated to introduction of the topic as well as the introduction of Pakistan, Multan where the research has been conducted. It also describes the dynamics of wholesale and retail sector of Pakistan. Chapter two is devoted to literature review regarding the logistic service and relationship contracting theory. Chapter three discusses in detail the model parameters and model of this study with in depth discussion of various variables included in the study to reach at the required results. Chapter 4 gives the details of the research methodology by describing in detail the research design, sample frames etc. While chapter 5 discusses the operationalization of the variables used in the study as the basic building block to investigate the relationship. Chapter 6 is dedicated for in depth analysis of data and testing of our hypotheses and chapter 7 elaborated the results of the study with its implications, limitations and future research.

# Chapter 2

## 2 Literature Review

---

### *2.1 Service Quality*

In the marketing literature, it is widely believed that superior service quality is very important factor in this era of tough competition. Service quality's theoretical and empirical link to customer relationship has made it a vital marketing instrument (Venetis and Ghauri, 2004). Relationship of service quality with improved supply chain performance has been generally accepted (Mentzer et al., 1999) as we can increase the satisfaction of each member of the supply chain by developing closer partnership type arrangements (Christopher and Lee, 2004). In the development of such closer partnership type arrangements, the service quality is a vital tool. Several researchers (Cronin and Taylor, 1992) have tried to expand the conceptual domain of service quality in a supply chain perspective.

The importance of effective supply chain management (SCM) has become more and more evident in recent years. Businesses continue to identify the role of SCM in creating and maintaining a strategic competitive advantage through close customer relationship, increased satisfaction and improved business profitability (Mentzer, 2001; Stank et al., 2001). An essential aspect of SCM is reliable, high-quality logistics services. Logistics services need to design and implement the operations of inter-organizational systems that allow goods to sweep away time and space constraints (Daskin, 1985).

### *2.2 Logistic Service Quality*

Although there has been various dimensions of performance in the literature extending from marketing to strategic management, but we shall focus on logistic performance of the wholesaler in our study and we shall discuss the literature based upon the fundamental understanding of logistic related aspect of performance.

Perreault and Russ (1974, 1976) are the pioneers in logistic service quality research, who elaborated that logistics activities, create time, place, and form utility, thereby enhancing product value. This affirmation was further proved by (Coyle et al., 1992; Shapiro and Heskett, 1985; and Stock and Lambert, 1987) in describing the seven Rs of utility creation by logistics services: delivering the right amount, the right product, at the right place, in the right condition, at the right time, with the right information, and at the right price.

In this regard, further contributions have been made by several authors including Mentzer et al. (1989) who propounded that delivery service quality comprised of “customer service quality” and “physical distribution service quality.” The marketing customer service component has been researched by Mentzer, Gomes and Krapfel, (1989). They proposed that understanding perceptions of physical distribution service from a customer’s point of view was an essential input in marketing management decisions. The same has also been proposed by Zeithaml (1988) in his marketing service quality literature in describing the concept of perceived versus objective quality in consumer’s judgment about quality and excellence.

A commendable effort has been carried out by Bienstock et al. (1997) to develop a valid and reliable scale for measuring physical distribution service quality, which was the first of its nature effort to initiate an integration of the logistics and marketing service quality research streams. As part of this effort, they examined the marketing service quality measurement literature, particularly the development of logistic service scale and subsequent endeavors aimed at application of these logistic service dimensions in industrial service contexts.

Bienstock et al. (1997) elaborated that the problems faced in applying this scale to an industrial service context were based on the relative importance of technical/outcome versus functional/process dimensions who play a very important role in consumer versus industrial service transactions.

Technical/outcome quality determines whether the service delivers the core benefit or outcome that is promised, while functional/process quality addresses the process of service delivery (Gronroos, 1984; Parasuraman et al., 1988). The logistic service dimensions are heavily oriented toward the functional/process aspects of service quality. As can be seen in a service classification scheme discussed in Lovelock (1983), industrial services (e.g., logistics services) may differ dramatically from many of the services investigated in most marketing service quality research with regard to who/what receives the service and the nature of the interaction.



It is important to note that for some industrial services, the logistic service emphasis on functional/process dimensions may not satisfactorily resolve the content validity of the service quality construct. Therefore, according to Bienstock et al., (2008)

“ in the service perspective where (1) the service provider and the service customer are physically separated; and (2) the services are bound for “things” rather than human beings , the development of adequate technical/outcome magnitude may be essential for developing valid and reliable service quality measurement instruments.”

In an effort to improve the comprehension that how customers perceive the quality of logistic services with respect to their satisfaction, several authors ( Mentzer et al., 1999; Mentzer et al., 2001) further made an effort to develop logistic service performance research by conceptualizing logistic service performance as a broader construct comprising of Bienstock, Mentzer, and Bird’s (1997) physical distribution service technical/outcome dimensions as well as additional dimensions of a functional/process nature. This was an important step forward towards our understanding of customer perception formation and increasingly important for the content validity of service quality and it is considered as an intellectual base for the integration of marketing and logistics activities. Therefore logistic service has also varying dimensions, for certain people it may be dependent upon what you have received and what you have given, others may talk about high quality is important than volume, still others may say that convenience and flexibility is the most important thing (Lapierre, 1997).

Thus the operationalization of the dimensions of service quality is quiet a task in the light of these factors. The logterm relationships are beneficial for the organizations that is why the onus is on the developing and maintaining these long term relationships (Ganesan, 1994).

Thus, a firm’s logistic service capability is one of the most crucial factors to establish these relationships (Bowersox et al., 1995).

According to Davis and Mentzer (2006), through an extensive literature review, it can be found out that the relatively softer concepts of organizational behavior and human psychology has not been given much importance and more work has been done on traditional concepts of inventory management, back order , etc., this entails that still it is needed to do a lot regarding performance and relational norms linkage over the passage of time.

### ***2.3 Logistic Service and Relational Norms***

As we want to study the effect of the duration of the relationship between the buyer and the supplier on the relationship norms based upon the logistic service performance of the supplier, first we need to understand the concept of relational norms. In recent years, much work has been done regarding relational norms, relationship duration and customer performance but our study is bit different from this in a way that we are interested in the logistic quality of the seller. The concept of relational norms has been widely proposed and elaborated by several authors but the most important of them is the social contracting theory and relationship contracting theory. The theory also explains the implications of the length of relationship in social set ups which can be replicated to business to business setups with equal ease. A multitude of suppliers, nevertheless, compares their performance with the panned and achieved ratio (Keebler et al., 2001). It should be clearly understood that logistic quality is different from product quality and it is what the customer expect (Forslund, 2006).

### ***2.4 Relational Contracting Theory***

In 1980, Macneil presented the social contract theory which elaborated the contractual relations not only with respect to economic as well as social perspective. In 1983 he further elaborated the theory and came up with a set of relational norms which governs the interpersonal aspect of exchanges. The important thing was to operationalize these norms, which was done by Kaufman and Stern (1988). In the buyer-seller relationship literature, the impact of relational norms put forward by Macneil (1983) was first observed by Dwyer et al., in 1987 but still having limitations in conceptual details and operationalization.

As our study is primarily to observe the relationship between performance and the relational norms which does not give a concrete set of dimensions and is still posing a challenge to the researchers (Kaufman and Dant, 1992). Various authors believe that the operationalization of relational norms have only partially been supported by empirical studies in different sphere of business as well as social life. Although the notion of this theory is essentially more relational in nature, yet having its limitations for various kind of governance relationships ( Paulin et al., 1997).

The study which we are conducting in the retail and wholesale sector of Pakistan is to judge the fabric of the relationship between wholesaler and retailer based upon the perceptions made by the retailers on the logistic service quality provided by the wholesalers. The relationship is going to be tested under the domain of relational contracting theory. The findings of this study may have a business to business implications in generally and social relationship implications in particular.

But the true economic concepts of utility maximization cannot be merely understood under the domain of this theory as the transactional relationships are different from personal relationships which are deep in nature and primarily consists of cooperative, interactive and non-economic personal satisfaction. Norms have a lots of variations in various different setups and provide an important basis for scheming the societal and organizational exchanges ( Paulin et al., 1997).

Various authors have defined the relational norms “as precursor to trust and as a pattern of accepted and expected sentiments and behavior shared by members of an exchange system that have the force of social obligation or pressure”. (Bendor and Mookherjee, 1990; Macneil, 1983).

Thus according to relational contracting theory, the chemistry of buyer seller relationships is influenced by the development of trust and a personal relationship over the passage of time. The development of relationship over the passage of time serves as the focal point for establishing long term business and personal transactions. Therefore, relational contracts will be attuned over time and will be dependent upon the current and historical perspective of the relationship as a result of which shared behaviors are emerged over the passage of time which govern the nature and strength of relationship ultimately ( Buvik and Halskau, 2001).

Several studies have tried to link the relational norms to level of performance in the inter firm relationships. There is appositive association between logistic performance and relational norms although some of the regression coefficients were not significant ( Hagland and Reve, 1993).

We also know that in the volatile environments, relational norms are highly dependent on the logistic performance (Noordewier et al., 1990). Therefore, in our empirical study we will try to operationalize various contracting relationship norms in the light of various authors who have developed a variety of repository of relational norms to be used in different types of business to business set ups. Over the passage of time when two parties interact with positive perception of one another on both sides, create such a level of social bond which cannot be imitated by following the philosophy of production orientation or sales orientation (Reidenbach et al., 1995).

## ***2.5 Relational Duration and Relational Norms***

The fact is that a mere a sequence of few transactions does not determine the nature of relationship, rather it is an overall logistic service performance based upon the long term relationships norms which can be judged by the nature of some existing business relationships as well, for example various accountancy, legal and advertising agencies have rather lengthy relationships with their customers (Harris et al, 2003). The argument is that real relationships are more than that just a series of transaction between the interacting partners. In fact, relational norms determine the nature of the relationship not just the intended behavior (Dwyer et al., 1987). A positive association has been found between relational duration and relational norms with no linkage between length of the relationship and customer performance. But we are concerned with the logistic performance of the seller and not with the customer. Many researchers suggest that close associations may become fruitful over the passage of time (Flink et al., 2008). Thus contracting norms serve as an alternative framework as compared to opportunism and a lot of credit has been given to Macneil, despite the fact that his work does not say anything regarding inter firm relationships, for presenting his deliberations on such a subtle and implicit issue which is impalpable (Williamson, 1985).

Relational norms get matured over the passage of time and cause a decrease in social and cultural differences by giving birth to a shared set of values, cooperation and commitments. Although, duration has been the most vital determinant in establishing and maintaining relationships but the level of attention given to this factor is not up to the mark. These relational norms may be consisting of solidarity, honesty, credibility as sub dimensions. Nothing is more beneficial than the old and healthy relationships as if it has passed the test of transitionary stage; the relationship has entered into mature stage with a lot to offer to the dyad. It means, on the other hand we can also say that the partners in the relationship will either break the relationship in the early stage or go a long way if passed this critical test of time. Another very interesting aspect of the relational norms is that they are not discrete rather continuous in nature (Samouel, 2007).

There has been scarcity of literature on this issue except that in a study the role of duration has been investigated empirically in a particular situation where relationship has been compared in relatively young and seasoned relationship in bilateral exchanges and they are of the view that if the dyads survive a certain period of time they may become a worthwhile asset in the future ( Anderson and Weitz, 1989).

## CHAPTER 3

### 3 Research Model and Hypothesis

---

---

Now we are going to elaborate the research model and the hypotheses for the current study. These hypotheses have been derived from the deliberations of relational contracting theory appending with the quality of the logistics service. We are going to empirically test the association between relationship duration between wholesalers and retailers and the relational norms based upon the quality of the logistics service provided by the wholesaler and evaluated by the retailer. The theoretical assumptions of this theory elaborate that there is positive association between a longer history of relationship duration and relational norms in buyer-seller relationships evolved over time as well as the current practices (Buvik and Halskau, 2001).

Thus a thorough search of literature pertaining to social contracting and quality of the logistic performance makes it pertinent to the relationship duration. We, therefore are concerned about the impact of relationship duration on relational norms keeping in view the logistical performance of the partners.

