ANTECEDENTS AND CONSEQUENCES OF RELATIONSHIP QUALITY AMONG MALAYSIANS ONLINE ENTREPRENEURS

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ABSTRACT

Relationship marketing has been viewed as being imperative to the success of business firms in line with the growing understanding that acquiring new customers is far more expensive than maintaining existing ones. In response to this, relationship quality plays a vital role in shaping the business relationship. Hence, this study aimed to examine the influence of antecedent factors such as service quality, service recovery, price fairness, relationship benefits and relational dependence on online entrepreneurs' relationship quality. Furthermore, this study examined two consequences of relationship quality, namely customer retention and word-of-mouth. A research framework was established based on existing literature to test the relationship among these variables. The Social Exchange Theory was employed to explain the relationship between the variables being studied. In order to empirically test the research framework of this study, data were collected by employing a survey instrument. In conducting this research, online entrepreneurs were selected using the simple random sampling technique. A total of 351 questionnaires were distributed to online entrepreneurs, out of which 117 were returned, representing a 32% response rate. The data collected were analyzed using the Statistical Package for Social Science (SPSS) and PLS-SEM to test the hypotheses. The results from the structural model supported the hypothesized paths; service quality, price fairness, and relationship benefits influenced relationship quality. Furthermore, the hypothesized path maintained that customer retention and word- of- mouth were the consequences of relationship quality. However, the hypothesized path for service recovery influencing relationship quality and relational dependence influencing relationship quality were not supported. Based on these findings, the implications, limitations of the study and future directions are discussed.

Keywords: relationship marketing, relationship quality, online entrepreneur.

ABSTRAK

Pemasaran perhubungan telah dianggap penting bagi kejayaan sesebuah perniagaan. Hal ini seiring dengan pemahaman yang semakin meningkat bahawa memperoleh pelanggan baharu jauh lebih bernilai daripada mengekalkan pelanggan sedia ada. Sebagai tindak balas kepada perkara ini, kualiti hubungan memainkan peranan penting dalam membentuk hubungan perniagaan. Oleh itu, kajian ini bertujuan untuk menyiasat pengaruh faktor-faktor terdahulu seperti kualiti perkhidmatan, pemulihan perkhidmatan, keadilan harga, faedah perhubungan dan kebergantungan perhubungan yang mungkin mempengaruhi kualiti hubungan usahawan atas talian. Di samping itu, kajian ini meneliti dua kesan kualiti hubungan iaitu pengekalan pelanggan dan janji manis. Satu kerangka kajian dibangunkan berdasarkan kajian literatur sedia ada untuk menguji hubungan antara pemboleh ubah-pemboleh ubah kajian. Teori pertukaran sosial telah digunakan untuk menjelaskan hubungan antara pemboleh ubah yang dikaji . Bagi menguji secara empirikal rangka penyelidikan kajian ini, data dikumpulkan dengan menggunakan kaedah bancian. Dalam menjalankan kajian ini, usahawan dalam talian dipilih menggunakan teknik persampelan rawak mudah. Sejumlah 351 borang soal selidik telah diedarkan kepada usahawan dalam talian, dan hanya 117 telah dikembalikan. Ini mewakili kadar maklum balas sebanyak 32 peratus. Data yang dikumpul dianalisis menggunakan Pakej Statistik untuk Sains Sosial (SPSS) dan PLS-SEM untuk menguji hipotesis-hipotesis kajian. Dapatan model struktur menyokong laluan hipotesis berikut iaitu kualiti perkhidmatan, keadilan harga, dan faedah perhubungan yang mempengaruhi kualiti hubungan. Selain itu, laluan hipotesis juga menyokong pengekalan pelanggan dan janji manis adalah hasil daripada kualiti hubungan. Walau bagaimanapun, laluan hipotesis iaitu pemulihan perkhidmatan mempengaruhi pengaruh kualiti hubungan dan ketergantungan relasi mempengaruhi kualiti hubungan pula tidak disokong. Akhir sekali, berdasarkan dapatan kajian ini, implikasi kajian, batasan kajian dan arah masa hadapan kajian turut dibincangkan.

Kata kunci: Pemasaran perhubungan, kualiti hubungan, usahawan dalam talian.

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CHAPTER ONE

INTRODUCTION

1.1 Background of the study

The success or failure of a business lies in many factors. The factors can be in the environment, market or in the strategic planning. In order to win the customers' share in the competitive business market, a business needs to formulate strategies that will keep and have a bond with them in the long run. A business needs to interact with their customer by looking beyond the traditional strategy mix. Therefore, companies are emphasizing more and more on relationship marketing to create a bond with their customers.

Relationship marketing is becoming an integral part of marketing strategy which contributing towards acquiring strong competitive advantage. It is imperative to have a good relationship between buyer and supplier. It can be seen that problems will arise if the quality of the relationship is not in good term. It can lead to many problems and consequently disturb the supply value chain. For instance, abruption of supply may incur a hike in price. This can be seen in the case of unavailability of fish supply in which the retailers need to pay the supplier additional RM 2 per kilogram of fish as reported in Harian Metro (2012). This condition will affect the end consumers where they have to pay more than the usual price. Apart from this, ESSO petrol retailers also faced supply shortage due to problems with their suppliers. As being reported in The Star newspaper, the petrol retailers were out of supply for almost 15 hours and this created tension and anger among their customers who were on the lookout for the petrol. The operation disruption in the petrol stations directly impacted the profits in the long run. These two actual situations undeniably will hinder the goal of maintaining the customers as they will run to others in order to have the products or services they needed. Hence, a good relationship quality between the buyer and supplier may not be achieved.

Besides, it cannot be denied that whatever problems relating to the end customers will definitely affect the business market. The rule of thumb in one of the characteristics in the business market is that the demand for the business market is derived from the end customer. If the end customer is unhappy or dissatisfied due to the problems in the value chain i.e. late deliveries, product defects or unavailability of stocks, the demands of the products or services can be affected. Consequently, the problems occur in the chain of supply of products or services definitely will give negative impacts like the loss of market share or low profits to the industry as a whole.

Due to these situations, there is a need to explore and gain more understanding on the interactions between retailer and supplier. The interaction between the retailer and supplier in the online retailing is the interesting one to be explored. The paradigm in retailing has changed where now retailers has shifted towards the industrial revolution. Today, we can see many retailers patronizing new platforms in the way of conducting their daily business transactions. This is because Internet offers benefits either to individuals or businesses and the growth has been tremendous in the recent years.

The report by Malaysian Communication and Multimedia Commission in 2015 projected that the Internet penetration rate among Malaysian is 70.4 per 100 household. This shows an increase number from 60.3 per 100 household in 2014 ("Communications & Multimedia Pocket Book of Statisics Qi 2015," 2015). According to the International Telecommunication Union, Internet users in Malaysia as of Dec 2013 were accounted for 20,140,125 Internet users comprised of 66% penetration ("Asia Internet Stats and 2015 Population Statistics," n.d.). In addition, as being reported in The Star in 2011, the retailing sector expected slim growth. However, the latest Consumer Confidence Index reported by Nielsen via its global online survey, the online consumer confidence in Malaysia rebounded five points to an index of 110 in the second quarter of 2011, its highest level since the third quarter of 2006. Therefore, there is a large potential to tap in online retailing to prosper (Tan, 2011).

According to the Internet User Report in 2016, 35.3% of Malaysians used Internet for online shopping (MCMC, 2016). In accordance to this, it was reported by the Malaysian Communications and Multimedia Commission in Industry Performance Report 2015, the rise of e-commerce contributed to the increasing growth of revenue for courier services. This can be seen in terms of the increased number of parcels delivered. In 2015, the courier industry handled a total of 22.5 million parcels, up from 18.1 million in 2014.

Apart from these, the online shopping trends through social media like blogs and Facebook is also reported in the growing stage. According to Harian Metro (2012) through an interview with the President of Supplier Mobile Content, Mr. Azli Paat, online expenditure among Malaysians was increasing to 25% if more consumers changed their spending pattern. He also added that Internet users easily addicted to shop online through blogs and Facebook due to the influence of word-of-mouth and friends.

The growth of online retailing is being influenced with the massive use of a new stream in the Internet known as social media networks. The social media networks such as blogs and Facebook facilitate the online retailing in the sense that these mediums are easy to use, and cost effective. Previously, in order to market product online, a retailer needed to hire a technical person who has the knowledge to build and maintain the webpage. But by using blogs and Facebook they can easily sell the products in the cyberspace with minimal cost. Due to these features, online entrepreneurs feel that by using blog they can sell the products more efficiently as compared to the traditional method. They can reach more targeted customers as compared to just by selling the product in the store. It is not surprising nowadays that a Malaysian seller in the United Kingdom may be able to reach the targeted customers in Malaysia through blogs and Facebook. Due to the factor of these online entrepreneurs are geographically scattered, the role of logistic is extremely important.

This new form of retailing that captures much attention nowadays is due to the versatility of the interaction. The interaction process can be taken in two forms either the business-to-consumer (B2C) or business-to-business (B2B). In this study, B2C refers to the interaction between online entrepreneur and customer. Meanwhile, B2B involves the interaction and transaction between the online entrepreneur and courier services provider. The flow of interactions involved can be seen in Figure 1.1.

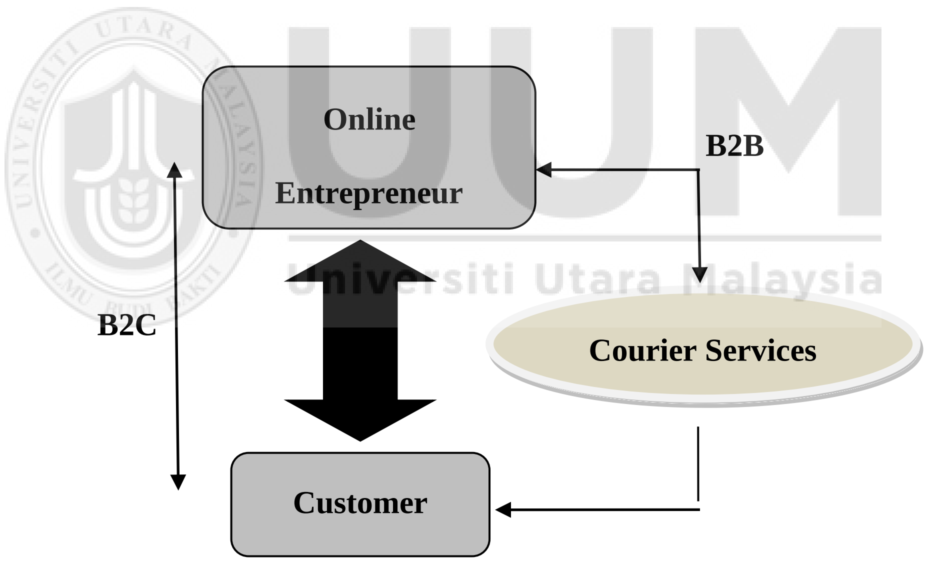

Figure 1.1
Flow of transaction in online retailing

Online retailing process begins when a customer surfs a website that offers products or services to be purchased. Once satisfied with the product to be purchased, the customer will contact the seller and provide detailed information about the products he or she wishes to purchase and delivery of information products and the conditions agreed upon. Then, payment will be made either via credit cards or internet banking services to the seller's account. After the seller confirms receipt of payment, products will be delivered to customers via courier service. Most of the time, courier services play an important role in ensuring the success of the transaction. The transaction is considered a success when the end customer receives the products they ordered. In order to deliver the products or services to customer, online entrepreneurs need to depend and rely to the courier services. If the courier services are unable to perform the role effectively, the end customers will complain. This somehow will hinder the online entrepreneurs' goal to sustain in the industry. Therefore, it is imperative for the online entrepreneur to have a good relationship with the courier services in order to win the market share as well as to sustain in this industry.