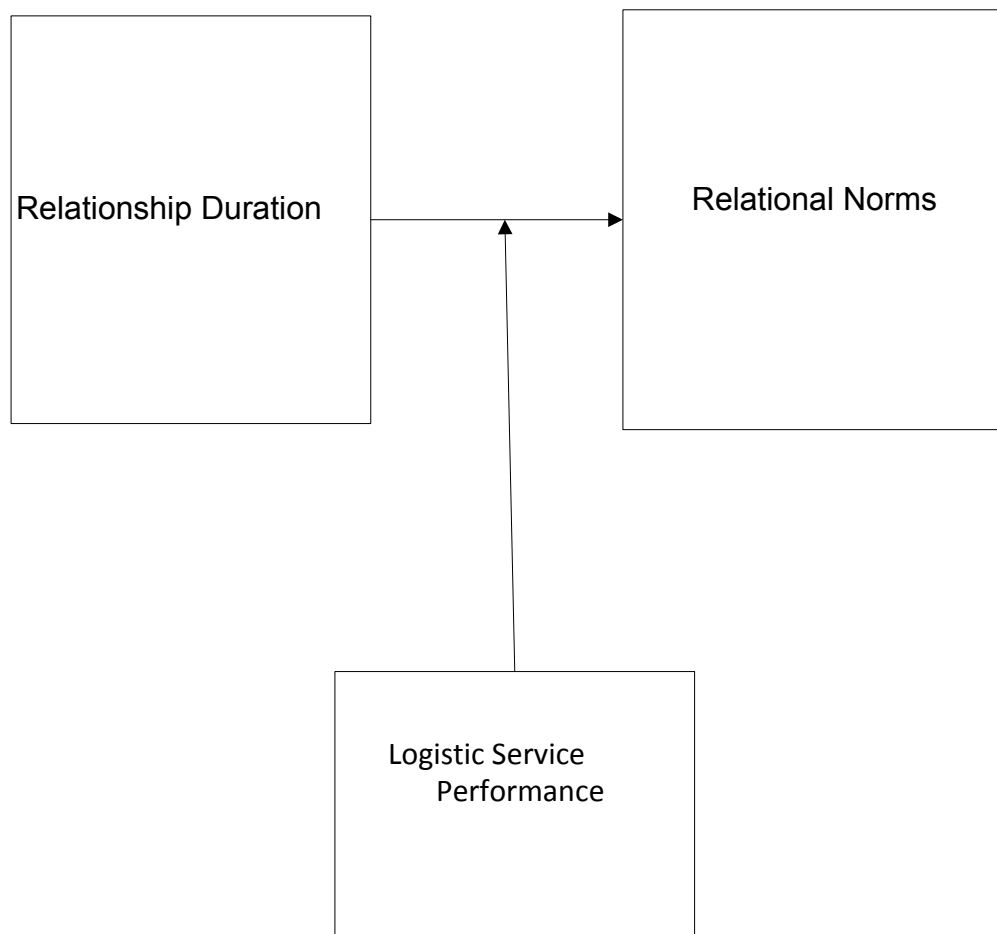
According to Samouel (2007), these relational norms may be consisting of solidarity, honesty, credibility as sub dimensions, yet there is no fundamental agreement on the recipe of the relational norms. On the other hand, as far as the quality of the logistics service is concerned several authors have worked out various measures and constructs to measure it. Some of the early researchers emphasized the technical aspect while others have been proposing the process aspect of the of the logistic service quality (Bienstock et al., 2008).

Although, duration has been the most vital determinant in establishing and maintaining relationships but the level of attention given to this factor is not up to the mark. Thus, it is implied from the literature that role of time has not been given the due importance in the buyer-seller relationships and successive studies provide an evident that time is the most crucial and sometimes single determinant of the nature of relationship in the dyads. Therefore, we are

investigating that the relationship of time and relational norms is dependent upon logistic performance.

The model of our research showing the relationship of duration, relational norms and quality of the logistic performance is given below. The main focus of the study is to check the effect of independent variable on the dependent variable. The independent variables are order condition credit facility determining the logistic service quality and relationship duration while relational norms is the dependent variable in this study.

**Figure 3-1: Research Model**



### ***3.1 Hypotheses Development***

In the light of the study of Heide and John (1992), the existence of supportive relational norms has been confirmed between seller-buyer relationships over the passage of time and when a business relationship is in its initial phase, the exchange partners are in the process of knowing each other behaviors. Therefore, time is the crucial factor in the development of relationships and determining the relational norms, yet it depends upon the level of logistic service quality (Flink et al., 2008). The researchers have also developed a stream of knowledge regarding the linkages between the duration of seller-buyer relationships, relational norm characteristics and performance outcomes (Pillai & Sharma, 2003; Poppo et al., 2004). According to relational contracting theory, the longevity of the relationship creates certain norms which determine the nature of buyer-supplier relationship (Macneil, 1980). We can also say that companies' ability to develop relationships is called performance (Håkansson and Sanehota, 1995). Whipple and Frankel (2000) are of the view that business relationships are not mere the produce of time duration rather enhanced performance is also important. Often the improved performance caused stronger relationship ties (Daugherty et al., 2006).

Thus, relationship norms develop over the passage of time. The relationship as it has emerged over the passage of time will be dependent upon the embedded service level in their business dealings and this relationship will give birth to a set of shared values (Ring and Van de Ven, 1992). Thus, in well performing business relationships, the role of the logistic service is decisive and identified as relational asset and serves as a significant resource in ongoing purchasing relationships (Lee et al., 2004). Therefore, we can argue, based upon this body of literature, that the association between relationship duration and relational norms can be determined by the level of logistic service quality perceived by the buyer. Thus, we propose the following hypothesis.

**H1:** The effect of relational duration on relational norms is dependent / contingent on the level of logistics performance.

**Table 3-1: Relationship Matrix**

		Relationship Duration	
		Short	Long
Logistic Service Performance	High	High Cell 1	Very High Cell 2
	Modest / Low	Modest Cell 3	Low Cell 4

The hypothesis discussed above can be further extended from the above matrix. In the above matrix, starting from cell 1, where, relationship duration is younger between buyer-seller and the level of logistic service is high. This relationship can move in any direction within the matrix. It can move straight right and can enter in cell 2, as well as, it can move down and can enter in cell 3. Let us describe the later situation and discuss its repercussions. This situation will arise when initially the logistic service level of the seller was high but it suddenly went down to a modest or low level of service. In this scenario, either the service level of seller is inconsistent or eroding relatively in the long term. This may be the case of adverse selection where the buyer may be the new entrant into the market and he is unaware of the market dynamics. It is also possible that the market of this particular product which buyer is purchasing from the seller is monopolistic in nature and the buyer is not left with more options and he is bound to purchase from the same seller. In this situation, the buyer will raise his voice (Hirschman, 1970) about the unsatisfactory level of logistic service. Here again, the buyer has two options, one is, if the market is monopolistic in nature and the service quality is not good enough, the buyer may keep on purchasing from this seller but it will not be helpful in developing the relational norms even if the relationship persists for a moderate period of time or until the buyer gets a better alternative, other may be the situation when the market is not monopolistic and despite the repeated voices from the buyer regarding the low level of service the seller does not improve its service level.



These types of relational exchanges do not produce the common interests as inconsistency may lead to unexpected actions (Rokkan and Haugland, 2002). The common wisdom tells us that it will erode the relational norms and the buyer may decide to exit (Hirschman, 1970) from the relationship and start purchasing from another seller. Therefore, when we move from cell 3 to cell 4 as the logistic service level is either modest or low; we can say that relationship duration will be negatively associated with relational norms. Thus the effect of relationship duration on relational norms will be negative in the presence of persistent low level of logistic service. So, we can hypothesize as under.

**H2:** The effect of relationship duration is negative on the relational norms when the logistic performance is low / modest.

Elaborating further the above mentioned discussions, concerning the chemistry of well performing business relationships, Ulaga (2003) used the qualitative approach and found that there is positive association between relational duration and relational norms based upon the order delivery and flexibility. The similar results were also reported by Cannon et al., (2000) in his study, when he found the positive link between business relationship and product quality and delivery and relational norms are not discrete rather they are keep on evolving over the time spectrum (Ford et al., 1993). We can, further, enrich our understanding of association between logistic service performance and relationship duration by developing an interaction effect between them which can be depicted by the relationship matrix. If the logistic performance is high and relationship has just been initiated then most of the business relationships will move positively and will enter into the second quadrant of the matrix. This is the place where most of the business relationships will lie which is in accordance with the classical relational contracting theory as well. Thus relational norms will develop positively when we move from cell 1 to cell 2. Therefore we propose that the positive interaction effect of logistic service performance and relationship duration will be instrumental in increasing the relational norms, which can be hypothesized in the following way.

**H3:** The effect of relationship duration is positive on the relational norms when the logistic performance is high.

## ***3.2 Independent, Dependent, and Control Variables***

### **3.2.1 Independent Variables**

#### **3.2.1.1 Logistic Service Performance**

Theoretical and empirical studies by Mentzer et al. (1999) and Mentzer et al. (2001) sought to further develop the logistic service quality research by conceptualizing it as a broader construct encompassing Bienstock, Mentzer, and Bird's (1997) physical distribution service technical/outcome dimensions. Here we are using the physical order condition construct generally pertaining to accurate and safe delivery (Byrne and Markham, 1991) of the ordered products and we judge its impact on relational norms together with time duration as our understanding is that with the consistently good performance of the service quality, the relational norms will increase over time. In the context of our study, this is a very important variable as it determines as it is measuring the physical distribution characteristics of the deliveries from the wholesaler to the retailer. The further details have been discussed in the chapter of literature review. In the perspective of Pakistan, logistic service or order condition is very crucial as the modes of transportation are not very developed and means of communication are not up to the mark, which make it exciting to study the contingent role of quality of logistic service rendered.

#### **3.2.1.2 Relationship Duration**

Time duration is the most crucial variable in the relationships studies as time tested relationships are not less than a valuable asset in dyads. Many researchers suggest that relationship duration is a complex variable to study; nevertheless, close associations may become fruitful over the passage of time (Flink et al., 2008). The relationships are always evolutionary in nature and flourish through time (Heide and John, 1992; Ganesan, 1994). However, according to Donney & Cannon (1997), the past relationships are the basic building block for the existing and future relationship norms and relationships and trust need time to grow, therefore we can say that time is absolutely necessary to develop relational norms as length of the relationship time is positively associated with quality of the service and as the time increases the uncertainties decrease (Flink et al., 2008). We have used here the natural logarithm of the relationship duration, which is an increasing function as well as smoothes the effect of changes over the period of time.

## **3.2.2 Dependent Variable**

### **3.2.2.1 Relational Norms**

Bilateral relationships are the domain of social exchange theory. Thus these are the expectations and behaviors which are evolved overtime as a result of interaction between two parties. The hazards of opportunism can be subsided in relational exchanges as a result of establishing long term relationships and helpful norms which consequently develop into a shared set of values with the softer ingredients of cooperation, solidarity, honesty (Samouel, 2007). Thus, norms are developed in the idiosyncratic setups over the passage of time. Therefore, we have taken the relational norms as a dependent variable in our study and we have investigated the impact of time duration over the relational norms based upon the criticality of logistic service performance. As we have come to know that there is positive association between a longer history of relationship duration and relational norms in buyer-seller relationships evolved over time as well as the current practices (Buvik and Halskau, 2001). In the business environment of Pakistan, it could be very interesting to study the relational norms as society may have different composition in various perspectives of established relational norms.

## **3.2.3 Control Variables**

### **3.2.3.1 Credit Facility**

Certain authors view trade credit as a very important tool to boost trade related ties and enhance the sales in purchasing and sales operations. Although, it has been vastly propounded that trade credit can be a very important factor in relationships but there is a dearth of empirical studies (Bannerjee et al., 2007).. According to Nilsen (2002), there is 13% share of account receivables in total liability in United States. Alternatively, according to transaction cost theory of trade deficit, initially there will be positive relationship which will be followed with a strong negative relationship afterwards; he is also of the view that transaction costs are reduced by credit sales because if delivery is uncertain, the delivery cycle and the payment can be separated by the parties. In the business environment of third world countries like Pakistan, the trade is still dominant by the old agriculture trade practices which were mostly done on credit basis. Therefore we have included this variable as a control variable in our model to judge its impact on relationship over the passage of time.