With regard to this scenario, this present study aims to gain understanding of the relationship quality between the online entrepreneurs and the courier service providers. The notion to explore the relationship quality between these two parties emerges from the observation in the online forums where the online entrepreneurs have voiced out the problems they face with the courier service providers (Yazid, Aniza, & Wel, 2016). The entrepreneurs highlighted that they were not satisfied with courier services especially in terms of handling, reliability and pricing of the services. Moreover, sometimes they need to switch to other company since they lost their trust in the current ones. This situation needs to be avoided by the online entrepreneur in order to sustain in the retailing industry specifically. Hence, the present study is essential to explore the interaction problem on this relationship as it will pose threat or hinder the sustainability of this considerably new medium of retailing industry in Malaysia.

1.3 Problem Statement

Intense competition drives businesses to be dependent on each other by building relationship with their suppliers who demand to sustain with high standards. It is essential that buyers have strong relationships with their suppliers to stay ahead of competition. In order to succeed, it is crucial to establish, develop and maintain relationships between exchange partners (Tangpong, Michalisin, Traub, and Melcher, 2015). Buyer or seller will enjoy special treatments with this productive relationship such as lower risk, access to technology, more cooperation, increased knowledge, and information sharing (Tangpong et al., 2015). Therefore, it is essential for both parties to develop and maintain their relationship quality.

It cannot be denied that studies on relationship between buyer-supplier relationships are being researched exhaustively in the last twenty years. The early study on relationship by Crosby et al. (Crosby, Evans, & Cowles, 1990) involved the insurance industry with the respondents consisted of life insurance retail customer; the dimensions of relationship quality were satisfaction and trust. These two dimensions were further tested in other studies like studies conducted by Lagace, Dahlstrom and Gassenheimer (1991) and Wray, Palmer, and Bejou (1994). In 1994, a new dimension was introduced as part of relationship quality in the study conducted by

Robert M. Morgan and Hunt (1994). They introduced trust and commitment in order to measure a good relationship. From the past studies, it can be seen that the measurement of relationship quality was treated as multi-dimensional (Cannon & Perreault, 1999; De Ruyter, Moorman, & Lemmink, 2001; Kim & Cha, 2002). But there are also studies that measure relationship quality as uni-dimensional (Ndubisi, 2006; Parsons, 2002; Wong & Sohal, 2002a). This shows that there are inconsistencies and need for further understanding of the dimensions of relationship quality. This is in line the recent suggestion by for a further study in buyer-seller relationship in order to extend the understanding and the concept of relationship quality.

Furthermore, the previous studies have identified the different antecedents according to the characteristics of the field of applications (Athanasopoulou, 2009; Ndubisi, 2006). Prior studies found that expertise of service provider, empathy of service provider, likeability of service provider, communication effectiveness, respect and rapport were the antecedents of relationship quality for the healthcare industry (Ali & Ndubisi, 2011; Chen, Shi, & Dong, 2008). On the other hand, in the manufacturing industries, the antecedents are namely adaptive selling behaviour, perceived value of relationship distributor channel function as well as dependence structure (Park & Deitz, 2006; Wolfgang Ulaga & Eggert, 2006; Van Bruggen, Kacker, & Nieuwlaat, 2005).

In addition to these, in Australia, a study done by Scanlan and McPhail (2000) found that relationship attributes, reliability and personalization were identified as the antecedents of relationship quality for a hotel industry. However, Kim and Cha (2002) revealed that in Korea hospital industry, customer orientation, relational orientation, mutual disclosure and service provider as the antecedents of relationship quality. These examples clearly illustrate that the antecedents are varied across industries and countries. In Malaysia, recent issues on relationship behaviour between online entrepreneurs and courier service providers are always being highlighted in terms of expectation and dissatisfaction towards the service provider especially in social media (Yazid et al., 2016). This practical issues encourage the need for this study on understanding the antecedents and consequences of relationship quality from the Malaysian perspective. This is line with the scarcity of studies of relationship quality in developing countries and it is clearly support by Athanasopoulou (2009) and Roslin and Melewar (2004). They claimed that past studies heavily concentrated in the industrial context of the developed countries like Germany, USA and Japan. Consequently it is clear that this present study is undertaken to fill this gap.

To date, there are studies done in Malaysia pertaining to relationship quality but not as rigorous as in the western countries. Until now, studies pertaining to relationship quality in Malaysia have only focussed in the industries such as dairy, healthcare, banking and palm oil; (Ali & Ndubisi, 2011; Boniface, Gyau, & Stringer, 2009; Ndubisi, 2007; Tan, Mavondo, & Worthington, 2010) . Thus, this present study is vital in order to provide more understanding and practical aspects about the antecedents and consequences of relationship quality play as it plays a vital role in the interaction between online entrepreneurs and the courier service providers, specifically in Malaysia.

The relationship between online entrepreneurs and courier service providers involves service based transaction and embeds the working relationship for mutual benefits. Due to this nature, issues such as service quality, service failure, price fairness, relationship benefits and relational dependency have been of interest to relationship marketing researchers for some years now. In a number of studies, the influence of service quality and failure in service towards relationship quality has been examined (Carr, 2006; Roberts, Varki, & Brodie, 2003; Venetis & Ghauri, 2004; Wong & Sohal, 2002b). From the literatures, studies pertaining to these factors enhance a good relationship between buyer-seller relationships. However, little efforts can be seen in attempting to tap the issues of service quality and service recovery in online entrepreneurs and courier service provider relationship. This study would also consider whether price fairness acts as an antecedent of relationship quality. Early works can be seen in studies by J T Bowen and Shoemaker (1998) where buyer's cost was seen as a value in a relationship. Another study by Walter, Müller, Helfert, and Ritter (2003) highlighted that relationship building is one way to achieve price reduction. Drawing from these studies, it inspires the current study to examine whether service quality, service recovery may act as an antecedent towards building a quality relationship between online entrepreneurs and their courier service providers.

In examining the relational aspect, literatures showed studies that customers favour benefits that they can earn in the relationship. The benefits are nonmonetary in nature. In anticipating to this relational aspect, previous studies addressed the nonmonetary element as relationship benefits. Early work by Robert M. Morgan and Hunt (1994) showed an insignificant relationship between relationship benefit and relationship quality. However, the study conducted by Bowen and Shoemaker (1998) provided contradict results. In their studies, relationship benefits influenced the quality of a relationship. This is due to the early works carried out by Gwinner, Gremier and Bitner (1998) who recognized that relationship benefits include confidence, social and special treatment benefits through their in-depth interviews with customers. Due to this inconsistencies, there are still rooms to explore relationship benefits as an antecedent of relationship quality in this study.

Another relational elements that is assumed as a pertinent factor in forming relationship quality is relational dependence. This is where in a situation there are few alternatives available to the customer. Hence, the customer needs to rely on a particular supplier. On the other end, the supplier undoubtedly will be in a competitive advantage. The relational dependence had vastly been studied by (Goodman & Dion, 2001; Hibbard, Kumar, & Stern, 2001; Scheer, Miao, & Palmatier, 2014; Gerrit H. Van Bruggen, Kacker, & Nieuwlaat, 2005). However, these studies were conducted in the context of industrial marketing. Hence, research in different setting like services may bring new findings. Therefore, this study includes relational dependence that serves as antecedent of relationship quality.

Apart from these, it is essential to study the impact or the consequence of relationship quality. In the early studies of relationship quality by Morgan and Hunt (1994), the consequences of relationship quality ranged from uncertainty, acquiescence, propensity to leave, cooperation, and functional conflict. Besides, performances were studied extensively compared to customer retention and word-of-mouth.

For instances, performances were studied in terms of supply chain performance, export performance, market performance, delivery performance, strategic performance and also salesperson's performance. This can be seen in the studies done by Fynes, de Burca, and Marshall (2004), Lages and Lages (2005), Anil Menon, Bharadwaj, and Howell (1996) and Ramaseshan, Yip and Pae (2006). Loyalty was also regarded as being exhaustively studied as a consequence of relationship quality (see De Ruyter et al., 2001; T. Hennig-Thurau, Gwinner, & Gremler, 2002; Huang & Chiu, 2006; Ling & Ding, 2006; Rauyruen & Miller, 2007; Roberts, Varki, & Brodie, 2003).

Customer retention or also known as continuity or repurchase intention is another interesting outcome of relationship quality to be explored. It has been studied in B2B setting in the research done by T Hennig-Thurau (2000), Hewett, Money and Sharma (2002), Selnes (1998) and Walter, Müller, Helfert, and Ritter (2003). As for the service setting, only study by Venetis and Ghauri (2004) studied the relationship between advertising agencies and their business customers (B2B). It is observed that customer retention in the service industry were studied in the B2C relationship

(Bennett, Härtel, & McColl-Kennedy, 2005; James S Boles, Barksdale, & Johnson, 1997; Garbarino & Johnson, 1999; W G Kim & Cha, 2002). Consequently, there is a need to conduct the present study that investigates customer retention in the service industry for B2B relationship by taking the recommendation by Venetis and Ghauri (2004) and Fullerton (2014). This is because the nature of services is different due to its characteristics of intangibility, inseparability, perishability and variability.

According to Lovelock (2008), courier services provider is regarded as possession processing. This is where the online entrepreneur involvement usually limited as to drop the parcel to the counter, request the service, explain the problem, pick-up the parcel and pay the bill. The rest of the process in delivering the parcel to their customers really dependent on the courier service providers whether they are able to make it or not. Thus, the online entrepreneurs need to have, maintain and enhance the relationship with their courier service providers in order to achieve competitive advantage in this industry. In responding to this notion, there is a need to further investigate on how relationship quality may influence the customer retention in this industry.

Besides customer retention, another consequence from relationship quality which is not being studied exhaustively is word-of-mouth. Today, word-of-mouth is regarded as one of the powerful tools in the marketing communication (Lovelock, 2008, p. 141). Word-of-mouth is regarded as highly credible and can influence customer's decisions on whether to use or to avoid the products or service (Kitapci, Akdogan, &

Dortyol, 2014). From the literatures, it can be seen that only studies done by Bowen and Shoemaker (1998), T. Hennig-Thurau et al. (2002) and Kim and Cha (2002) took into account word-of-mouth as the consequence of relationship quality.