### **3.2.3.2 Amount of purchases from the wholesaler**

This is a control variable in our model. We have controlled the impact of dependence of retailer on the wholesaler to judge the effect of relationship duration on the relational norms where the logistic service is contingent on the relationship. The size of the common retailer in Pakistan is not big and most of the stores normally deal into high volume and low value products with emphasis on high frequency products (Abdul Ghani, 2005). As we know according to the established theoretical framework of resource dependence theory high firm power is taken in to consideration and the critical assets of the organization may go in to the control of controlling firm because of which management wants to avoid such situations (Chin et al).

### ***3.3 Variable Interaction Effects***

Various authors (Buvik and Grønhaug, 2000; Kumar et al., 1998) have used the interplay of variables in their research to compute the effect of various variables coupled with another variable to judge the combined effect of two variables and its relationship with the other variable. This is in line with various researches to study the interaction effect. Here we are studying the interaction effect of two variables i.e. natural log of time duration and logistic service performance on the dependent variable relational norms. Performance tends to be effective if coupled with time on relational norms. We will try to judge the response of our model, primarily, in the light of this interaction effect. We have taken the natural logarithm of the number of years of relationship between seller-buyer relationships because of the smoothing effect of the natural log and its tendency to normalize the effect of very long and very short durations.

## 4 Research Methodology

---

---

### **4.1 Introduction:**

In this chapter, the applied research methodology for this work is elaborated in a sequential way. The chapter describes the research design, determination of population and sampling framework. Finally, the data collecting procedures are presented.

### **4.2 Research Design:**

To select an appropriate design for research demands a cautious consideration of features of a phenomenon going to be studied. Such features prescribe both types of empirical data as well as the method that is going to be applied in the analysis. Contextually, phenomenon either can be described as ‘discovery’ or ‘justification’. When the issue to be investigated has not yet researched properly and very little knowledge is on the surface then the inductive research methods should be used. In contrast to this, justification perspective involves theory testing and it is compatible with deductive approaches (Gupta, 2003).

Our study involves theory testing. Based upon the experiences drawn from previous researches indicate that a variety of different research design are available for theory testing. But we will use the applied research design or correlation research design for this study because we will use several independent variables with one dependent variable for testing the association between them (Cook & Campbell, 1979).

### **4.3 Methodological Issues**

This work employed two methodological approaches. Firstly, we used the conceptual approach to address research questions and issues tackled by this work. Secondly, we used collection of primary data from the Retailers in Multan which is a city of Pakistan. The data collection was done by using a survey to retailers called "Kiryana Stores" and "General Stores" in Pakistan, where "Kiryana Stores" are traditional small shops where goods are mostly stocked in sacks

kept on the floor. These shops use over 50 % of the floor space for unbranded grocery items such as spices, sugar, pulses, rice, flour, and kerosene oil. These shops also store some branded and packaged items like dairy products, personal care products, and traditional fast food. They are typically 300 square feet in size and "General Stores" typically allocate fifty percent shelf space to branded and packaged category grocery items including foods, toiletries and household goods. Products are generally stocked on the floor or wall-mounted shelves (Government of Pakistan, Survey of Wholesale and Retail Trade, 1998). They are mostly high frequency stores where volume of sales per customer is low but the turnover is high because of high population density. Service is typically provided over the counter, rather than through self-service. They are typically 500 square feet in size. Similarly, use of secondary data was also made wherever necessary from different sources which provided basis for this research.

#### **4.3.1 Empirical Setting**

According to the researchers, a particular industry is chosen to test the domain of a particular theory in particular settings. While testing theory, internal validity is given more importance over external validity is the primary reason for this choice. With selection of a specific industry internal validity will be improved. Similar thinking considers such a choice as a better way to minimize the chances of error and high variance while simultaneously improving statistical and predictive powers of the study. In this regards the retail sector in Pakistan was effectively used to test the current research setting. The retail sector in Multan mainly consists of *Kiryana Stores and General Stores* or high frequency stores where the retailing has not yet evolved to huge retail chain stores and super markets. Although, as the German retail giant 'Metro' is considering now to open up their outlets in various Pakistani cities including Multan, it is expected that the scenario in the retail sector will now be changed and a more consolidation is expected in this sector (Government of Pakistan, Ministry of commerce and Trade).

#### **4.3.2 Study Data**

Both primary and secondary data were utilized for this study. We collected data from the *Kiryana stores* and General Stores owners in most of the cases as they are the shop keepers in most of the cases and directly in touch with the wholesaler for the purchase of merchandise. On

the other hand, other sources of data were included the Economic Survey of Pakistan, Gazette of Multan, and Federal Bureau of Statistics , but collection of secondary data is a big problem as in most of the cases data is not available regarding wholesale, retail sector or if available at all, it is outdated.

### **4.3.3 Population, Sample frame and Sampling Procedures**

Determining the sample size is a complex procedure and it is subject to several factors. Such factors include the type of sample, statistic to be applied, homogeneity of the population, time, money and personnel available for the study (Churchill and Iacobucci, 2002). To accomplish collecting task of responses from the respondents we used a randomly drawn sample from various areas of Multan. Generally the city consists of four major geographical areas. The effort was made to collect almost equal number of responses from all four areas. These are the following areas.

- a. Gulgash Colony
- b. Cantonment Area
- c. New Multan
- d. Old Walled City

In each of the areas *Kiryana Stores* and General stores were surveyed. The respondents were the store owners/managers who were in most of the cases concerned people dealing with the wholesalers for procurement of the merchandise. Basically there is no hard and fast rule for theory testing, however with at least 100 elements the sample is considered adequate for reliable test statistics (Gupta, 2003). A sample with 200 was drawn. Such a sample represented almost 10% of the population of *Kiryana Stores* and General stores in Multan. For the sake of consistency, each retailer was requested to respond to a closed-ended set of questions in a questionnaire. The rationale for their selection was their active involvement in dealing with the logistical issues from the wholesaler.

The population that was studied involved almost 2000 *Kiryana Stores* and general stores in the month of March 2009. Such a figure was estimated from different wholesalers and retailers in the retail trade business as well as from the sources of Local Government of Multan.

#### **4.3.4 Data Collection Technique**

To accomplish the requirement for suitability of data to the chosen design, we conducted the survey for sample elements to collect the primary data for analysis purpose. Similarly, the analysis requirement for correlation studies that dictates application of quantitative analytical approaches led to the design of a closed-ended questionnaire for data collection. Therefore the closed ended questionnaires were used to collect the data regarding effect of relationship duration and logistic service performance on the relational norms in Multan, a city of Pakistan. Some secondary data was also collected from various agencies like Local Government of Multan and some wholesale and trade associations in Multan.

#### **4.3.5 Questionnaire Administration**

Several strategies are available in administering questionnaires in research surveys. With advancement in technology, more methods are available now. The available methods include:

Personal questionnaire administration

Telephone

Mail

Fax

Electronic Surveys

The decision to apply any of the mentioned strategy involves consideration of several factors. Such factors include cost, time, and supporting infrastructure. These factors affect not only the distribution of questionnaires but also influence the rate of response. Each of these methods has their own merits and demerits (Churchill and Iacobucci, 2002). Due to the infrastructural problems, some of the methods such as telephone, fax and electronic surveys were not feasible for this study. Thus we are left with either the mail survey or personal questionnaire administration. The inherent problem with the mail survey is its low response rate as well as we are facing a shortage of time as the study has to be submitted in the due time while in mail surveys the respondents do not give the priority to answer the mail questionnaires. Therefore, we



adopted the personal questionnaire administration. Since the sample size was not too large and scattered geographically so it was managed in a way that in the morning hours the shop keepers were individually visited either by the researcher or by any of the two assistants and they were requested to answer the questions at the spot, in case if any of the shopkeeper was not available in the morning or busy in the morning, we handed over the questionnaire to him to be collected in the evening. In most of the cases, the filled questionnaires were available the same day when they were delivered; very few needed further reinforcement and were collected the next day or the other day. The informal networking also helped regarding getting high response rate from the retailers as they are from my city (Multan) and in that society still the people give a lot of importance to informal networking.

The survey response was 149 questionnaires which is almost 75% which is sufficiently enough for analysis and interpretation. Non-respondents were categorized into two groups i.e. unreturned questionnaires were 25 and incomplete questionnaires were 26 which is 12% and 13% respectively. Non-respondents were contacted and almost 30 gave reasons for their non-response as follows.

- Confidentiality of the information (40%)
- Lack of Interest to take part in survey (51%)
- Other reasons (9%)

This chapter elaborates methodology applied for this study as well as research design, population, sample frame, sampling procedures and data collection strategy.

## 5 Variables Measurement

---

---

### Introduction

This chapter is about the operationalization of the study's latent variables. Such variables are presented in the research model and hypothesis chapter thoroughly. Research variables represent abstract concepts that help describe relationships. Variable operationalization process is an effort to establish the relationship between theoretical construct and empirical indicators of such constructs (Mwakibinga, 2008).

### 5.1 Operationalization Process

To operationalize the research variables is highly demanding task. In the light of previous research experience, it is believed that there is always an imperfect resemblance between the measure and the theoretical concepts which denotes that research measures signifies lack of complete representation of the research findings on the researched phenomenon. Literature indicates that research measurements contain an error component. Such an error represents the gap between an abstract concept and the measurable indicators for the very concept. Presence of this gap, which has effects on validity of studies' findings, is vital for empirical research.

Indispensability of eliminating error component in variable measurements has always been quiet tricky and tedious for the researchers. However, the common research practice employed to reduce the error demands the use of multiple indicators for one theoretical concept. That is, one abstract concept involves several measurable indicators.

Developing measurements for research variables gives a cautious consideration on factors that will lead to a successful design of measurable instruments because the level of data utilized by the study is important in determining the choice for measurement instruments to be applied in research studies. In fact, there are four levels of data that can be used for scientific studies. The levels of data with their relative measurement are presented in the table 6.1 below.

**Table 5-1: Data Types**

<b>Type of Data</b>	<b>Measurement Approaches</b>
Nominal	Qualitative
Ordinal	Qualitative as well as Quantitative
Interval	Quantitative
Ratio	Quantitative

We have used ordinal level data and interval data for this study. A seven point Likert scale for the purpose of collections and measurements of primary data from the respondents were used. A Likert scale is useful in measuring attitude. Similarly, its application in measuring ordinal data is considered to overcome criticism about scoring and allowing an expression of intensity of feeling (Gupta, 2003). Now let us address the accuracy issues of our measuring instrument for the study.

## ***5.2 Reliability and Validity Issues***

Reliability and Validity are the key issues in improving accuracy of measurement instrument. Most important thing is that the chosen research design should be able to measure what it is meant to measure. The issue of validity refers to an accurate representation of information (Cozby, 2004).

Reliability of measures is concerned with consistency of a measure. Reliability is aimed at ensuring the objectivity of data that will be used by the study. In this way, it allows different researchers to reach at a common conclusion. A structured questionnaire is highly recommended as a measuring instrument for the purpose of reliability (Gupta, 2003). We used the structured questionnaire in survey to ensure the reliability of this study. In order to address consistency issue, it is recommended that the selected research design should allow for application of items that attract the same responses from subjects (Churchill and Iacobucci, 2002).

The concept of generalization is based on the representation aspect which indicates that how much the research findings can be generalized to cover the population from which it was drawn. This was handled by drawing a sample from the study's population. The chosen sample includes

the retailers from Multan, a city of Pakistan. Let us now discuss the indicators for latent variables for the purpose of measurement.

### **5.3 Measurement Models**

There are two types of measurement models in traditional measurement studies. The models generally comprise of reflective or formative scales, where reflective scales are represented by principal factor model while the formative scales model assumes that the measures have impact on a single construct and indicators jointly determine the conceptual and empirical meaning of the construct (Jarvis et al, 2003) which is just reverse of principal factor model.

It is recommended that first of all the separation should be made between the measurements models to help for the specification of the measurement model before meaning can be assigned to the analysis of the model. Various measurement techniques make it possible for the choice of measurement perspectives, which is regarded to be based on theoretical perspectives. Similarly, in theory development and testing, construct validity is a necessary condition, where construct validity refers to the degree of correspondence between construct and their measures. When establishing the construct validity for reflective measures, there are a number of techniques available for scale construction. Some of such techniques are factor analysis and classical test theory. Similarly, for formative scales, the technique applied is the theoretical rationale and expert opinion (Jarvis et al, 2003).