Therefore, the course this research intends to address is "What are the underlying factors that enhance the relationship quality between the online entrepreneurs and their courier service providers and to what extent does relationship quality influence the retention and word-of-mouth among the online entrepreneurs towards their courier services provider".

1.4 Research questions

The above mentioned problem statement has been translated into the following research questions to facilitate the research process:

1. What is the level of relationship quality among online entrepreneurs and courier service providers in Malaysia?
2. Does antecedents like service quality, service recovery, price fairness, relationship benefits, relational dependence influence relationship quality?
3. Does customer retention and word-of-mouth act as consequences of relationship quality?

1.5 Research objectives

This study is moved by the need to understand the antecedents affecting online entrepreneur-courier service providers RQ and the consequences by RQ in online retailing settings in the Malaysian context. Therefore, from the background to this research, it has been identified that the research objectives of this study are:

1. To determine the level of relationship quality between online entrepreneurs and courier service providers, as perceived by online entrepreneurs in Malaysia.
2. To examine whether service quality offered by the courier service providers contribute to relationship quality with online entrepreneurs.
3. To examine whether the antecedents of relationship quality such as service quality, service recovery, price fairness, relationship benefits and relational dependence by the courier service providers contribute to relationship quality with online entrepreneurs.
4. To identify the consequences of relationship quality on customer retention and word-of-mouth.

1.6 Significance of the study

Extant empirical evidence on relationship quality in service industry is still ambiguous and limited. This study contributes to research and managerial implications by integrating a number of ideas that have been previously explored independently or theoretically on the factors that drive relationship quality (*for example, see*, Erin Anderson & Weitz, 1989; Crosby et al., 1990; Friman, Gärling, Millett, Mattsson, & Johnston, 2002). From this investigation, it is hoped that this study can provide an identification of key antecedents of relationship quality as most studies have extensively examined manufacturing instead *e.g.* studies by (B Fynes et al., 2004; Jean L Johnson, 1999; Naudé & Buttle, 2000; Sanzo, Santos, Vazquez, & Álvarez, 2003; Wolfgang Ulaga & Eggert, 2006; Walter et al., 2003). The identification of key antecedents of relationship quality is essential for the courier services provider as at present, online entrepreneurs is seen as their main potential clients. In this study, courier service providers will be able to tap their key strengths and weaknesses in providing the services to the online entrepreneurs in Malaysia. Consequently, the relationship quality between these two parties can be enhanced and indirectly the sustainability of the industry can be safe guarded.

Secondly, the key significance of this study is that the findings in this study can play a part to knowledge and managerial practices by offering new evidence on the association between relationship quality and customer retention. To date, the study on relationship quality and customer retention is limited. Thus, this context is beneficial to examine how relationship quality can increase customer retention rate which is deemed very crucial for a business to sustain.

This study will look upon the relationship between the online entrepreneurs and courier services companies. It is very important to have an in-depth understanding in this relationship due to the growing trend in online shopping in Malaysia. Although online retailing is in the growing stage, the competition is high due to everybody wish to share a piece of pie. As for the courier service providers, the parcel services become the main sources of revenue due to the slowing growth of the snail mails. It is hope that this study will be beneficial for both the online entrepreneurs and courier service providers in Malaysia. Therefore, a win-win situation can be achieved and gain competitive advantages. Hence, the sustainability in the industry can be realized.

Lastly, this study is also expected to provide benefit to Malaysian online retailing industry as well as to the courier services companies, specifically in terms of how a good relationship must be fostered in order to keep the existing customers. Beyond this, the study also expects to offer timely and relevant information to the decision maker regarding the industry and being able formulate and develop special program to enhance and stimulate the industries as well as generate income to Malaysian economy.

1.7 Scope of the Study

The scope of this study covers aspects of variables and respondents. The variables are relationship quality, service quality, service recovery, price fairness, relational dependence, relationship benefits, customer retention and word-of-mouth. Thus, the discussion in this study is limited to these variables only.

In relation to the respondents for this study, focus will be towards the online entrepreneur who sells the products and services through website and social media (blogs, Facebook and Instagram). This gives only one perspective on the quality of the relationship. The perceptions of courier service providers on relationship quality can of course be different. What an online entrepreneur sees as good is not necessarily good from the viewpoint of courier services provider. Moreover, this study also will be on the perspective of the buyer side and is referring to the online entrepreneur. This is because the online entrepreneurs buy services from the courier services provider.

Apart from these, the term seller in this study is referring to the courier services provider. This study mainly focused on the interaction between the online entrepreneurs' with the courier service providers as they are heavily depend on the services by the courier service providers in delivering the products or services. Consequently, this study also looks upon the service industry as well as the online retailing industry.

1.8 Definition of term

1. Relationship marketing - is to establish, maintain, and enhance relationships with customers and other partners, at a profit, so that the objectives of the parties involved are met (Grönroos, 1997)(Groonros, 1994)
2. Relationship quality- a degree of appropriateness of a relationship to fulfill the needs of the customer associated with that relationship (Thorsten Hennig-Thurau & Klee, 1997).
3. Online retailing - is a means by which a consumer can buy a product or service using a computer and equipped with internet connection without *an* intermediary service.
4. Online entrepreneur - is the owner of a website or social media who sells the product and services through Internet.
5. Service quality –describes a comparison of expectations with performance (Lewis, R. C., & Booms, 1983).
6. Service recovery- Service recovery refers to the actions taken by a service provider to address customer complaints regarding a perceived service failure. (Gronroos, 1988)
7. Price fairness- Price fairness refers to consumers' assessments of whether a seller's price is reasonable, acceptable or justifiable (Herrmann, Xia, Monroe, & Huber, 2007).

8. Relational dependence- a ‘need to maintain the relationship in order to achieve desired goals’ (Frazier, 1983).
9. Customer retention- Customer retention is defined as the intention to stay in the relationship. (N Kumar, Scheer, & Steenkamp, 1995)
10. Word-of-mouth- Word-of-mouth is recommending the firm and the service to others as well as communications with the firm. (Jean, 2001)

1.9 Conclusion and organization of thesis

This chapter presents an overview of the thesis. It describes the perspectives and significance of this research, scope of the study and definition of the key terms. Reviews of the literature pertaining to the related disciplines underlying this study are presented in the next chapter.

This thesis is organized into five chapters. As indicated, this introductory chapter describes the background of the study, problem statement, objectives as well as the scope of the study. Chapter 2 presents an extensive review of the literature pertaining to the subject matter being studied. This includes the theoretical framework underpinning this study.

Chapter 3 describes and justifies the methodology used in this study: research design, sampling technique and administration of the survey. The data analysis methods and the appropriate statistical techniques adopted are also presented in this chapter. Detailed descriptions of the analysis of data are presented in chapter 4 and the findings of this research are examined, interpreted and reported. Finally, chapter 5 discusses the research findings in the light of implications for theory and practice.

CHAPTER TWO

LITERATURE REVIEW

2.1 Introduction

This chapter explores the studies and literatures related to this study. The literature review begins with the overview of relationship marketing. Then, the definitions and dimensions of relationship quality will be discussed. The discussion continues on the antecedents and of consequences on relationship quality. The discussion provides the underpinning theory of this study and bases the conceptual framework of this study.

2.2 Relationship marketing

In marketing, the philosophies and theories change over time. There is no single rule that can be applied to all situations because trends, consumer behaviour, and environments keep on evolving and rapidly transform day by day. The term 'relationship marketing' was firstly introduced by Berry in 1983 during a conference of American Marketing Association. The concept of relationship marketing is rooted from the field of service marketing and industrial marketing (Egan, 2008; Grönroos, 1997). It was noted that the used of the 4P's model by Borden where it became too restrictive for business-to-business and services marketing (Egan, 2008, p.28). Hence, relationship marketing is seen to be the best strategy for marketers to gain competitive advantage.

The paradigm in relationship marketing is handled in different ways by different authors (Evert Gummesson, 1996), influenced by a diversity of disciplinary and research traditions leading to four different schools of thought namely Nordic, Industrial Marketing and Purchasing (IMP), North American and Anglo-Australian.

First, the Nordic scholars focus on the long-term relationship in service marketing. In order to visualize this relationship, the scholars use terms such as buyer-seller interactions and interactive marketing, customer relationship life cycle, the new marketing concept and interactive relationships. Moreover, the Nordic scholars oftentimes integrate the network approach with issues related to service relationships (J. Sheth & Parvatiyar, 2000).

Second, the European IMP group studies the relationship marketing in the context of distribution channels (Hakansson, 1982; Snehota & Hakansson, 1995). This school of thought finds that buyer-seller relationships are built on a series of interactions in which the concept of adoption is closely linked with the process of evolving relationships. To further illustrate, in these interactions, service marketers highlight the potential value associated with the development of relationship between supplier and customer. Consequently, relationships are viewed as being the outcome of a series of interactions with particular emphasis placed on the active role-played by buyers.

Third, the North American school focuses on the relationship between buyer and seller in organizational environments within business-to-business markets. Fourth, based on the work of Christopher, Payne and Ballantyne (1991), the Anglo-Australian school emphasises on the integration of quality management, the use of a service marketing concept, and customer relationship economics. The six-market model introduced by Christopher et al., (1991) considers relationship marketing as having six markets: internal, referral, influence, supplier and alliance, recruitment, and customer markets, as the centre of all marketing activities. According to Egan (2008), the Anglo-Australian school generally investigates the nature of relationships in marketing.

Scholars have defined relationship marketing in different ways. Most scholars define relationship marketing by emphasising the development and maintenance of long term relationships with customers and sometimes with other stakeholders (Christopher et al., 1991; Grönroos, 1997; Robert M. Morgan & Hunt, 1994). Berry (1983) defined relationship marketing as "attracting, maintaining and –in multi –service organizations—enhancing customer relationships". He outlined five strategy elements in order to make relationship marketing to pay off: develop a core service to build customer relationship, customization to individual customer, augment core service with extra benefits, pricing services to encourage customer loyalty and marketing to employees so that they in turn will perform well to customers (Berry, 1983). Besides, he also pointed three conditions for useful relationship marketing such as there is on-going desire for the service, the service customer must control the selection of supplier and there must be alternate suppliers. Consequently, these strategies and conditions are seen as imperative in order to develop bonding between two parties with mutually exclusive objectives.

According to Groonroos (1997), there were elements that needed to exist when making a relationship with customers such as attraction, build, promise concept and trust. Therefore he defined relationship marketing as “to establish, maintain, and enhance relationships with customers and other partners, at a profit, so that the objectives of the parties involved are met. This is achieved by a mutual exchange and fulfilment of promises”(Grönroos, 1990).

In contrast, Gummesson and Routledge (2002) viewed relationship marketing in a wider angle known as total relationship marketing. In this concept, he debated that marketing was based on relationships, networks and interactions, meaning that marketing was embedded in the total management of the networks of the selling organization, the market and society. It was directed to long term win-win relationships with individual customers, and value was jointly created between the parties involved. It transcended the boundaries between specialist functions and disciplines.