In this study, due to established causality directions all latent variables are measured using reflective scales. Similarly, this measurement direction has created useful grounds for testing construct reliability, discriminant validity using the value of Cronbach's alpha (Buvik, 1995).

### **5.4 Measurement of Research Variables**

We followed the approach used by various researchers (Buvik, 1995; Mia and Mentzer, 2004) to develop methodical measure for study's constructs. We took the following steps.

- Construct Specification
- Item selection
- Purification
- Scale Validation

Through both literature review and theoretical reasoning, latent variables for this study were developed. We used the pool of items used by Mentzer, 1999. This is a content validity process, which is used for the establishment of an adequate reflection of a construct by a group of items. We measure various constructs by using different research methods as a test of construct validity but the research design of this study is based upon one single method which is a survey amongst the informants representing the buyer side of the channel that is why proper test of construct validity cannot be applied. We try to assess the reliability assessment through unidimensionality. We shall use the arguments based on reflective scales based on theoretical considerations which justifies the homogeneity of the concept by various items. Reliability measures will be supplemented by the fact that items supposed to be reflected by a common construct will be assigned to one single factor through principal component analysis. We shall assess the discriminant validity by confronting items assumed to correspond to different constructs through a principal component analysis to check whether the various groups of items are assigned promptly to their relevant construct.

#### **5.4.1 Purification of scales for constructs in the research model**

##### **5.4.1.1 Logistic Service Performance**

Theoretical and empirical studies by Mentzer et al. (1999) and Mentzer et al. (2001) sought to further develop research by conceptualizing logistic service performance as a broader construct encompassing Bienstock, Mentzer, and Bird's physical distribution service technical/outcome dimensions. While, measuring performance of logistic service quality, we used multi item scale that reflects the dimensions of logistic service quality construct for this study. We used a 7-point Likert scale (ranging from 1= Strongly Disagree to 7= Strongly Agree) to describe every construct within logistic service.

Logistic service performance was measured by 15 items and the unrevised scale shown high internal consistency with a value of cronbach's alpha 0.816. The 15 items were then factor analyzed and the principal component varimax solution assigned 5 items to the first factor.

**Table 5-2: Logistic service Performance**

LSP25	Orders shipped in right quantity	.610	.521
LSP31	Availability of technical support	.669	.488
LSP32	Damage rarely occur as a result of transport	.699	.452
LSP33	Protective Packaging	.711	.647
LSP34	Undamaged Delivery	.792	.497

Variance Explained: 52.73 %

Eigen Value : 3.16

Cronbach's alpha : 0.816

#### **5.4.1.2 Relational Norms**

Although various researchers (Kaufman and Dant, 1992; Noordewier, et al., 1990; Dwyer et al., 1987) say that the relational contracting theory ( Macneil, 1981; 1983) present a challenge to researchers as it does not give a clear set of dimensions for the operationalization of relational norms but Paulin et, al., 1997 say that parties often engage in longer duration cooperative, interactive, and non-economic personal satisfaction of relationships. Thus we use the pool of items developed by Paulin et al., 1997 based upon the relational contracting theory by Macneil, 1983). We are using relational norms as dependent variable here in our study.

While, measuring relational norms, we used multi item scale that reflects the dimensions of relational norms construct for this study. The developed scale consisted of 15 items in the start, which converged to the following 6 items in measuring unidimensionality and discriminant validity by using varimax rotation of factor analysis in principal factor analysis. We used a 6-point Likert scale ranging from 1= Strongly Disagree to 7= Strongly Agree for the measurement of the items and the construct.

**Table 5-3: Relational Norms**

RN35	Frank Dealing	.773	.445
RN36	Reliable Promise	.769	.552
RN40	Never makes false caims	.705	..589
RN44	Joint Responsibility	.776	.490
RN47	Work together to succeed	.844	.634
RN53	Pleasant Relationship	.880	.691

Variance Explained: 52.05 %

Eigen Value : 3.16

Cronbach's alpha : 0.82

#### **5.4.2 Discriminant validity**

The revised scale for logistic service performance and relational norms were further factor analyzed together to judge the discriminant validity. It was carried out by confronting items belonging to different constructs to check whether they are assigned consistently to their assigned factors. We used varimax rotation in our factor analysis which is an adequate tool if the various common factors are correlated (Buvik, 1995). The table below show the discriminant validity of the constructs elaborated above.

**Table 5-4: Discriminant Validity**

Variables	Items	1	2
		LSP25	Orders shipped in right quantity
LSP31	Availability of technical support	.669	
LSP32	Damage rarely occur as a result of transport	.699	
LSP33	Protective Packaging	.711	
LSP34	Undamaged Delivery	.792	
RN35	Frank Dealing		.773
RN36	Reliable Promise		.769
RN40	Never makes false claims		.705
RN44	Joint Responsibility		.776
RN47	Work together to succeed		.844
RN53	Pleasant Relationship		.880

**Average Variance explained: 47.12 %**

The scales representing the logistic service quality show an overall satisfactory reliability and discriminant validity and for the purpose of analysis we will take the following average measures.

Logistic Service Quality:  $LSP = (1/5) \sum (LSP25, LSP31, LSP32, LSP33, LSP34)$



## ***5.5 Adapted Constructs***

We have the following constructs which are included in our model for statistical estimation purpose.

1. Relational Norms
2. Logistic Service Performance

In addition to the above mentioned variables we used the retailers' purchases from the wholesaler, Credit facility extended by the wholesaler, relationship duration and the interaction effects of relationship duration with the logistic service performance to be included in our model.

## Chapter 6

# 6 Data Analysis and Hypothesis Testing

---

### 6.1 *Statistical Estimation Methods*

Several options are available for estimation of research models. It depends upon the relationship between dependent and independent variables. In most of the cases where we are judging the strength of relationship between dependent and independent variables with the effect of moderators and both the dependent and the independent variables are continuous in nature we use the multiple regression analysis (Cohen and Cohen, 1983). This is measured by the predictive validity coefficient of the model- $R^2$ . Regression analysis is considered highly important in statistical estimations that involve interaction effects. Thus we adopted multiple regression analysis with ordinary least square method. This method has been widely applied with studies of a similar nature (Garcia and Kandemir, 2006).

### 6.1 *Regression Model*

$$Y = b_0 + b_1X_1 + b_2X_2 + \dots + b_nX_n + E$$

Whereby:

Y = Dependent Variable

$b_0$  = Constant (Intercept)

$b_1, b_2, b_n$  = Beta coefficients (slopes) for independent variables  $X_1, X_2, X_n$  respectively

$X_1, X_2, X_n$  = Independent Variables

E = Standard error term

The study included all variables in the regression model by using an OLS estimation technique. The final model looks as the follows.

$$RN = b_0 + b_1 (PV) + b_2 (Credit) - b_3 (LSP) - b_4 \text{Log} (RD) + b_5 (\text{Log} (RD) * (LSP)) + E$$

The model consists of the following

RN= Relational Norms

LSP = Logistic Service Performance

Log RD = Natural Log of Relationship Duration

Log RD \* LSP = Product of natural log of relationship duration and Logistic service Performance

Credit= Credit Facility provided by the supplier

PV = Purchase volume of the retailer from the wholesaler

### Estimation Results

#### Correlations

Table 6-1: Correlation Matrix

	<b>RN</b>	<b>Credit</b>	<b>LSP</b>	<b>Log(Time)</b>	<b>Log(Time)*LSP</b>
<b>RN</b>	<b>1.000</b>				
<b>Credit</b>	<b>.126</b>	<b>1.000</b>			
<b>LSP</b>	<b>.483</b>	<b>.118</b>	<b>1.000</b>		
<b>Log(Time)</b>	<b>.183</b>	<b>.225</b>	<b>.190</b>	<b>1.000</b>	
<b>Log(Time)*LSP</b>	<b>.336</b>	<b>.228</b>	<b>.445</b>	<b>.952</b>	<b>1.000</b>
<b>Mean</b>	<b>5.63</b>	<b>0.52</b>	<b>5.68</b>	<b>1.72</b>	<b>10.00</b>
<b>Std. Dev</b>	<b>0.96</b>	<b>0.5</b>	<b>1.0</b>	<b>0.9</b>	<b>5.7</b>
<b>N</b>	<b>149</b>	<b>149</b>	<b>149</b>	<b>149</b>	<b>149</b>

As we see from the above table that there is a weaker correlation between credit facility by the retailer with relational norms and it does not affect much but we see that logistic service performance is strongly correlated with relational norm as well as interaction effect of

relationship duration and logistic service performance. Now we run the regression model with following results

**Table 6-2: Regression Values**

Model	Un-Standardized Coefficients	Independent Variables	t-values
Constant	5.524		6.325**
Control Variable	-0.0003	PV of Retailer from wholesaler	1.035*
	0.124	Credit Facility	0.806
Main Effect	-0.027	Logistic Service Performance	-0.174
	-1.670	Natural log of Relationship Duration	-3.265**
Interaction Effect	0.305	Log of time*LSP	3.475**

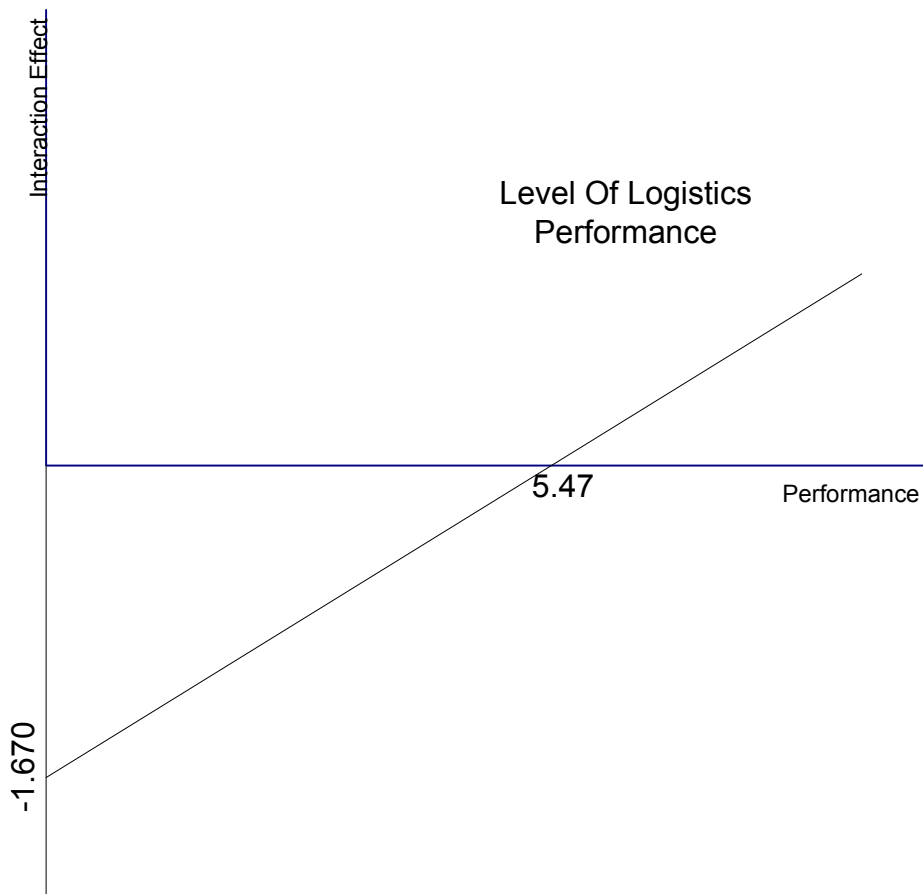
$$R^2 = 0.320 \quad \& \quad R^2 \text{ Adjusted} = 0.290 \quad F(5,113) = 10.65$$

\*\*significant at  $p < .01$       \*significant at  $p < .10$

Including both the independent construct as well as the interaction effect are influential to the prediction capability of our model. As we see from the above model that value of  $R^2=0.320$ , which means that our model is able to predict 32 % of the variance in the Relational Norms by including the logistic service performance and interaction effect of log of relationship duration and logistic service performance or we can say alternatively that independent variables explain 32 % of the variance of the dependent variable. Now we present the effect of log of relationship duration \* Logistic service performance as follows. Let us take the partial derivative of RN with respect to log of relationship duration and draw the graph to present the effect of interaction terms.

$$\begin{aligned} \delta RN / \delta \text{LogRD} &= 5.524 - 1.670 (\text{logRD}) + 0.305 (\text{LSP}) \\ &= -1.670 + 0.305 (\text{LSP}) \end{aligned}$$

**Figure 6-1: Interaction effect**



From the presented graph it is obvious that, when the logistic service is modest / Low the interaction effect of log of relationship duration (Log RD) and relational norms (RN) is negative. But the relationship which can be presented like this  $\delta RN / \delta \text{LogRD}$  is showing an increasing trend when the service level increases. The graph shows a positive slope of the relationship,

which means that when the level of logistic service increases, the interaction effect becomes positive and relationship of duration and relational norms is in forced. If we further elaborate the graph, we see that value of interaction effect is -1.670 at the zero level of performance showing that the interaction effect is negative. The value of interaction effect gradually starts getting towards the positive side of the graph as the level of logistic performance increases. At the performance level of 5.47 it gets out of the negative region of the graph and onward the interaction effect becomes positive as the performance level further increases from the value of 5.47. The graph also shows the direction of the relationship. Therefore we can say on the basis of our model and above graph that effect of relationship duration on the creation of relational norms is strongly contingent upon the level of logistic service quality in the business relationships.

## ***6.2 Hypotheses Testing***

In chapter three, we proposed three hypotheses. These were tested using statistical results from regression estimates. The hypotheses were:

**H1:** The effect of relational duration on relational norms is dependent / contingent on the level of logistics performance.

**H2:** The effect of relationship duration is negative on the relational norms when the logistic performance is low / modest.

**H3:** The effect of relationship duration is positive on the relational norms when the logistic performance is high.

The hypothesis is supported by the results of our regression model. The model is significant at  $F= 10.65$  at  $p<0.01$ , however as we look in the equation given below.

$$\begin{aligned} \delta RN / \delta \text{LogRD} &= 5.524 - 1.670 (\text{logRD}) + 0.305 (\text{LSP}) \\ &= -1.670 + 0.305 (\text{LSP}) \end{aligned}$$

The value of coefficient of interaction effect is 0.305 which is obviously non zero, and the t-value = 3.475 at  $p<.01$  which shows that the value of interaction effect is highly significant and

depending upon the level of logistic service of the seller. Therefore, we can safely say that the effect of relationship duration on relational norms is contingent on the level of logistic performance which is our main hypothesis H1.

Similarly, from the above graph of Figure 6.1, the value of interaction effect of relationship duration and relational norms is -1.670 (which is a negative value). So, when the logistic performance level is zero or less than 5.47, the value of interaction effect remains in the negative region of the graph. Thus, we can interpret from this result that at a low or modest level of logistic service performance the effect of relationship duration on relational norms is negative which proves our second hypothesis (H2) which states that the effect of relationship duration is negative on the relational norms when the logistic performance is low / modest. The same can be discussed by elaborating the results from the model / graph in the following matrix.

**Table 6-3: Extended Relationship Matrix**

		Relationship Duration		Time-Effect	
		Short	Long		
Logistic Service Performance	High	High Cell 1	Very High Cell 2	Positive	H3
	Modest / Low	Modest Cell 3	Low Cell 4	Negative	H2

When the relationship duration is short and the level of logistic performance is low / modest, we are in cell 3. This shows the modestly negative relationship between relationship duration and relational norms. We can land into cell 3 from cell 1 as well. In this situation it may be a case of adverse selection that the performance level of the seller deteriorated sharply but the buyer is still in relationship with this seller. This situation may be attributed to various reasons, for example, the buyer is new entrant into this market and is unaware of the market dynamics, other situation may be that market structure is monopolistic in nature for this particular product and the buyer is

not left with any other option in the short term. But this is a transitional stage and soon it will end up by moving in either cell 2 or cell 4.

If on the feedback of the buyer, seller improves its logistic service performance then in the matrix we reach in situation in cell 2 which is a positive situation and helps in developing norms over the passage of time. This is also in accordance with our third hypothesis (H3) which states that the effect of relationship duration is positive on the relational norms when the logistic performance is high. The other possibility is that despite the continuous voice from the buyer the logistic service performance of the seller remains low. This situation brings us in cell 4. This situation again proves our second hypothesis (H2). If the relationship is lying in cell 4, then, there are fair chances that the business relationship is ended up with some exit or quit strategy, because the logistic performance is very low and the relationship has moved a long way but the relational norms are eroding continuously. According to this situation, effect of relationship duration and relational norms is negative if the service level of performance is low / modest which is in fact our second hypothesis (H2).

Now again we look at the graph in figure 6.1 which shows that, when the logistic performance level exceeds 5.47 the value of interaction effect enters into the positive region of the graph. The direction of the slope is positive and increasing, and the logistic service performance level is high. This can be interpreted that there is a positive relationship between relationship duration and relational norms when the logistic service performance is high. This is in accordance with our third hypothesis (H3) which states that the effect of relationship duration on relational norms is positive if the logistic service performance is high. This is also according to the relational contracting theory that relationship norms will flourish as the age of relationship grows. The same can also be proved from the above matrix. Now, according to current scenario we are in cell 1. This is the scenario, when the relationship duration is shorter or younger and the logistic performance level is high. This situation is transitory in nature and we may end up in cell 2 and cell 3 (which we have already discussed). In cell 2 the logistic service level is high and the relationship duration is long, which is as per relational contracting theory. This is in line with our third hypothesis (H3). Thus, our hypothesis that the effect of relationship duration is positive on relational norms if the logistic performance level is high is proved again. Therefore, we can conclude from our model generally that the effect of relationship duration on the relational norms is contingent on the level of logistic service performance.



## Chapter 7

### 7 Conclusion, Implications and Limitations of the Study

---

---

#### ***7.1 Statistical Results***

In the last chapter we have presented the results of our regression model with conformity of data set according to the recommendations by the literature. Our results indicate conformance of the data set to the assumptions. Analysis of regression results has been the result of rigorous testing of data set, initially conceptualizing the item set through literature then conducting the survey personally. This stage was followed by the testing of unidimensionality and discriminant validity testing by using the principal component factor analysis. Finally, we reached at the regression analysis, we used the OLS technique and came up with the final results with all the necessary significance tests. Results indicate that facility of the credit is not influential on the logistic service quality performance. While the relationship of time and logistic performance is highly significant and influential on the relational norms. Interestingly, our finding that in the short term duration, the retailer keeps on buying from the same wholesaler encourages a further deep look in the study. The influence of purchase volume also, does not explain the variance in the relational norms as the size of the retailer is not influencing the nature of relationship with the wholesaler, due to mostly small size of the retailers and absence of an organized retail sector.

#### ***7.2 Theoretical Implications of the study***

Most important theoretical implication of our study is an attempt, in fact, to reduce the existing theoretical gap in the social exchanges and buyer- seller relationship dynamics (Ivan and Blois, 2004) in Pakistan. We have also tested the logistic service quality (Mentzer et al., 1999, 2001) contributions with the softer side of the relational norms which are rooted in a sociological tradition. Various authors for example (Gloria-Palmero, 1999; Misztal, 1996) suggest that a

particular nature of relational norm may exist in a particular business; it is never categorized as positive or negative and will keep on existing in that setup over the passage of time as it is the product of duration which has evolved in a certain period of time, therefore, we cannot identify and fix the level and nature of relational norms and their acceptance in various societies. Linking the studies' empirical results with theoretical assumptions provide ground for the arguments on the validity of the framework on the phenomenon in question. In our study we developed the relational norm model based upon the relationship duration and quality of logistics service for buyer-seller relationships in the wholesale and trade sector of Pakistan.

Using relational contracting theory as our main theory, we have tested the hypotheses for empirical authentication. All our hypotheses has been supported statistically, the hypothesized relationship between relationship duration and relational norms has been supported by the model which we have tested in this study. The first hypothesis proposed the positive association between relationship duration and the relational norms if the logistic service level is high is in line with the literature (Samouel, 2007) as the length of duration increases the level of confidence in the relationship also increases and the service level of the wholesaler increases as well (Flink et al., 2008). Our second hypothesis is that negative association exists between the relationship duration and the relational norms if the logistic service level is low is also supported by Doney & Canon (1997) who elaborate that relationship and trust take time to grow and are contingent to the underlying level of agreed service.

As we see in one particular case in our study that that in younger relationships the performance is critical on the relationship between time and relational norms has been stated by Casciaro (2003) who is of the view that relationships are very sensitive in their early stages when the partners are learning to work with each other, he further argues that as time passes and the partners learn to predict each other expectations the level of uncertainty decreases and the potential strength of relational increases which clearly states the findings of our theoretical model presented in this study. Sometimes performance is dependent on the relational choice available between the transacting parties, some other authors suggest the discrepancy in the use of information technology tool sometimes lead to an unacceptable level of service in the relationship (Heide and John, 1992) which may be attributed in Pakistan as the level of most of the retailer is too small as compared to the wholesaler that they cannot afford to have formal information technology tools while their corresponding wholesaler make better use of these tools for inventory and order

management processes. This is also in line with Reinartz and Kumar (2003) who argued that both short term and long term relationship can be fruitful depending upon the service level. Although Dwyer et al., (1987) and Heide (1994) propose the concept that relational norms are dependent on time dimension but there are some theoretical and empirical concerns.

### ***7.3 Managerial Implications***

The findings of our study can also be significant and interesting for the practitioners in the field of wholesale and retail sector in Pakistan. Particularly, the foreign entrants in to the Pakistani market always staggered with the dearth of research in different fields, this study can serve the purpose to know the dynamics of buyer-seller relationships emerged over time based upon the logistic service level quality. The managers can get benefit from this study by understanding the expectations retailers can have from their wholesalers and in this way the logistic service provided by the wholesalers can be improved or the gap can be reduced between the expected and the actual level of service. Another very important area can be to understand the relationship of time and norms based upon service. The managers can adopt those levels of services which can extend their relationship from shorter to longer period of time and helping in developing relational norms. As well as the study can help them in developing an inventory of high service level practices and social and business norms for enduring relationships.

### ***7.4 Conclusion***

The current work is based upon the logistic service performance (Mentzer et al., 1999, 2001) and the relationship duration and relational norms as proposed by the relational contracting theory (Macneil, 1983). The study was conducted in wholesale-retail sector of Pakistan, where the size of the retailer is smaller and the consolidation is low (Abdul Ghani, 2005). We have tried to synthesize the relational norms with logistic performance over the passage of time. Our theoretical hypothesis are generally proved by the study and our model is supported by the study significantly, except in one situation when the retailer is buying from the wholesaler in the short term duration despite a moderately low level of logistic service can be attributed to some other reasons not just the domain of our relational contracting theory. The reasons may be the new entrants in the business and unawareness about market dynamics. The relational contracting

theory says a particular relationship which has occurred over the passage of time is likely to continue in the future as well, but our conclusion is that the probability of that relationship to continue over time (Ivens and Blois, 2004) is contingent on the level of service provided (Flink et al., 2007) by the seller, if the retailer continues to get same level of service over the passage of time the relationship will continue and it will weaken in the presence of continuously low level of service. Thus, it is proved empirically that the endurance of the relationship is dependent on the quality of logistic service performance. Our study is more encompassing the delivery aspect of the logistics which can be further enriched (Mentzer, 2001) by adding some allied logistical activities in it.