To summarize, there is no consensus among authors on one accepted definition for relationship marketing. Different definitions reflect different stages in the evolution of relationship marketing as a concept. As being pointed out by Harwood and Garry (2006), this may be due to the debate between academics and practitioners about what relationship marketing actually is, when it is appropriate, who should be included in the relationship, and when a relationship may exist between the parties. However, as seen above, authors in general have identified the aim of relationship marketing through their contributions. Grönroos's (1994) definition is particularly concise, as it includes all aspects of the relationships that service providers and customers could have. Therefore, it has been regarded as the most applicable definition for use in this study.

Table 2.1
Definitions of Relationship Marketing

Authors	Definition	Context
Berry (1983)	Attracting, maintaining and enhancing customer relationships	Services
Grönroos (1990)	To establish, maintain, and enhance relationships with customers and other partners, at profit, so that the objectives of the parties involved are met. This is achieved by a mutual exchange and fulfilment of promises	Valid to be used in all contexts
Christopher et al. (1991)	Concerns the dual focus of getting and keeping customers	Services
Morgan and Hunt (1994	All marketing activities directed toward establishing, developing and maintaining successful relational exchange	Business-business
Palmer (1994)	Strategies that enhance profitability through a focus on the value of buyer-seller relationships over time	Marketing education
(Gummesson, 1996	Relationships, networks, and interaction	Network marketing

(Table 2.1 (continued)

Parvatiyar and Sheth (2000)	Ongoing process of engaging in cooperative and collectivised activities and programs with immediate and end-user customers to create or enhance mutual economic value at reduced cost	Business-to - customer
Kim and Cha (2002)	A set of marketing activities that attract, maintain, and enhance customer relationships for the benefit of both sides, emphasizing retaining existing customers	Hotels

The concept of relationship marketing is attracting more attention by organizations due to the longevity of relationship with customers and low cost of retaining customers. Moreover, relationship marketing has moved the concept of customer acquisition to customer retention and to customer selection. The importance of relationship marketing in the idea of retention few profitable customers has become the promising ones to the organizations. As being stressed by Smith and Taylor (2004), organizations today do not look at customers as buying one can of beans, one car or photocopying machine but they think of them as buying thousands of cans of beans, dozens of cars and photocopiers during their life time. Consequently, today selling has moved away from short term, quick scale scenario and selling today is more about "partnering" and relationship building, you don't sell to people you partner with them.

Additionally, relationship marketing is viewed as the new marketing paradigm which is based on the relational exchange (F. Robert Dwyer & Oh, 1987; Robert M. Morgan

& Hunt, 1994; B Wray, Palmer, & Bejou, 1994). The authors agreed that the new paradigm shifts from short term to long term transaction. In the transactional marketing, a business strategy focuses on "single point of sale" transactions. The emphasis is on maximizing the efficiency and volume of individual sales rather than developing a relationship with buyer. On the other hand, relationship marketing is a business strategy that seeks to establish long term relationship with its customers rather than focusing on a single transaction, not only does it focus on individual customers but also on all the stakeholders in order to manage a relationship that adds value to each person.

Accordingly, Varey and Lewis (2000) described in detail how transactional marketing differs from relationship marketing. First, it differs in terms of focus in which the transactional marketing focuses on the recruitment of customers for single sale meanwhile the relationship marketing focuses on customer retention. Secondly, in the sense of orientation where transactional marketing is oriented on product features but relationship marketing orientation is on product benefits and system solutions. Thirdly, the difference lies in the time horizon. This is where the relationship marketing has a longer time horizon as compared to the transactional marketing. Fourthly, transactional marketing has a little customer focus but relationship marketing gives more attention to the customer. Fifthly, transactional marketing views information as the content of communication whereas relationship marketing views it as the product of communication. Lastly, it differs in terms of contact where transactional marketing has a low contact with customers but in relationship marketing there is high contact with customers. Hence, these differences have given the advantage for the organization which switches to the relationship marketing orientation.

On the same note, Egan (2008) asserts that relationship marketing has a dual focus; both on customer retention and acquisition strategies. It has become an underpinning conviction of relationship marketing that it encourages retention marketing first and acquisition marketing later. Therefore, the researchers are of the view that customer retention offers significant advantage than customer acquisition, particularly in saturated markets (Thorsten Hennig-Thurau & Klee, 1997; Storbacka, Strandvik, & Grönroos, 1994).

As can be concluded, relationship marketing is rooted in the idea that it is cheaper to retain an existing customer than to recruit a new one. There are many benefits of relationship marketing. The first and foremost is that it focuses on providing value to its customers and places a great emphasis on customer retention. Secondly, relationship marketing approach is an integrated approach to marketing, service and quality and therefore, it helps in gaining competitive advantage. The long term customer may do the word of mouth promotions and referrals and many studies have revealed that the cost to retain existing customer is just a fraction of the cost to acquire new customers. In accordance to this, Mudie and Pirrie (2006) assert that relational customers also tend to increase their purchases overtime either because they are consolidating their purchasing onto preferred supplier due to grown business or family and it has also been found that there is less need to offer price promotions to this group as these customers are likely to be less price sensitive than others.

The focus of relationship marketing is basically to develop a good relationship with customer and this will result in customer satisfaction, loyalty and increase market share in a particular industry. In addition, relationship marketing also focuses on the development and maintenance of a long-term relationship between the firm and its customers (J. N. Sheth & Parvatiyar, 1995). This can be seen clearly in the studies by Kalwani and Narayandas (1995) and Lusch, Brown, Robert, and James (1996) where they found that by building good relationships, positive outcomes (i.e. having relationship quality) has resulted to profitability, reputation as well as able to sustain in the industry.

The concept of relationship quality is originated from the study done by (Crosby et al., 1990). According to Berry and Parasuraman (1991), the goal of achieving a quality relationship is to strengthen and retain the customers.

2.3 Relationship Quality

Relationship quality has long been an area of interest in the relationship marketing literatures (i.e., Crosby et al., 1990; T. Hennig-Thurau et al., 2002; W.G. Kim, Han, & Lee, 2001; R M Morgan & Hunt, 1994; Odekerken-Schröder, Wulf, & Reynolds, 2000; Roberts et al., 2003). This is because relationship quality is viewed to be essential to the success of relationship marketing (Hennig-Thurau, 2000; Morgan & Hunt, 1994). Thus, relationship quality has been used as the focus of this study.

To begin, Smith (1998) viewed relationship quality as having "an overall assessment of the strength of the relationship and the extent to which it meets the needs and expectations of the parties based on a history of successful encounters or events". Another view of relationship quality can be seen in the studies by Wong and Sohal (2002b) where they refer relationship quality as to how much the relationship will meet customers' needs, perceptions, goals and desires. On the other hand, Crosby et al., (1990) developed a model showing that relationship quality is achieved from a customer's perspective through the salesperson's ability to reduce perceived uncertainty. In this model, high relationship quality means that the customer is able to rely on the salesperson's integrity, and has confidence in his/her future performance because the level of past performance was consistently satisfactory. In addition, relationship quality can also be seen from the service provider's perspective. For instance, Roberts et al. (2003) argued that in order for "firms to be able to monitor the quality of their consumers' relationship with them, as well as the effectiveness of their relationship programs aimed at building relationship quality, since relationship quality provides a metric for such assessment."

The construct of relationship quality is generally conceptualised as a multi-dimensional construct (Woo & Ennew, 2004). It is considered as a higher-order construct, consisting of several distinct though related dimensions (Dwyer et al., 1987; Crosby et al., 1990; Kumar et al., 1995). Leuthesser (1997, p.246) states that, “in the area of relationship marketing, the primary emphasis of studies to date has been on understanding the factors that influence the relationship quality.” In one of the earliest studies of relationship quality, Dwyer et al. (1987) argued that high levels of satisfaction, trust, and minimal opportunism distinguish quality relationships from non-quality relationship. Similar to this, Crosby et al. (1990, p.70) conceptualized relationship quality as “a higher–order construct composed of at least two dimensions; including trust in the salesperson, and satisfaction with the salesperson”. From the review of literature, it seems that Crosby et al.’s definition forms the base for discussing the construct of relationship quality. For example, the studies by Laglace et al. (1991), Shamdasani and Balakrishan (2000), and Kim and Cha (2002) have all considered relationship quality as a high-order construct comprised of trust and satisfaction. However, Hennig-Thuraru and Klee (1997), Leuthesser (1997), Dorsch et al. (1998), Beloucif et al. (2004), Wang et al. (2005), and Palmatier et al. (2006) added a third dimension of relationship commitment to the earlier two dimensions of relationship quality (trust and satisfaction). Besides, other dimensions of relationship quality have also been proposed in the literature. These include communication (i.e., Anderson & Narus,1990; Bejou et al., 1996), cooperation (Woo & Ennew, 2004), customer orientation (Palmer & Bejou, 1994; Dorsch et al, 1998), seller expertise (Palmer and Bejou,1994), seller ethics (Palmer & Bejou, 1994), opportunism (Dwyer et al., 1987; Dorsch et al., 1998), willingness to invest, and expectation to continue (Kumar et al., 1995), and conflict (Dwyer et al., 1987; Kumar et al., 1996; Roberts et al., 2003).

Table 2.2 provides an overview of the literature using these dimensions, and showing different definitions of relationship quality within different contexts.

Table 2.2
Review of relationship quality literatures

Authors	Dimensions	Definition
Dwyer et al. (1987)	Satisfaction, trust, and minimal opportunism	Relationship quality is reflected in satisfaction with and trust of one's exchange partner, and minimal opportunism
Crosby et al. (1990)	Trust, satisfaction	High relationship quality means that the customer is able to rely on the salesperson's integrity, and has confidence in the sales person's future performance because the level of past performance was consistently satisfactory
Palmer and Bejou (1994)	Satisfaction, trustworthiness, seller's customer orientation, selling orientation, sellers' expertise, sellers' ethics	None
Kumar et al. (1995)	Conflict, trust, commitment, willingness to invest in the relationship, and expectation of continuity	Relationship quality encompasses conflict, trust, commitment, willingness to invest in the relationship, and expectation of continuity
Hennig-Thurau and Klee (1997)	Product-or service-related quality perception, trust, and commitment	Relationship quality can be seen generally as the degree of appropriateness of a relationship in fulfilling the needs of thecustomer associated with the relationship

Table 2.2 (Continued)

Dorsch et al. (1998)	Trust, satisfaction, commitment, minimal opportunism, customer orientation, and ethical profile	Relationship quality is considered as a higher-order construct that encompasses trust, satisfaction, commitment, minimal opportunism, customer orientation, and ethical profile
Smith and Smith (1998)	Trust, satisfaction and commitment	Relationship quality is a general assessment of relationship strength and the extent to which a relationship meets the needs and expectation of the parties involved based on a history of successful or unsuccessful encounters or events
De Wulf et al. (2001)	Satisfaction, trust and commitment	Relationship quality is considered as an overall assessment of the strength of a relationship
Kim and Cha (2002)	Trust and satisfaction	Relationship quality refers to customer perceptions and evaluations of individual service employees' communication and behaviour, such as respect, courtesy, warmth, empathy, and helpfulness.
Roberts et al. (2003)	Trust in integrity, trust in benevolence, commitment, affective conflict, and satisfaction	None
Woo and Ennew (2004)	Cooperation, adoption, and atmosphere	Relationship quality is an overall evaluation of the relationship between buyer and seller, and focuses on identifying the construct
Lin and Ding (2005)	Trust and satisfaction	Relationship quality is a general assessment of relationship strength and the extent to which a relationship meets the needs and expectations of the parties involved, based on a history of successful or unsuccessful encounters or events

While there is no consensus on the dimensions or components comprising relationship quality construct, there is a general agreement that customer satisfaction with the service provider's performance, trust in the service provider, and commitment to the relationship with the service firm are key components of relationship quality (Palmer & Bejou, 1994; Dorsch et al., 1998; Smith, 1998, Hennig-Thurau, 2002; Palmatier et al., 2006; Wang et al. 2006). As pointed out by Garbarino and Johnson (1999), these three dimensions (or evaluations) can be used to summarize a consumer's knowledge and experience with a particular service provider and lead to subsequent consumer actions. Recently, Palmatier et al. (2006) identified that trust, commitment and satisfaction are the dimensions of relationship quality that most often studied, as relationship quality is a composite measure of relationship strength. The following Table 2.3 illustrate the dimensions used in measuring relationship quality.