### **7.5 Limitations**

There are a few limitations for this research. The foremost is the coverage of the research. It covers only Multan city in Pakistan which is the 5<sup>th</sup> largest city having a population 2.5 million (FBS, 2002). Although it covers almost all population groups in the country but the cities like Islamabad and Karachi mostly have more consolidated retail sector (Abdul Ghani, 2005) and the trend is towards consolidation as foreign retailers has started entering into the market. The issue of lack of literature on buyer-seller relationships in the domain of relationship contracting theory on Pakistan is another very important limitation of this study. The literature that has been utilized to conceptualize the study has been based on the developed countries settings. As, our study is based upon the length of relationship and relational norms which is time based phenomenon and for this we need a longitudinal study as the snapshot of relationship duration cannot be captured through cross sectional studies. The unit of analysis in the study was dyad while a retailer is simultaneously interacting with several wholesalers, thus it may be the potential to disorient the results. One very important aspect of the study is the lack of research culture and inherent attitude of the respondents. The small and unorganized nature of the retail sector makes it further difficult to interact with the retailers as most of the retailers are either uneducated or only meagerly educated. Another reason which may be attributed to limitations was the time of the survey, when the security situation was dwindling day by day and the shopkeepers were in panic and free movement in the city was a threat, therefore some of the shopkeepers were not willing to cooperate as shops were opened for some short time of the day and they were more interested in dealing with their customers, instead answering our questions.

## **7.6 Future Research**

This research has introduced the model of relational norms with respect to relationship duration keeping in view the service level of logistic performance. This study is in particular perspective of Pakistan and is mostly dependent upon the more general studies conducted in the past on this field. The results of the study enjoy the empirical support from the data and statically analyzed hypotheses yet in certain other conditions it may sometime give the unexpected results. In this study our tool to capture the information from the retailer was mainly encompassing the delivery and service aspects of logistic performance due to the scope of the research but in future we can inculcate some other logistic service issues such as order documentation, procedural ease, and fulfillment consistency related problems. The coverage of the study can be extended to the country level to add more confidence in the empirically tested results. The study can also be extended to other product categories to cover the wholesale and retail sector in general by not just limiting it to groceries. We can also use the case study technique in future to interview the retailers as well as wholesalers in depth to further look in to the dynamics of buyer-seller relationships in wholesale and retail sector of Pakistan. As we know that the unit of analysis of this study was dyad, to overcome its limitations we can undertake the network approach to study as the partners in the dyad are interacting with a number of actors in the relationship and this may come up with more interesting and reliable outcomes.

## 8 References:

- Abdul Ghani, J. (2005),” Consolidation in Pakistan’s Retail Sector”, *Asian Journal of Management Cases* Vo. 2 No. 2.
- Anderson, E. and Weitz, B. (1989), “Determinants of continuity in conventional industrial channel dyads”, *Marketing Science*, Vol. 8, pp. 310-23.
- Banerjee, S., Dasgupta, S., Kim, Y., (2007), “Buyer-supplier relationships and trade credit”, Hong Kong University of Science and Technology.
- Bendor, J., Mookherjee, D. (1990),” An evolutionary approach to norms”, *Journal of Law, Economics, and Organization*, Vol. 6, No.1 , pp 33-63.
- Bienstock, Carol C., Royne, Marla B., Stafford, Thomas F., (2008),”An Expanded model of logistics service quality: Incorporating logistics information technology”, *International Journal of Production Economics* Vol. 113, pp. 205-222.
- Bienstock, C.C., Mentzer, J.T., Bird, M.M.(1997),”Measuring physical distribution service quality”, *Journal of the Academy of Marketing Science* Vo. 25 (Winter) 31-44.
- Bowersox, Donald J., John T. Mentzer, and Thomas W. Speh (1995), “Logistics Leverage”, *Journal of Business Strategies*, Vo. 12, No. 2, pp. 36-49.
- Buvik, Arnt (1995),” Allocation of Specific Assets and Vertical Coordination in Industrial Purchasing Relationships”, Ph.D. Thesis.
- Buvik, Arnt (1998),” The effect of manufacturing technology on purchase contracts”. *International Journal of Purchasing and Materials Management (Tempe)*, Vol. 34 No. 4.
- Buvik, Arnt; Andersen, Otto (2002),” The impact of vertical coordination on ex post transaction costs in domestic and international buyer-seller relationships”. *Journal of international marketing*, Vol. 10 No.1 pp: 1-24.
- Buvik Arnt and Grønhaug Kjell(2000),“Interfirm Dependence, Environmental Uncertainty, and Vertical Co-ordination in Industrial Buyer-Seller Relationships.” *The International Journal of Management Science - OMEGA*, 28, 4 (June) pp. 445-454.
- Buvik, Arnt and Halskau, Øyvind (2000),” Relationship Duration and buyer influence in just-in-time relationships”, *European Journal of Purchasing & Supply Management* Vol. 7 pp.111-119.
- Byrne, P.M. and Markham, W.J. (1991), Improving Quality and Productivity in the Logistics Process, *Council of Logistics Management*, Oak Brook, IL.

Chin, Jon W., Widing II, Robert E. and Paladino, Angela, “Influence of Resource Dependency Theory on Firm Performance – Managing the Competitive Environment”, *University of Melbourne*

Christopher, Martin and Lee, Hau (2004), “Mitigating Supply Chain Risk Through improved confidence”, *International Journal of Physical Distribution & Logistics Management*, Vol. 34, No. 5, pp. 388-396.

Churchill, G. A., Iacobucci, D. (2002),” Marketing Research: Methodological Foundations, 8<sup>th</sup> Ed., South- Western Thomas Learning.

Cohen, J. and Cohen, P. (1983),” Applied Multiple Regression/Correlation analysis for the behavior science”, 2<sup>nd</sup> Ed. Earlbaum, Hillsdale, NJ.

Cook, T. D., Campbell, D. t. (1979),”Quasi Experimentation: Design and Analysis issues for Field Settings, Boston: Houghton Niffin Company in Buvik, Arnt (1995),” Allocation of Specific Assets and Vertical Coordination in Industrial Purchasing Relationships”, Ph.D. Thesis.

Coyle, J.J., Bardi, E.J., Langley Jr., J.C., (1992),”The Management of Business Logistics” 5<sup>th</sup> edition, West, St. Paul, Mn.

Cozby, P. C. (2004),” Methods in Behavioral Research”, 8<sup>th</sup> Ed. McGraw Hill.

Cronin, J. Joseph and Taylor, A. Steven (1992),”Measuring Service Quality: A Reexamination and Extension”,*Journal Of Marketing*, 56 (July) : 55-68.

Daskin, M.S., (1985),”Logistics: An overview of the state of the art and perspectives on future research. Transport Research 19A (5/6), 383-398 in Bienstock, Carol C., Royne, Marla B., Stafoord, Thomas F., (2008),”An Expanded model of logistics service quality: Incorporating logistics information technology”, *International Journal of Production Economics* Vol. 113, pp. 205-222.

Daugherty, P. J., Richey, R. G., Roath, A. S., Min, S., Chen, H., Arndt, A. D., et al. (2006). “Is collaboration paying off for firms”, *Business Horizons*, Vol. 49 pp 61–70.

Davis, Beth B., Mentzer John T.,(2006),“Logistics Services Driven Loyalty: An Exploratory study”, *Journal of Business Logistics*, Vol.27 No.2, pp.53-73.

Doney, P. M., & Cannon, J. P. (1997). An examination of the nature of trust in buyer–seller relationships. *Journal of Marketing*, 61, 35–51.

Dwyer, F. R., Schurr, P. H., & Oh, S. (1987). “Developing buyer–seller relationships”. *Journal of Marketing*, 51, 11–27.

Economic Survey of Pakistan, (2008),”Ministry of Finance, Government of Pakistan”

Federal Bureau of Statistics, Pakistan (2002)

Flink, Robert C., James, William L., Hatten, Kenneth J.,(2008),” Duration and Relational choices: Time based effects of customer performance and environmental uncertainty on relational choice”, *Industrial Marketing Management* Vol. 37 pp367-379.

Ford, D., Hakansson, H. and Johnson, J. (1993), “How do companies interact?”, in Ford, D. (Ed.), *Understanding Business Markets: Interaction Relationships and Networks*, Academic Press, London.

Forslund, Helena (2006), “Performance gaps in the dyadic fulfillment process”, *International Journal of Physical Distribution & Logistics Management*, Vol.36, no.8

Ganesan, Shankar (1994), “Determinants of long term orientation in buyer-seller relationships” ,*Journal of Marketing*, Vol.58, No.2, pp. 1-20.

Garcia, R. and Kandemir, D. (2006),”An analysis of modeling moderating variables in cross national studies”, *Journal of International Marketing Review* Vol. 23 No. 4.

Gloria-Palmero, S. (1999), “The evolution of Austrian Economics: from Menger to Lachman. Routledge: London, in Ivens, S. Bjoern and Blois, J. Keith (2004), “ Relational Exchange Norms in Marketing: A Critical Review of Macneil’s Contribution”, *Marketing theory*, Vol. 4 No. 3.

Government of Pakistan, Ministry of commerce and Trade, 2007.

Government of Pakistan, Survey of Wholesale and Retail Trade, 1998.

Gronroos, C., (1984),” A service quality model and its marketing implications”, *European Journal of Marketing*. Vol. 18 No. 4, pp.36-44.

Gupta, S (2003) *Research Methodology and Statistical Techniques*, Deep & Deep Publications Pvt. Ltd, New Delhi, India in Mwakibinga, Frederick A.(2008),” Public Sector Procurement in Tanzania: An Analysis of Rule Compliance Antecedents”, Ph.D. Thesis.

Harris, L, O'Malley, L. and Patterson, M. (2003), "Professional interaction: exploring the concept of attraction", *Marketing Theory*, Vol. 3 No. 1, pp. 9-36.

Haugland, s. A., Reve, T., (1993),” Relational contracting and distribution channel cohesion”, *Journal of Marketing Channels*, Vol. 2, No. 3

Heide, J.B. (1994), “Interorganizational governance in marketing channels”, *Journal of Marketing*, Vol. 58, pp. 71-85.

Heide, J.B. and John, G. (1992), “Do norms matter in marketing relationships?”, *Journal of*



*Marketing*, Vol. 56, pp. 32-44.

Hirschman, A. O. (1970). *Exit, Voice, and Loyalty: Responses to Decline in Firms, Organizations, and States*. Cambridge, MA: Harvard University Press.

Håkansson, H. and Snehota, I. (1995), "Developing Relationships in Business Networks", Routledge, London.

Ivens, S. Bjoern and Blois, J. Keith (2004), "Relational Exchange Norms in Marketing: A Critical Review of Macneil's Contribution", *Marketing theory*, Vol. 4 No. 3.

Jarvis, C. B., Mackenzie, S. B., Podsakoff, P. M., (2003), "A critical review of construct indicators and measurement model specifications in marketing and consumer research", *Journal of Consumer Research* Vol. 30 No. 2.

Kaufman, P. J., Dant, R. P., (1992), "The dimensions of commercial exchange", *Marketing Letters* Vol.3 No. 2, pp. 171-185.

Kaufman, P. J., Stern, L. W., "Relational exchange, contracting norms, and conflict in industrial exchange", in Paulin, Michael, Perrien, J., Ferguson, R., (1997), "Relational Contract norms and the effectiveness of commercial banking", *International Journal of Service Industry*, Vol.8 No.5, pp 435-447.

Keebler, J.S., Manrodt, K.B., Durtsche, D.A. and Ledyard, D.M. (1999), *Keeping Score – Measuring the Business Value of Logistics in the Supply Chain*, *Council of Logistics Management*, Oak Brook, IL.

Kumar, N; Scheer, L.K and Steenkamp, J.E.M (1998) Interdependence, punitive capability, and the reciprocative of punitive actions in channel relationships, *Journal of Marketing Research*, Vol. 35, No. 2 pp. 225-235

Lapierre, J. (1997), "What doe value means in business-to-business professional relationships", *International Journal of Service Industry Management*, Vol. 8 Iss. 5, pp. 377.

Lovelock, C.H.,(1983), "Classifying services to gain strategic marketing insights", *Journal of Marketing* Vol.47 (summer), 9-20.

Macneil, I. R. (1980). "The new social contract: An inquiry into modern contractual relations". New Haven: University Press.

Macneil, I. R. (1981), "Economic analysis of Contractual Relations: Shortfalls and The Need for a "Rich" Classificatory Apparatus", *Northwestern University Law Review* 75 (6) 1018-1063 in

Ivens, S. Bjoern and Blois, J. Keith (2004), "Relational Exchange Norms in Marketing: A Critical Review of Macneil's Contribution", *Marketing theory*, Vol. 4 No. 3.