Table 2.3
Review of literatures on dimensions and context of relationship quality

Author	**Dimensions**	**Context**
(F. Robert Dwyer & Oh, 1987)	Satisfaction, trust, and minimal opportunism	Buyer-seller in automobile industry
(Crosby et al., 1990)	Trust, satisfaction	Life insurance
(N Kumar et al., 1995b)	Conflict, trust, commitment, willingness to invest in the relationship, and expectation of continuity	Buyer-seller relationships in business-to-business market
(Thorsten Hennig-Thurau & Klee, 1997)	Product-or service-related quality perception, trust, and commitment	Buyer-seller relationships (General approach)

Table 2.3 (Continued)

(Dorsch, Swanson, & Kelley, 1998)}	Trust, satisfaction, commitment, minimal opportunism, customer orientation, and ethical profile	Buyer-vendor Relationships
(Smith, 1998)	Trust, satisfaction and commitment	Industrial Purchasing
(Shamdasani & Balakrishnan, 2000)	Trust and satisfaction	Service encounter and customer (personalized services)
(Wulf, Odekerken-Schröder, Lacobucci, & Iacobucci, 2001)	Satisfaction, trust and commitment	Retailer consumer Relationships
(W G Kim & Cha, 2002)	Trust and satisfaction	Hotel employees and customers
(Woo & Ennew, 2004)	Cooperation, adoption, and atmosphere	Business-to-business Market
(Ling & Ding, 2006)	Trust and satisfaction	IT experience of relationships in ISP service
(Sornsri, 2015)	Trust Inertia Dependence	Doctor and patients in hospital

As the body of knowledge in the relationship quality being strengthen, commitment being added as the third dimension of relationship quality. This can be seen in the studies done by Dorsch, Swanson, and Kelley (1998), Thorsten Hennig-Thurau and Klee (1997), Leuthesser (1997) and Beloucif, Donaldson, and Kazanci (2004). Other dimensions of relationship quality have also been proposed in the literature like conflict (Lang & Colgate, 2003; Roberts et al., 2003; Sanzo et al., 2003), communication (J. C. Anderson & Narus, 1990; Lages & Lages, 2005; Leonidou, Barnes, & Talias, 2006), cooperation (Woo & Ennew, 2004), opportunism (Dorsch et al., 1998; F. Robert Dwyer & Oh, 1987) and willingness to invest, and expectation to continue (N Kumar, Scheer, & Steenkamp, 1995a).

To this end, this thesis views relationship quality as a higher order construct that comprises the three dimensions trust, satisfaction and commitment. As these three dimensions form the basis for in-depth understanding of relationship quality in this study, they are discussed separately below:

Trust is known as the key dimension in relationship quality. According to Erin Anderson and Weitz (1989), trust is when "one party believes that its needs will be fulfilled in the future by actions undertaken by the other party." Meanwhile, Morgan & Hunt (1994) stressed that trust is the cornerstone in the relationship commitment in which the commitment will stumble without it. Hence, trust serves to reduce risk by developing long term confidence, balancing short-term unfairness and establishing long term benefits (Erin Anderson & Weitz, 1989; F R Dwyer, Schurr, & Oh, 1987).

Based on the literatures, trust consists of two components which are the perceived credibility and benevolence of the partner (Ganesan, 1994; N Kumar et al., 1995a). Trust in perceived credibility occurred when a customer feels that firm's keep the promises, sincere and play a reliable role. On the other hand, trust in a firm's benevolence is when the customer perceived that the firm is concerned about their welfare.

Commitment is another dimension of relationship quality. This construct of relationship quality is defined as perceived importance of a relationship by Dwyer et al. (1987). Meanwhile Moorman, Zaltman, and Deshpande (1992) further defined commitment as "an enduring desire to maintain a valued relationship". They viewed commitment drives the continuance of a relationship and safeguards the relations. As such, the level of commitment decreases if the relationship is perceived as not important. The opposite situation happens when the relationship is important, the level of commitment increases. Therefore, commitment connotes the importance of a relationship in which the continuance will lead to profits and values to a firm.

According to Gundlach et al. (1995), commitment has three components namely input/instrumental (action taken by one party that create a self-interest stake in the relationship and demonstrates something more than a promise) , an attitudinal (behavioural intention to developed and maintain a stable relationship , temporal – the heart of commitment constructs (commitment to a relationship is believed to increase as the period of time during which resources are made available to the relationship increases and when customers expect to continue their vendor relations: good, high quality customer vendor relationships arise when both parties are able to work together to achieve mutual goals.

Satisfaction is also one of the relationship quality dimensions. Wilson and Jantrania (1994) define satisfaction in terms of performance and the degree to which business dealings meet the expectations of the partner. Satisfaction in the context of an exchange relationship may be defined as a positive affective state resulting from the appraisal of all aspects of a firm's working partnership with another firm (Gaski & Nevin, 1985). Further, Geyskens, Steenkamp, and Kumar, (1999) has confirmed that satisfaction is not a unitary construct.

Satisfaction can be categorize into economic outcomes (economic satisfaction) and social interactions (social satisfaction). Economic satisfaction is a channel member's evaluation of the economic outcomes that flow from the relationship with its partner. An economically satisfied channel member considers the relationship a success with respect to goal attainment, productivity, and financial outcomes (Geyskens et al., 1999). Economic satisfaction is important in a relationship development since it provides tangible criteria for evaluating the health of the exchange of relationship.

Social satisfaction is a channel member's evaluation of the psychological aspects of its relationship, reflecting the extent to which the interaction with the exchange partner is seen as fulfilling and gratifying (Geyskens & Steenkamp, 2000). As such, the channel member "appreciates the contacts with its partner and, on a personal level, likes working with it because it believes the partner is concerned, respectful, and willing to exchange ideas" (Geyskens et al., 1999).

2.4 Antecedents of relationship quality

Previous literatures showed that there were studies being conducted in examining the antecedents related to relationship quality (De Ruyter et al., 2001; Hyun, 2010; W G Kim & Cha, 2002; Rajaobelina & Bergeron, 2009). It is noted that these studies had actually been carried out in the different countries and different nature of industry.

In the early works in the field of relationship quality, the researchers posited that similarity, expertise, ethical behaviour, communication, shared values, and fairness were essential in order to have a good quality relationship (Crosby et al., 1990; N Kumar et al., 1995b; Robert M. Morgan & Hunt, 1994). Moreover, the studies of relationship quality mainly focused in the field such as insurance industry, manufacturing industry i.e. automobile, purchasing agents and brokerage, importers, pharmaceutical industry and financial intermediaries (Crosby et al., 1990; Robert Dwyer & Oh, 1987; Johnson, Sakano, Cote, & Onzo, 1993; Kumar et al., 1995b; Lagace et al., 1991; Christine Moorman, Zaltman, & Deshpande, 1992; Barry Wray et al., 1994). From these studies, hypothetically, these antecedents were significant in developing the long term relationship between two parties.

Recently, Yen, Liu, Tsai, and Lai (2012) conducted a research pertaining the life insurance service providers' attributes as the antecedent of relationship quality. In this study, service providers' attributes namely expertise, experience and appearance were indicated as positively influenced relationship quality. Meanwhile Ali and Ndubisi

(2011) found out that both rapport and respect are important in building quality relationship with customers. In comparing between the two dimensions, rapport showed a stronger impact on relationship quality. They agreed with the previous research by Xu (2009) who postulated that establishing rapport is the initial step in order to have an effective nurse-patient relationship. Despite these studies have been done immensely, it is noticeable that the antecedents tend to vary across different industry setting. With the objectives to fill this gap, the present study investigates the antecedents of relationship quality.

Although extensive studies being conducted in examining the antecedents of relationship quality, the results showed that the antecedent factors were lacking in the sense that it tend to be varying across different industry settings. According to Athanasopoulou (2009) , most of the studies in relationship quality focussing more on the product-related search compared to services setting. Since this present study focus on the relationship between the online entrepreneurs and their courier service providers, it is hope that the present study able to bridge the knowledge gaps as well as to have greater understanding in relationship quality.

2.4.1 Service quality

When a customer experiences good service from a firm, there will be little incentive to switch to an alternative provider, as the risk of uncertain service delivery has been, at least in part, mitigated by this experience. In this sense, service quality contributes directly to loyalty, where loyalty is defined as a customer choosing to continue a relationship with a particular provider in the face of competing offers from alternative providers. Dick and Basu (1994) make an important distinction between loyalty and customer retention by asserting that for loyalty to exist, it is not sufficient for a customer just to continue to use a service provider; they must have a positive attitude towards the firm that is more favorable than that which is held for competing providers.

Furthermore, service quality is an important factor that is affecting customer satisfaction and service provider reputation as well as a tool for customer retention. This statement is supported by Oliver (1999) who considers that service quality, customer loyalty, and satisfaction are interrelated variables and resulted from a cognitive process. In other words, if a service quality evaluation is cognitively good, the customers have a good perception on the service provider and are not easily influenced by other factors. On the contrary, a bad service quality will affect the behavioural intentions of the customers which finally can cause customer defection, customer dissatisfaction or customer complaints (Zeithaml, 2000).

What more is service quality is a term which describes a comparison of expectations with performance (Lewis & Booms, 1983). For instance, a courier service provider with high service quality will meet the online entrepreneurs' needs of reliable deliveries whilst remaining economically competitive. Hence, with the improved service quality may increase the courier service providers' economic competitiveness.

This aim may be achieved by understanding and improving operational processes; identifying problems quickly and systematically; establishing valid and reliable service performance measures and measuring customer satisfaction and other performance outcomes.

Other than that, service quality also being defined by Gronroos (1984) as customer perceived judgement as a result of stages of evaluation and then they compare their expectations with the service received. On the other hand, Parasuraman, Zeithaml and Berry (1988) view service quality as “the degree of discrepancy between customers’ normative expectations for the service and their perceptions of the service performance”.

The study by Wong and Sohal (2002b) showed that empathy play an important role in determining the quality of a relationship. In this study, they examined on how service quality influenced the relationship quality at two levels that were employee level and company level. They emphasized that not all dimensions of service quality (i.e. tangibles, reliability, responsiveness, assurance, empathy) equally contributed to overall relationship quality. Consequently, it was important to focus on the employees’ training as they were the main actors in performing the services empathically towards the customers (Carr, 2006; Nelson Oly Ndubisi, 2006).

Hence, in order to anticipate the notion of segregating or differentiating between service quality and relationship quality , Roberts et al. (2003) conducted a study pertaining to the subject. Service quality still being measured by the SERVQUAL scale by Parasuraman (1988) whilst the relationship quality is being measured by dimensions of trust (in integrity and benevolence), commitment, affective conflict and satisfaction. This study showed that service quality was essential in order to make sure the firm was up to the standard as expected by the customer where it was a transactional in nature. Meanwhile, relationship quality was responsible on the intangible aspect of the relationship and it deemed to add value to the service when the interaction was on the on-going (relational) rather than one-off (transactional). However, both service quality and relationship quality affected the behavioural intention that led to positive behavioural outcomes and increased customer lifetime value (Roberts et al., 2003; Venetis & Ghauri, 2004). Consequently, it is proven that service quality is not similar to relationship quality in a way that it enhances the relationship to be stronger.

Apart from this, service quality is deemed to be essential in making sure the offerings are up to the customers' expectation. According to Roberts et al. (2003), "for relationship quality to exists, it is necessary for service quality to exist, though good service quality does not necessarily guarantee that good relationship quality exist". Moreover, the importance of relationship between service quality and relationship quality also was being emphasize by Crosby et al. (1990) that service quality was a "necessary, but not sufficient condition for relationship quality". Vividly, it is very true that online entrepreneurs may be very satisfied with the courier services provider, but somehow he or she does not feel the personal relationship or belonging with the courier services provider. Consequently, service quality plays roles as the basic foundation for the relationship to exist.

In Gronroos's (1984) definition of service quality, two dimensions are identified: functional service quality, and technical service quality. Functional service quality relates to the nature of the interaction between the service provider and the customer and the process by which the core service is delivered. Technical service quality refers to the quality of the service output. The service output will affect the customer satisfaction. Service quality and customer satisfaction are distinct but related constructs (Pollack, 2008). Oliver (1997) defines satisfaction as "the consumer's fulfillment response", a post consumption judgment by the consumer that a service provides a pleasing level of consumption-related fulfillment, including under- or over-fulfillment. Service quality is an antecedent of the broader concept of customer satisfaction (Zeithaml & Bitner, 2006; Lee, Lee & Yoo, 2000) and the relationship between service quality and loyalty is mediated by satisfaction (Caruana, 2002). Most commonly, the nature of this service quality and satisfaction link is viewed as linear, indicating that higher levels of service quality leads to higher levels of satisfaction.

In fact, service quality is recognized as a multi-dimensional construct. While the number of dimensions often varies from researcher to researcher, there is some consensus that service quality consists of three primary aspects: outcome quality, interaction quality, and physical service environment quality (Brady & Cronin, 2001). A number of researchers further elaborate on sub-aspects of these three broad dimensions. For example, the most popular conceptualization of service quality (SERVQUAL) features five dimensions: tangibles, reliability, responsiveness, empathy and assurance (Parasuraman, Zeithaml & Berry, 1988). The tangible dimension corresponds with the aforementioned physical environment aspect, the reliability dimension corresponds with the service outcome aspect, and the remaining three represent aspects of interaction quality (Pollack, 2008).

In addition, previous studies suggested that service quality can influence the relationship quality. Service quality consists of five main dimensions mainly tangibles, reliability, responsiveness, assurance and empathy. The results from the studies by Keating, Kriz, and Quazi (2011), and Wong and Sohal (2002a) showed that service quality has a positive and direct relationship with relationship quality where empathy being the most important dimension in bringing the interaction a success. The same results from the study by (Giovanis, A., Athanasopoulou, P., & Tsoukatos, 2015; N O Ndubisi, 2006; Roberts et al., 2003; Venetis & Ghauri, 2004) captured the positive relationship between service quality and relationship quality. For all these reasons, this hypothesis is put forward:

H1: service quality as perceived by the online entrepreneur is positively related to relationship quality.

2.4.2 Service recovery

Sometimes, simultaneous consumption in services may lead to failures that is unavoidable (Hart, Heskett, & Jr, 1990). Firms may turn the unhappy customers into satisfied ones through effective recovery programs. By doing so, the firms are likely to maintain a good relationship quality as well as enhance and sustain the market share in the long run. Effective service recovery does not occur by luck, however, nor it is solely driven by the interpersonal skills of frontline employees (Bell, C. R., & Ridge, 1992, p. 58). It needs to be a planned and well-managed process. Service recovery planning ought to be based on research-based knowledge in order to avoid the harmful impacts of service failure (Keaveney, 1995, p. 71).

Herewith, service recovery refers to the actions taken by a service provider to address customer complaints regarding a perceived service failure (Gronroos, 1988). In simple words, service recovery is the action that a service provider takes to respond to service failures. The definition of service recovery as coined by Andreassen (2000) stated that "service recovery refers to the actions a supplier takes in order to seek out dissatisfaction and as a response to poor service quality, i.e. service failure. On the other hand, Lewis and Spyrakopoulos (2001) posit that service recovery is the specific action taken to ensure that a customer receives a reasonable level of service following the disruption of normal service. After a service failure has been successfully resolved, customers may show an even stronger commitment to the firm than if no failure had occurred (Abrams & Paese, 1993). The immediate objective of service recovery efforts is to move customers from a state of dissatisfaction to a state of satisfaction and, more importantly, to develop strong relationships with customers (Zemke, 1993).

In relation to what is mentioned above, recovery efforts are important for managers in the service industry because it is practically impossible to ensure a perfect, error-free service. In the restaurant business, in particular, service failure is difficult to avoid (Bitner, Booms, & Tetreault, 1990; Chung & Hoffman, 1998), which indicates the importance of effective service recovery efforts in the restaurant setting. Ok, Back, and Shanklin (2005) also stated that the manner in which service failures are effectively managed in a restaurant setting affects customer's behavioral intentions including the word of mouth intention and revisit intention. During the recovery process, customers usually expect fairness in making up for the loss that occurred during the service failure. On the other hand, Bell and Zemke (1987) suggested that five elements are essential for successful service recovery: apology, urgent reinstatement, empathy, atonement, and follow up. Their research also indicated that service recovery efforts are evaluated by the perceived fairness of the recovery attempt, which is the foundation of the justice theory.

Although there is a concept known as 'zero defection', Hart et al. (1990) claimed that, in services industry, it is impossible to achieve compared to the manufacturing industry. This is due to the uncontrollable factors like weather and customers themselves which are beyond the control of a business. The service failures are namely occasionally delay flights, burned steak or missed deliveries. Consequently, for this present study, if the courier services are unable to deliver the parcel as promised, this is considered as a service failure. Thus, it will affect the relationship quality between the online entrepreneurs as the buyer and the courier service providers are the supplier of the services.

From the early studies in service recovery, researchers have given attention in analyzing the service failures and actions to be taken in order the recover from the failures. Hart et al., (1990) claimed that actions that are needed in service recovery are like to measure the costs of effective service recovery, break customer silence and listen closely to complaints, anticipate needs for recovery, act fast, train employees, empower the front line and close the customer feedback loop. This is supported by the study by Hoffman, Kelley, and Rotalsky, (1995) who conducted a critical incident technique to investigate the classification of service failures and recoveries as well as the customers' perception on the magnitude of the failures as well as the effectiveness of the recovery strategies. Their findings showed that serious failure in restaurant industry lies in the out-of stock condition and seating problem failure. In order to recover these failures, customers favor the compensation recovery which can be in the form of free food, discounts and coupons.

Apart from these, the service recovery literature is largely subjective in nature and has little empirical testing of some key hypotheses (Hoffman et al., 1995, p. 49). This may be one reason why many service firms do not have adequate service recovery strategies (Bitner, Booms, & Mohr, 1994) despite the fact that customers are more likely to stay loyal if they know that their complaint will be addressed against the background of established corporate policies (Best & Andreasen, 1977; Bowen & Lawler III, 1992).

Obviously, service recovery took place when a company engages to address a customer complaint regarding a perceived service failure (Gronroos, 1988). For example, a service failure could be a core-service problem such as unavailability of the service (no service for certain areas), exceptionally slow service, mistakes in the service (e.g. parcel deliveries), etc. In addition, as suggested by Kelley and Davis (1994), service failures can vary in seriousness – from something trivia to being very serious.

Thus, service recovery is considered as one of the antecedents of relationship quality due to it is not being tested extensively and related to the service offered by the courier services. Thus far, there is only one study by Ling and Ding (2006) which used service recovery as the antecedent of relationship quality. From the services literatures, scholars like Boshoff and Leong (1998); Spreng, Harrell, and Mackoy (1995) also highlighted the lack of studies pertaining to service recovery in ensuring customer satisfaction as well as customer retention. Past studies showed that service recovery is significantly related to relationship quality (Akamavi, Mohamed, Pellmann, & Xu, 2015; Ha & Jang, 2009). Consequently, service recovery is regarded to be essential in this study.

H2: Service recovery as perceived by online entrepreneur is positively related to relationship quality

2.4.3 Price fairness

The value of a product or service is always being described by the price. A price also has other several names like fee, loan, face value, rate or cost. According to Zeithaml, (1988), a price is what a customer given up or sacrificed for in order to get a product or a service. Meanwhile Kotler and Armstrong (2010) defined price as the amount of money charged for a product or service, or the sum of values that customers exchange for the benefits of having or using the products or services. Among the four marketing mix elements price is the most flexible aspect in the 4 P's. Hence, the element of price surely plays a vital role in assuring the sustenance of a business.

Meanwhile, perceived price fairness is one psychological element that plays an important role in consumers' reactions to prices (Etzioni, 1988; Kahneman, Knetsch, & Thaler, 1986). In response to this, Urbany, Madden, and Dickson (1989) propose that consumers are concerned with the fairness of a price, particularly of a price increase, and that they resent paying a price that they regard as unfairly high. Thus, consumer resistance can result in guest dissatisfaction, declining sales, and lower overall profits (Franciosi, Kujal, Michelitsch, & Smith, 1996; Kachelmeier &

Limberg, & Schadewald, 1991). Bhattacharya and Friedman (2001) claim that price can be used as a mean to increase both, profits and customer satisfaction. According to Ranaweera and Neely (2003),the perceived “reasonableness of price” has a positive correlation to customer retention. Haemoon(2000), found that price fairness has a positive effect on purchase intention through the mediating role of customer value.