Macneil, I. R. (1983), "Values in Contract: Internal and External", *Northwestern University Law Review* 78 (2) 340-418 in Ivens, S. Bjoern and Blois, J. Keith (2004), "Relational Exchange Norms in Marketing: A Critical Review of Macneil's Contribution", *Marketing theory*, Vol. 4 No. 3.

Mentzer, J.T., Gomes, R., Krapfel, Jr., R.E.,(1989), "Physical distribution service: A fundamental marketing concept?", *Journal of academy of Marketing Science* Vol. 17 No. 1 pp. 53-62.

Mentzer, J. T., Flint, D. J., Kent, J. L., (1999), "Developing a Logistics service Quality Scale", *Journal of Business Logistics*, Vol.20, No. 1, pp. 9-32.

Mentzer, J. T. (2001), "Supply Chain Management". *Sage, Thousand Oaks, CA*.

Mia, S., Mentzer, J. T. (2004), "Developing and measuring supply chain management concepts", *Journal of Business Logistics* Vol. 25 No. 1

Mistzal, B.A.(1996), "Trust in Modern Societies", *Cambridge: Polity Press*, in Ivens, S. Bjoern and Blois, J. Keith (2004), "Relational Exchange Norms in Marketing: A Critical Review of Macneil's Contribution", *Marketing theory*, Vol. 4 No. 3.

Mwakibinga, Frederick A. (2008), "Public Sector Procurement in Tanzania: An Analysis of Rule Compliance Antecedents", Ph.D. Thesis.

Nilsen, Jeffrey H., (2002), Trade Credit and the Bank Lending Channel, *Journal of Money, Credit and Banking* 34 (February), 226-53.

Parasuraman, A., Zeithmal, V. A., Berry, L. L.,(1988), "SERVQUAL: A multiple-item scale for measuring consumer perceptions of service quality", *Journal of Retailing* Vol. 63 No. 1, pp.12-37.

Paulin, Michael, Perrien, J., Ferguson, R., (1997), "Relational Contract norms and the effectiveness of commercial banking", *International Journal of Service Industry*, Vol.8 No.5, pp 435-447.

Perreault, Jr., Russ, F.A., (1974), "Physical distribution service: A neglected aspect of marketing management. MSU Business Topics Summer, 37-45 in Bienstock, Carol C., Royne, Marla B., Stafoord, Thomas F., (2008), "An Expanded model of logistics service quality: Incorporating logistics information technology", *International Journal of Production Economics* Vol. 113, pp. 205-222.

Perreault, Jr., Russ, F.A., (1976), "Physical distribution service in industrial purchase decisions", *Journal of Marketing*, Vol. 40 (April) 3-10 in Bienstock, Carol C., Royne, Marla B., Stafford, Thomas F., (2008), "An Expanded model of logistics service quality: Incorporating logistics information technology", *International Journal of Production Economics* Vol. 113, pp. 205-222.

Pillai, K. G., & Sharma, A. (2003). "Mature relationships: Why does relational orientation turn into transaction orientation", *Industrial Marketing Management*, Vol. 32.

Poppo, L., Zhou, K.Z., Zenger, T. (2004). "Exploring constraints to effective inter-organizational exchange: A focus on stable ties, relational norms, and exchange hazards". Unpublished working paper.

Reidenbach, R. E., Wilson, T. C., McClung, G. W., Goeke, R. W., (1995), "The value driven bank: strategies for total satisfaction", Irwin, Homewood, IL.

Reinartz, W. J., & Kumar, V. (2000), "On the profitability of long-life customers in a noncontractual setting: An empirical investigation and implications for marketing". *Journal of Marketing*, 64, 17-35.

Rokkan, Aksel I. and Haugland, Sven A. (2002), "Developing relational exchange: Effectiveness and power", *European Journal of Marketing* Vo. 36 No. 1/2.

Samouel, Phillip (2007) "Does time impact relational norms in in bilateral exchange", *Journal of Small Business and Enterprise Development* Vol. 14 No. 1 pp 136-143.

Shapiro, R.D., Heskett, J.L., (1985), "Logistics Strategy: Cases and Concepts. West, St. Paul, MN in Bienstock, Carol C., Royne, Marla B., Stafford, Thomas F., (2008), "An Expanded model of logistics service quality: Incorporating logistics information technology", *International Journal of Production Economics* Vol. 113, pp. 205-222.

Stank, T.P., Keller, S.B., Daugherty, P.J. (2001), "Supply Chain Collaboration and Logistical Service Performance", *Journal of Business Logistics*, Vol. 22 No. 1, pp. 29-48

Stock, J.R., Lambert, D.M., (1987), "Strategic logistics Management, 2<sup>nd</sup> Ed. Irwin, Homewood, IL in Bienstock, Carol C., Royne, Marla B., Stafford, Thomas F., (2008), "An Expanded model of logistics service quality: Incorporating logistics information technology", *International Journal of Production Economics* Vol. 113, pp. 205-222.

Ulaga, W. (2003). "Capturing value creation in business relationships: A customer perspective", *Industrial Marketing Management*, Vol. 32 No. 8. Pp 677-693.

Venetis, A. Karin; Ghauri, Pervez N., "Service quality and customer retention: building long-term relationships" *European Journal of Marketing*; 2004; Vol.38 No. 11,12 pp.1577-1598.

Whipple, J. M., & Frankel, R. (2000). "Strategic alliance success factors", *Journal of Supply Chain, Management*, Vol. 36 No.3 pp 21–28.

Williamson, O. E. (1985). *The economic institutions of capitalism*. New York, NY: The Free Press in Flink, Robert C., James, William L., Hatten, Kenneth J.,(2008)," Duration and Relational choices: Time based effects of customer performance and environmental uncertainty on relational choic", *Industrial Marketing Management* Vol. 37 pp367-379.

Zeithmal, V .A.,(1988),"Consumer perceptions of price, quality, and value: A means-end model and synthesis of evidence", *Journal of Marketing* Vol.52 (July), 2-22.

## Appendix A

### Factor Loadings

Variables	Items		
		1	2
LSP25	Orders shipped in right quantity	.610	
LSP31	Availability of technical support	.669	
LSP32	Damage rarely occur as a result of transport	.699	
LSP33	Protective Packaging	.711	
LSP34	Undamaged Delivery	.792	
RN35	Frank Dealing		.773
RN36	Reliable Promise		.769
RN40	Never makes false caims		.705
RN44	Joint Responsibility		.776
RN47	Work together to succeed		.844
RN53	Pleasant Relationship		.880

### Correlation Matrix

	<b>RN</b>	<b>Credit</b>	<b>LSP</b>	<b>Log(Time)</b>	<b>Log(Time)*LSP</b>
<b>RN</b>	<b>1.000</b>				
<b>Credit</b>	<b>.126</b>	<b>1.000</b>			
<b>LSP</b>	<b>.483</b>	<b>.118</b>	<b>1.000</b>		
<b>Log(Time)</b>	<b>.183</b>	<b>.225</b>	<b>.190</b>	<b>1.000</b>	
<b>Log(Time)*LSP</b>	<b>.336</b>	<b>.228</b>	<b>.445</b>	<b>.952</b>	<b>1.000</b>
<b>Mean</b>	<b>5.63</b>	<b>0.52</b>	<b>5.68</b>	<b>1.72</b>	<b>10.00</b>
<b>Std. Dev</b>	<b>0.96</b>	<b>0.5</b>	<b>1.0</b>	<b>0.9</b>	<b>5.7</b>
<b>N</b>	<b>149</b>	<b>149</b>	<b>149</b>	<b>149</b>	<b>149</b>

## **Appendix B**

### **Dear Respondent**

I am conducting a survey for my M.Sc. dissertation on retailers and wholesalers' relationship in Pakistan. The retailers are the respondents for this survey to judge the quality of the distribution services provided by the wholesalers. The results of the survey will be useful for the wholesalers, retailers especially and for the entrepreneurs and the logistic service providers generally. An executive summary of its findings will be made available on request.

It will take only a few minutes and you need only tick your answer for each question. You can be absolutely sure that the information collected from you will remain strictly confidential, and no individual respondent will be identified. This questionnaire will be collected from you by the researcher or an assistant.

Your candid and timely response is critical to the success of my dissertation and is greatly appreciated. Thanks a lot.

Sincerely

Muhammad Hassan

Molde University College,

Norway

## Title of the Survey

**“Assessing the role of physical distribution service quality of a Wholesaler in value creation as perceived by the Retailer”**

*Note: While answering this survey please base your answers on **one specific wholesaler** who is involved in some business dealings with you. For example wholesaler of grocery items, food items, and other consumer products. Please assess the statements in the questionnaire carefully and take a stand based on your experience with **this specific wholesaler.***

# Survey Questionnaire

Name of your Retail Store \_\_\_\_\_

\_\_\_\_\_

Name of the Wholesaler \_\_\_\_\_

\_\_\_\_\_

**1. We purchase the following product category from this wholesaler**

**(You can tick more than one category)**

<b>Food Items</b>	<b>Candies , Chips &amp; Chocolates</b>	<b>Toiletries</b>	<b>Dairy Products</b>	<b>Others</b>
-------------------	---	-------------------	-----------------------	---------------

**2. Total years of experience of business of the retailer** \_\_\_\_\_

**3. Total Years of experience with this Wholesaler** \_\_\_\_\_

**4. Total Sales Volume in 2008 PKR** \_\_\_\_\_ **Approximately**

**5. Total Purchase Volume from this Wholesaler in 2008** \_\_\_\_\_

**6. What percentage of orders are delivered completely without any error by**

**this Wholesaler (approximately)** \_\_\_\_\_

**7. The Credit facility is provided by this wholesaler (Please tick one)**

- Yes
- No (If your answer is No then skip to the next page)

**8. How much credit time is provided by this wholesaler?**

**9. Approximately** \_\_\_\_\_ **Days**



<p align="center"><b>Please circle the number that represents your views regarding the following statements. Please circle once for each statement</b></p> <p align="center"><b>Strongly Disagree</b></p> <p align="center"><b>Strongly Agree</b></p>		
9	The complaints regarding order are handled speedily by this wholesaler	1 2 3 4 5 6 7
10	This wholesaler provides all the necessary information regarding different promotional schemes for the products	1 2 3 4 5 6 7
11	The rush orders and special requests are handled very promptly by this wholesaler	1 2 3 4 5 6 7
12	Our firm will keep on purchasing from this wholesaler in the future	1 2 3 4 5 6 7
13	The order placement procedures of this wholesaler are very flexible	1 2 3 4 5 6 7
14	The order placement procedures of this wholesaler are very convenient	1 2 3 4 5 6 7
15	The order communication time with this wholesaler is very satisfactory	1 2 3 4 5 6 7
16	Our firm is very satisfied with this wholesaler's mode of transportation of goods	1 2 3 4 5 6 7
17	The response of this wholesaler to backorders is very consistent	1 2 3 4 5 6 7
<p align="center"><b>Please circle the number that represents your views regarding the following statements. Please circle once for each statement</b></p> <p align="center"><b>Strongly Disagree</b></p> <p align="center"><b>Strongly Agree</b></p>		
18	The back order time of this wholesaler is very short.	1 2 3 4 5 6 7
19	This wholesaler's transportation time for goods is very satisfactory	1 2 3 4 5 6 7
20	This wholesaler always delivers the ordered products on time	1 2 3 4 5 6 7
21	The time between placing and receiving an order from this wholesaler is very satisfactory	1 2 3 4 5 6 7

**Please circle the number that represents your views regarding the following statements. Please circle once for each statement**

**Strongly Disagree  
Strongly Agree**

22	This wholesaler delivers very good order documentation with deliveries	1	2	3	4	5	6	7
23	This wholesaler's shipments are rarely filled with expired items	1	2	3	4	5	6	7
24	This wholesaler's shipments are rarely filled with wrong items	1	2	3	4	5	6	7
25	This wholesaler's shipments rarely contains incorrect quantity	1	2	3	4	5	6	7
26	The invoices from this wholesaler are very easy to understand	1	2	3	4	5	6	7
27	The product brands purchased from this wholesaler by us have very strong image among our customers	1	2	3	4	5	6	7
28	There are no impositions of minimum/maximum order size by this wholesaler	1	2	3	4	5	6	7

**Please circle the number that represents your views regarding the following statements. Please circle once for each statement**