From literatures, it can be found that the particular issue that revolved with the element of price is whether it is reasonable or not. Price fairness refers to consumers’ assessments of whether a seller’s price is reasonable, acceptable or justifiable (Herrmann et al., 2007; Xia, Monroe, & Cox, 2004). Price fairness is a very important issue that leads towards satisfaction. Charging fair price helps develop customer satisfaction and loyalty. Research has shown that customer’s decision to accept a particular price has a direct bearing at satisfaction level and loyalty and indirectly (Molina, Martín-Consuegra, & Esteban, 2007). In another study by Henkel, Tomczak, Heitmann, and Herrmann (2007), it was concluded that customer satisfaction is directly influenced by the price perceptions while indirectly through the perception of price fairness. The price fairness itself and the way it is fixed and offered have a great impact on satisfaction.

In the marketing literature, a price is indicated as the most important factor, conditioning customers’ satisfaction, because, if customers estimate the value of obtained service, they usually think of price (Anderson, Fornell, & Lehmann, 1994; E Anderson & Sullivan, 1993; Cronin, Brady, & Hult, 2000; Fornell, 1992; Virvilaité

& Jucaityté, 2008; Zeithaml, 1988). Studying price relationship with satisfaction scientists indicated that the level of satisfaction depends on service quality, price and personal factors. As Molina et al.,(2007) stated, earlier empiric research has not examined price factor influence on consumers' satisfaction. Based on this, they formed an integrated model of price, satisfaction and loyalty.

According to Kim, Lee and Yoo (2006) perceived price fairness is a psychological factor that plays a vital role in getting the consumers' response to price. On the other hand, Ranaweera and Neely (2003) found that perceived reasonable price has a positive influence on customer retention. Similarly, Oh (2000) suggested that price fairness has a positive impact on purchase intention through the mediating role of customer value. Bhattacharya and Friedman (2001) also argued that perceived price fairness can be used to enhance profits and customer satisfaction. Organizations that offer different prices to various customers may create resentment among their customers, thus negatively impacting customer satisfaction. Based on past finding John Bowen and Shoemaker (1998), it is hypothesized that perceived price fairness has a direct impact on the level of relationship quality between online entrepreneurs and their courier service providers.

H3: Price fairness as perceived by online entrepreneur is positively related to relationship quality

2.4.4 Relationship benefits

Early works on relationship benefits can be seen in the study done by Robert Morgan and Hunt (1994). However, the hypothesized effect of relationship benefits on relationship quality was unsupported. The underlying reason behind this effect is deemed to have relationship benefits that were measured as an evaluation of the supplier on the aspects of gross profit, customer satisfaction and product performance. This study somehow provides directions for future research in this dimension.

More to that, building on the early work of Barnes (1994), Bendapudi and Berry (1997), Berry (1995), Gwinner et al., (1998) developed, and empirically supported, a typology of three relational benefits. According to these researchers, relational benefits include confidence benefits, which refer to perceptions of reduced anxiety and comfort in knowing what to expect in the service encounter; social benefits, which pertain to the emotional part of the relationship and are characterized by personal recognition of customers by employees, the customer's own familiarity with employees, and the creation of friendships between customers and employees; and special treatment benefits, which take the form of relational consumers receiving price breaks, faster service, or individualized additional services. These relational benefits are benefits that exist above and beyond the core service provided.

Hence, it can safely be said that the relationship benefits approach assumes that both parties in a relationship must benefit for it to continue in the long run. For the customer, these benefits can be focused on either the core service or on the relationship itself (Hennig-Thurau et al., 2002). The latter type of benefits are referred to as relationship benefits (i.e., benefits customers likely receive as a result of having cultivated a long-term relationship with a service provider (Gutek, Bhappu, Liao-Troth, & Cherry, 1999; Gwinner et al., 1998; Reynolds & Beatty, 1999). The existing literature on relationship benefits is predominantly of an exploratory kind.

Consumers enter into long-term relationships with an organization because they expect to receive positive value from their participation (Peterson, 1995). Gwinner et al. (1998) found that confidence (risk reduction), social (friendship, personal recognition, rapport), and special treatment were all benefits of maintaining a long-term relationship with an organization. Organizations that provide excellent relationship benefits are highly valued, and therefore customers will commit themselves to establish, develop, and maintain long-term relationships with these organizations. Lemon, White and Winer (2002) found that consumers do not only consider current relationship benefits but also anticipated future benefits of doing business with a firm in their commitment/loyalty decisions. Based on the previous research, the benefits received by consumers from developing long-term relationships with service providers, such as luxury restaurants, are expected to have a favourable influence on relationship quality.

According to Bendapudi and Berry (1997), Berry (1995) and Gwinner et al., (1998) relational benefits include confidence benefits, which is associated to perceptions of reduced anxiety and comfort in knowing what to expect in the service encounter; social benefits, which is related to the emotional part of the relationship and are characterized by personal recognition of customers by employees, the customer's own familiarity with employees, and the creation of friendships between customers and employees; and special treatment benefits, which take the form of relational consumers receiving price breaks, faster service, or individualized additional services. These relational benefits are benefits that exist above and beyond the core service provided. Clearly, their studies showed that relationship benefits are positively significant to relationship quality as similar to a study by Y. K. Lee, Choi, Kim and Hyun (2014).

H4: Relationship benefits as perceived by online entrepreneur is positively related to relationship quality

2.4.5 Relational dependence

Relational dependence refers to the importance and structure of the dependence of the two parties on each other (Gregory, Gundlach & Cadotte, 1994; Kumar et al., 1995b). According to Frazier (1983), relational dependence is a 'need to maintain the relationship in order to achieve desired goals'. Meanwhile Hibbard, Kumar and Stern (2001) posit that 'as total dependence increases, both channel members have greater stakes in the relationship'. Although there could be varying degrees of dependence intensity, this research considers total dependence as the construct of interest. This increased importance of the relationship leads to a higher-quality relationship (Kumar et al., 1995b).

To ring fence and complement the uniqueness created through the investment in a relationship, firms will motivate the exchange partner to develop relational norms. Hence, high levels of dependence may also signify a highly cooperative relationship with little need for opportunism (Provan and Skinner, 1989). MacKenzie (1996) proposes that in a relationship where dependence level is high, trust can be enhanced since the dependent party will not take risky actions that might jeopardise the relationship. As Yilmaz et al. (2005) suggest, there is no need for trust if a buyer can predict or control the actions of the supplier. McQuiston (2001) argues that the high degree of dependence causes vulnerability which in turn leads to trust, because for trust to become operational, trusting partners must be somewhat vulnerable to certain actions or outcomes (Doney and Cannon, 1997). In fact, relationships characterized by high dependence usually involve great personal interactions that provide opportunities for mutual trust to emerge and develop (Gao et al., 2005).

According to the study by Gerrit Van Bruggen, Kacker and Nieuwlaat (2005), the presence of incentives will create positive impact of effective marketing channel function performance by the distributor on relationship quality. These actions taken by the distributor to improve relationship quality will produce rapid reciprocation from the customer. Because of the importance of the customer goals that are affected by the distributor's channel function performance, the customer would have even less reasons to engage in conflict. Similarly, the studies by (Hibbard et al., 2001; Scheer et al., 2014) also showed that relational dependence is significant with relationship quality.

H5: Relational dependence as perceived by online entrepreneur is positively related to relationship quality

2.5 Consequences of relationship quality

Apart from the antecedents of relationship quality, another aspect in relationship quality studies that captures much interest is the consequence of relationship quality. Past literatures showed that performance has been identified as one of the consequences of relationship quality. It has been studied by (Brian Fynes, de Burca, Marshall, & de Búrca, 2004; Lages & Lages, 2005; A Menon, Homburg, & Beutin, 2005; Park & Deitz, 2006; Ramaseshan et al., 2006) and showed that relationship quality has a positive relationship with performance. Meanwhile, (Woo & Ennew, 2004) and (Russell-Bennett, McColl-Kennedy, & Coote, 2007) found that service quality is the consequence of relationship quality.

Other consequences of relationship quality are namely relationship longevity (Friman et al., 2002; Scanlan & McPhail, 2000), sales effectiveness (Boles & Johnson, 2000; Crosby et al., 1990; Huntley, 2006) and loyalty (Hennig-Thurau et al., 2002; Huang & Chiu, 2006; Ling & Ding, 2006; Rauyruen & Miller, 2007; Roberts et al., 2003).

Undoubtedly, relationship quality has a clear impact on the customers' future behavioral intention. According to Crosby et al., (1990), the consequence of relationship quality may increase sales effectiveness, hence the customer will look forward for future interaction. On a stronger note, Fornell (1992) emphasized that customers with high relationship quality are regarded as the most profitable customers. Meanwhile, Garbarino and Johnson (1999) also suggest that relationship quality affect the future-purchase intentions on the exchange partner. Drawing on these conceptual foundations, this present study envisions two relationship consequences; namely customer retention, and word-of-mouth.

2.5.1 Customer retention

The notion of consumer retention has captured the interests of many researchers. Propositions of consumer retention emerge from four main perspectives: service marketing, industrial marketing, general management (Ahmad & Buttle, 2002) and information systems. The service marketing perspective argues that the way to retain consumers is to improve customer service quality and satisfaction (Berry & Parasuraman 1991; Gronroos 1990; Hocutt 1998; Shemwell et al. 1998; Zeithaml & Bitner 1996). Research in understanding consumer retention has been the subject of investigation in the marketing area for a few decades. The motivation is driven by consumer economics in which keeping consumers may lead to securing sales (Jackson, 1985) and serving repeat consumers costs less than acquiring the new ones (Dawkins & Reichheld, 1990). Consumer retention has been a primary goal of almost all companies (Peppers & Rogers, 1995).

Researchers have debated the definition of retention. Customer retention is defined as the intention to stay in the relationship (Nirmalya Kumar, Scheer, & Steenkamp, 1995). Intertwined with loyalty, retention in particular, refers to consumer repeat purchase behaviour in which prior satisfaction influences repatronage behaviour (Bolton et al. 2000). In other words, retention is a behavioural response towards a store or a product. Although many researchers claim that repeat purchases symbolize loyalty (Brown 1952; Lipstein 1959; Koufaris et al. 2002; Kuehn 1962; Yin 1999) others postulate that there is a distinction between true loyalty and spurious loyalty, that is, repeat purchase or retention does not translate into true loyalty, but is merely a consequence of lack of consumer choice (Day 1969; Jacoby & Chestnut 1978). A consumer may appear to be loyal to a particular store or brand, but in reality may have no other choice other than what is available (Anderson & Srinivasan 2003).

Repeat- purchase behaviour occur on the basis of situational cues, rather than on strong relational commitment (Campbell 1997). Consumers are likely to repatronize a courier service provider simply because of lack of alternatives or will “switch” as soon as a “better” one is available. Another explanation for repatronage is inertia

(Anderson & Srinivasan 2003; Reinartz & Kumar 2002; Yu & Dean 2001). According to Anderson and Srinivasan (2003) and Reinartz and Kumar (2002), consumers visit a particular store out of habit, rather than by conscious determination, that is, on the basis of perceived benefits and costs offered by the store . This could be due to lack of time and learning curve which results in consumers surfing familiar company. Nonetheless, the study of consumer retention continues to emerge in the academic and practitioners' research due to the beliefs that doing business with repeat consumers is more cost-effective than attracting the new ones. Indeed, a consumer will revisit a courier services provider until there is another courier services provider that offers a better quality service. Thus, it is imperative to understand whether relationship quality may lead to customer retention.