**Strongly Disagree  
Strongly Agree**

29	The invoices from this wholesaler are always matched to our purchase orders	1	2	3	4	5	6	7
30	The sales return procedures of this wholesaler are very convenient	1	2	3	4	5	6	7
31	The billing procedures of this wholesaler are very consistent	1	2	3	4	5	6	7
32	Complete technical support is always available by this wholesaler	1	2	3	4	5	6	7
33	All orders delivered by this wholesaler are protectively packaged	1	2	3	4	5	6	7
34	All orders delivered by this wholesaler are delivered undamaged	1	2	3	4	5	6	7

**Please circle the number that represents your views regarding the following statements. Please circle once for each statement**

**Strongly Disagree  
Strongly Agree**

35	This wholesaler has been very frank in dealing with us	1	2	3	4	5	6	7
36	The promises made by this wholesaler are always reliable	1	2	3	4	5	6	7
37	This wholesaler is very knowledgeable about the products delivered to our firm	1	2	3	4	5	6	7
38	This wholesaler has made a lot of sacrifices for us in the past	1	2	3	4	5	6	7
39	This wholesaler has been on our side while negotiating claims from the manufacturers	1	2	3	4	5	6	7
40	This wholesaler does never make false claims	1	2	3	4	5	6	7
41	This wholesaler has no problems in understanding our position	1	2	3	4	5	6	7
42	This wholesaler is always open in dealing with us	1	2	3	4	5	6	7
43	This wholesaler has no problem in responding to our requests	1	2	3	4	5	6	7

**Please circle the number that represents your views regarding the following statements. Please circle once for each statement**

**Strongly Disagree  
Strongly Agree**

44	If any problem arises, our firm and this wholesaler consider it as a joint responsibility to resolve this problem	1	2	3	4	5	6	7
45	Our firm and this wholesaler are concerned about each other's profitability	1	2	3	4	5	6	7
46	Our firm and this supplier will never take advantage of each other's bargaining position	1	2	3	4	5	6	7
47	This wholesaler and our firm will always work together to be successful	1	2	3	4	5	6	7

<b>Please circle the number that represents your views regarding the following statements. Please circle once for each statement</b>		<b>Strongly Disagree</b>							<b>Strongly</b>
		<b>Agree</b>							
48	We defend this wholesaler when outsiders criticize this wholesaler	1	2	3	4	5	6	7	
49	If another wholesaler offered us better coverage, we would never take them on	1	2	3	4	5	6	7	
50	We are very patient with this wholesaler when they make mistakes that cause us trouble	1	2	3	4	5	6	7	
<b>Please circle the number that represents your views regarding the following statements. Please circle once for each statement</b>		<b>Strongly Disagree</b>							<b>Strongly</b>
		<b>Agree</b>							
51	The relationship between our firm and this wholesaler has been a very satisfactory	1	2	3	4	5	6	7	
52	Generally, our firm is very satisfied with its overall relationship with this wholesaler	1	2	3	4	5	6	7	
53	Our firm is very pleased with its working relationship with this wholesaler	1	2	3	4	5	6	7	

## Appendix C

### محترم جوابدہ

میں اپنی ایم ایس سی کی تھیسس کے لئے بیرون فروش اور تھوٹک فروش کے درمیان تعلق پر سروے کر رہا ہوں۔ بیرون فروش اس سوالنامے میں جواب کنندہ ہیں۔ جو تھوٹک فروش کی طرف سے فراہم کردہ سمولیات کے بارے میں اپنی رائے دیں گے۔ اس سروے کے نتائج تھوٹک فروش اور خاص طور پر بیرون فروش اور بالعموم Entrepreneurs اور ترسیل کی سمولیات دینے والوں کے لئے مفید ہوں گے۔ ان نتائج کی بنیاد پر معلومات سے بھرپور ادک خاکہ بھی تیار کیا جائے گا۔

سوالنامے کو مکمل کرنے کے لئے صرف چند منٹ درکار ہوں گے۔ اور آپ کو صرف جواب پر نشان لگانا ہے۔ آپ اس بات کا مکمل اطمینان رکھیں کہ آپ کی طرف سے فراہم کردہ معلومات پوشیدہ رکھی جائیں گی۔ اور کسی جواب کنندہ کا نام ظاہر نہیں کیا جائے گا۔

یہ سوالنامہ آپ سے تحقیق کنندہ یا اس کا نمائندہ موصول کرے گا۔ آپ کا بروقت جواب میرے تحقیقی کالم کے لئے نہایت اہمیت کا حامل اور قابل ستائش ہو گا۔

آپ کی کاوش اور تعاون کا بہت شکریہ

آپ کا مخلص

محمد حسن

مولدے یونیورسٹی کالج

ناروے

## سروے کا عنوان

پرچوں فروش کی نظر میں تھوک فروش کی طرف سے فراہم کردہ سروس کے معیار کی جانچ پڑتال

**نوٹ:** جواب دیتے ہوئے اس بات کا خیال رکھیں کہ آپ کے جوابات اس مخصوص تھوک فروش کے بارے میں ہوں۔ جو آپ کے ساتھ کاروبار میں لین دین کرتا ہے۔ مثال کے طور پر وہ تھوک فروش جو گھریلو اشیاء، کھانے پینے کی اشیاء اور دوسری روزمرہ استعمال میں آنے والی مصنوعات کا کاروبار کرتا ہے۔ براہ کرم سوالنامے میں درج بیانات کو احتیاط سے سمجھیں اور پھر اس مخصوص تھوک فروش کے ساتھ لین دین میں تجربے کی بنیاد پر اپنا جواب تحریر کریں۔

## سوالنامہ

برچون فروش /ادکان کا نام\_\_\_\_\_

تھوک فروش /ہول سیلر کا نام\_\_\_\_\_

- 1- ہم اس تھوک فروش سے درج ذیل اقسام کی مصنوعات خریدتے ہیں۔ (آپ ایک سے زائد اقسام پر نشان لگا سکتے ہیں۔)

غذائی	کینڈیز،	ذاتی استعمال کی	دودھ سے بنی	متفرق
اشیاء	چیپس اور	اشیاء (صابن، ریزر	مصنوعات	مصنوعات
	چاکلیٹ	وغیرہ)		

- 2- برچون فروش کا اس کاروبار کا کل تجربہ \_\_\_\_\_ سال
- 3- اس تھوک فروش کے ساتھ کام کا تجربہ \_\_\_\_\_ سال
- 4- 2008 میں کل مالیت کی ف روخت تقریباً \_\_\_\_\_ روپے ہے۔
- 5- اس ہول سیلر سے 2008 میں کل مالیت کی خرید \_\_\_\_\_ ہے۔
- 6- کسی قسم کے اہم کام کے بغیر کتنے فیصد آرڈر یہ ہول سیلر آپ کو پہنچا دیتا ہے۔ \_\_\_\_\_
- 7- اس ہول سیلر نے آپ کو ادھار کی سہولت دی ہوئی ہے۔ (کسی ایک کو منتخب کریں)

ہاں

نہیں

اگر آپ نہیں کو منتخب کرتے ہیں تو اگلے صفحے پر جائیں۔

- 8- یہ ہول سیلر کتنے عرصے تک ادھار کی سہولت دیتا ہے۔ \_\_\_\_\_ دن

مندرجہ ذیل سوالات کا تعلق آپکے (برچون فروش) اور تھوک فروش کے باہمی تعلقات اور معاملات کے بارے میں ہے۔ براہ کرم ان سوالات کے متعلقہ 1-7 درجہ کی مدد سے اپنی رائے دیجئے

1 2 3 4 5 6 7 ۹۔ تھوک فروش آرڈر کے متعلق شکایات بہت جلد دور کرتا ہے

1 2 3 4 5 6 7 ۱۰۔ یہ تھوک فروش اشیاء کی مشہوری کیلئے مختلف اسکیموں کی مکمل اطلاع بھی فراہم کرتا ہے

1 2 3 4 5 6 7 ۱۱۔ خاص آرڈر اور زیادہ مقدار والے آرڈرز بھی یہ تھوک فروش مکمل احتیاط سے پورا کرتا ہے

1 2 3 4 5 6 7 ۱۲۔ ہماری فرم /ادارہ مستقبل میں اسی تھوک فروش سے خریداری جاری رکھی گئی/گا

1 2 3 4 5 6 7 ۱۳۔ اس تھوک فروش کو آرڈر دینے کا طریقہ کار نہایت سچکدار ہے

1 2 3 4 5 6 7 ۱۴۔ اس تھوک فروش کو آرڈر دینے کا طریقہ بہت مناسب /آسان ہے

1 2 3 4 5 6 7 ۱۵۔ اس تھوک فروش کو آرڈر پورا کرنے کیلئے درکار وقت کافی اطمینان بخش ہے

1 2 3 4 5 6 7 ۱۶۔ اس تھوک فروش کے اشیاء کی ترسیل کے طریقہ کار سے ہماری فرم /ادارہ مطمئن ہے۔



- ۱۸۔ یہ تھوک فروش بہت کم وقت میں آرڈر پورا کر دیتا ہے۔
- ۱۹۔ یہ تھوک فروش اشیاء کی ترسیل اطمینان بخش وقت میں کر دیتا ہے۔
- ۲۰۔ یہ تھوک فروش ہمیشہ وقت پر مصنوعات پہنچا دیتا ہے۔
- ۲۱۔ اس تھوک فروش کو آرڈر دینے اور پھر اس کو پورا کرنے میں مناسب وقت درکار ہوتا ہے۔
- ۲۲۔ یہ تھوک فروش آرڈر کو پورا کرتے وقت اس کے ساتھ متعلقہ دستاویزات بھی فراہم کرتا ہے۔
- ۲۳۔ اس تھوک فروش کے متعلقہ آرڈر میں شادو نادر ہی Expiry item / خراب اشیاء پائے جاتے ہیں۔
- ۲۴۔ اس تھوک فروش کے متعلقہ آرڈر میں شادو نادر ہی اصل اشیاء کی بجائے دوسرے اشیاء پائی جاتی ہیں۔
- ۲۵۔ اس تھوک فروش کے متعلقہ آرڈر میں شادو نادر ہی غلط مقدار میں اشیاء ملتی ہیں۔
- ۲۶۔ اس تھوک فروش کی رسیدوں پر درج معلومات آسانی سے سمجھ آجاتی ہیں۔
- ۲۷۔ اس تھوک فروش سے جس کمپنی کی مصنوعات ہم خریدتے ہیں اس کا معیار ہمارے گاہکوں کو نظر میں بہت اچھا ہے۔
- ۲۸۔ اس تھوک فروش کی طرف سے آرڈر کے

- ۲۹۔ اس تھوک فروش کی تمام رسیدیں ہمارے خریدے گئے آرڈرز سے ہمیشہ ملتی جلتی ہیں۔
- ۳۰۔
- ۳۱۔ اس تھوک فروش کو بل کی ادائیگی کا طریقہ کار بہت مناسب ہے۔
- ۳۲۔ اس تھوک فروش کی طرف سے مکمل تکنیکی مدد ملتی رہتی ہے۔
- ۳۳۔ اس تھوک فروش کی طرف سے تمام آرڈر احتیاط سے پیک کیے جاتے ہیں۔
- ۳۴۔ اس تھوک فروش کی طرف سے تمام آرڈر بغیر نقصان کے پہنچائے جاتے ہیں۔
- ۳۵۔ یہ تھوک فروش ہمارے ساتھ دوستانہ ماحول میں لین دین کرتا ہے۔
- ۳۶۔ اس تھوک فروش کے تمام وعدے قابل اعتماد ہوتے ہیں۔
- ۳۷۔ اس تھوک فروش کو ہمیں بھیجی جانے والی مصنوعات کا علم ہوتا ہے۔
- ۳۸۔ ماضی میں اس تھوک فروش نے ہمارے لئے بڑی قربانیاں دی ہیں۔
- ۳۹۔ اس تھوک فروش نے نقصان کی تلافی میں ہمیشہ ہمارا ساتھ دیا ہے۔
- ۴۰۔ یہ تھوک فروش کبھی غلط/ناجائز نقصان کی تلافی نہیں کرتا۔
- ۴۱۔ اس تھوک فروش کو ہمارے صورت حال