Other than that, the high cost of customer acquisition as compared to the lower cost of serving repeat customer, and the consequent increase in profitability, is an important reason why businesses are advised to increase levels of customer retention. This notion is well supported by study by Thaichon and Quach (2015). The study suggested that relationship quality will drive the customer to repeat purchase and unlikely to switch to other internet service provider. The benefits from customer retention will be in the form of increased profitability and reduce costs as well as low expenditure on marketing costs (Evans & Laskin, 1994). This is due to firm need to bear costs in advertising and promotions if they want to attract new customers. Hence, it seems more appropriate to keep the existing customer happy instead of devoting high levels of marketing effort to stemming customer turnover, when every customer who leaves has to be replaced so that the company can merely sustain (Barnes, 1994).

In addition, it is easier to persuade existing customers who know and trust a firm to spend a bigger share of their purse with that firm, buying both more original product which they bought and also other products; for example selling life insurance to a customer originally bought car insurance from the firm. Hence, there is a better opportunity for cross selling if one retains customers. Undeniably, there is a strong economic argument in relation to customer retention. In relation to this, Reichheld and Sasser (1990) stressed that customer retention will lead to increased customer purchases, lower customer management cost, customer referrals and premium prices.

Other than that, relationship quality constructs such as trust, commitment and satisfaction are hypothesized to improve customer retention. This is because when the relationship between online business and the service providers is strong, the customers for sure will repeat purchases from the same service provider. The previous studies showed that relationship quality has a significant relationship with customer retention (James S Boles, Johnson, & Barksdale, 2000; Garbarino & Johnson, 1999; W G Kim & Cha, 2002; Scanlan & McPhail, 2000).

H6: Relationship quality is positively related to customer retention.

2.5.2 Word-of-mouth

In coping with the current challenges, businesses need to sustain in the market by having a good reputation. Reputation and goodwill of a business can be created by having a positive word-of-mouth. According to Buttle (1998) based on Arndt (1968), word-of-mouth is an "oral, person-to-person communication between a receiver and a communicator whom the receiver perceives as non-commercial, regarding a brand, product or service". Another definition of word-of-mouth based on (Jean, 2001), is "recommending the firm and the service to others as well as communications with the firm". Therefore, word-of-mouth involves either formal or non-formal oral communication which can bring positive/negatives outcomes of a product or services.

Word-of-mouth communication strategies are appealing because they combine the prospect of overcoming consumer resistance with significantly lower costs and fast delivery—especially through technology, such as the Internet. Unfortunately, empirical evidence is currently scant regarding the word-of-mouth as one of the outcomes of relationship quality (Hennig-Thurau et al., 2002; Kim & Cha, 2002; Kim et al., 2006). This raises the need to study how online entrepreneur may generate word-of-mouth towards their courier services provider.

Today, word-of-mouth marketing is a particularly prominent feature of the Internet. The Internet provides numerous venues for consumers to share their views, preferences, or experiences with others, as well as the opportunities for firms to take advantage of WOM marketing. This issue has been highlighted in the Forbes magazine by Whitler (2014), where she argued that the concept of word-of-mouth is still valid although it has been discussed in ages. From this article, she stressed that now firms need to embrace the three E's of word-of-mouth; namely engage, equip and empower the market. This notion therefore, strengthens the need to study word-of-mouth as a consequence of relationship quality.

A referral from other customer can help the growth of online retailing. Prospect customers often read reviews from other customers about the online entrepreneur in general. Studied by J. T. Bowen and Shoemaker, (1998) proved that guests spread favourable word of mouth when they are satisfied with the services and at the same time they are willing to make business referrals, provide references and publicity, and serve on advisory boards. On the other note, a study by Hajli (2014) explored a new perspective of word-of-mouth (i.e. how customer spread word-of-mouth in social commerce platform) but still in the context on how a good relationship quality may spread a positive word-of-mouth. This study confirmed that relationship quality positively influenced word-of-mouth. The study in line with by Jean (2001) and Kim, Han, and Lee (2001).

H7: Relationship quality is positively related to word-of-mouth.

2.7 Research Framework: Social Exchange Theory (SET)

The proposed framework of is study is based on the Social Exchange Theory. This theory has gone through several stages of evolution. Social exchange theory is a social psychological and sociological perspective that explains social change and stability as a process of negotiated exchanges between parties. Besides, social exchange theory also posits that all human relationships are formed by the use of a subjective cost-benefit analysis and the comparison of alternatives. The theory has rooted in economic, psychology and sociology. The proposed research framework is presented in Figure 2.1, based upon the literature review.

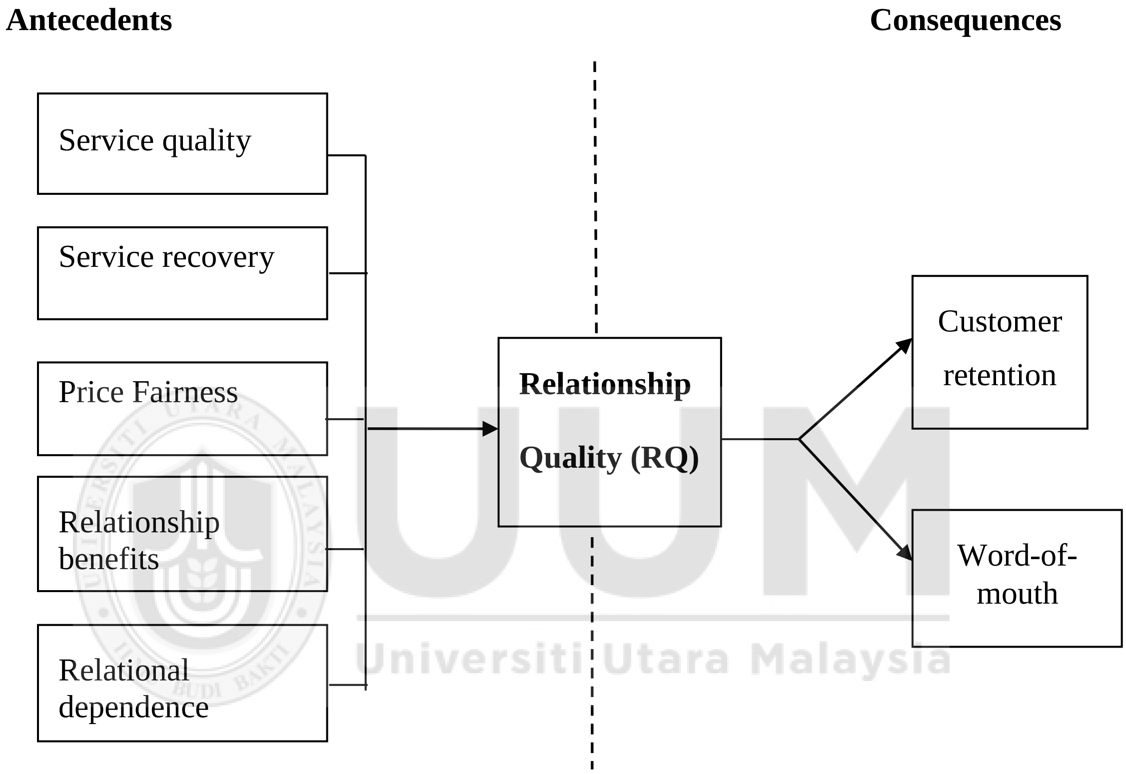

Figure 2.1:
Theoretical framework

Both social and economic factors exist within the business-to-business environment. By using SET, researchers are able to access the theoretical foundation in order to justify these factors. Previous studies showed that SET is able to explain relationships in the context of contracts, relational, as well as power (Erin Anderson & Weitz, 1989; Dwyer et al., 1987). These studies used SET in explaining the relationship within the business-to-business setting.

In the social exchange theory, Homans (1960) clearly explained that human's act towards things is influenced by emotional behavior. He framed the study in terms of rewards and punishment. According to him, behavior that generates positive consequences is likely to be repeated. This can also be seen in the studies conducted by Erin Anderson and Weitz, (1989) and Anderson, Weitz, Jmr and Global (1992) where they use the social exchange theory to link trust building and reputation. Thus, this proposition relationship quality which includes trust, commitment and satisfaction is supported by social exchange theory.

In the aspect of antecedents of relationship quality, both social and economic aspects of social exchange theory can be applied. This is where social exchange theory posits exchange as a social behavior that may result in economic and social outcomes. For instance, when a firm enters into new associations and maintains the old ones because it expects doing so will be rewarding (Blau, 1964; Homans, 1960). Although economic rewards such as money are important, social rewards such as emotional satisfaction, spiritual values, pursuit of personal advantage, and sharing humanitarian ideals are often valued more. Indeed, Blau (1964, p. 455) posits that the "most important benefits involved in social exchange do not have any material value on which an exact price can be put at all, as exemplified by social approval and respect."

In order to support the consequences of relationship quality, Homans (1960) and Blau (1964) pointed out that individuals will react emotionally to different reward situations. They will become angry and upset if what they received is not as expected. As a result, people will not continue the relationship and keep looking for other alternatives as well as they develop their own perception that will tarnish the other party's reputation.

2.9 Chapter summary

This chapter has reviewed the literature concerning the relationship quality, its antecedents, and outcomes. Past studies had showed that service quality, service recovery, price fairness, relational benefits and relational dependence have influenced relationship quality. This study explores the effects of antecedents and consequences of relationship quality. In the theoretical perspective, Social Exchange Theory provides the basis for this study. Finally a theoretical framework is developed based on the supporting literatures and empirical findings. There are seven hypotheses to be tested and validated. The seven hypotheses are developed in order to answer the research questions as well as the research objectives. The next chapter will explore the research methodology adopted in this study.

CHAPTER THREE

METHODOLOGY

3.1 Introduction

This chapter discusses on the methodology used in this study. First, the discussion starts with the research design, then followed by how the variables are being operationalized. The chapter also goes through on the measurement of instrument, the study population sample, and the data collection procedures. The statistical techniques used for data analysis will be discussed at the end of the chapter.

3.2 Research design

The research design acts as an overall plan of the methods used to collect and analyse the data. According to Sekaran (2003), research design is a plan that explains how the research is conducted which includes elements such as the purpose of study, type of investigation, unit of analysis and time horizon of the study.

Generally, research design can be categorized into exploratory and conclusive (Malhotra, 2012). The conclusive design can be further categorized into causal or descriptive in nature. A descriptive study is considered in order to describe specific characteristics of the existing market situation or to evaluate the current marketing mix strategies (Hair, J. F., Black, W. C., Babin, B. J., Anderson, R. E., & Tatham, 2010). The objective of descriptive study is to offer a profile or describe the relevant aspects of the phenomenon of interest to the researcher. Descriptive study is suitable for this present study as it will help the researcher understand the current phenomenon in online retailing, systematically study the aspect of the current problems and then able to offer ideas for further probing and finally help in making certain simple decisions regarding the sustainability of the online entrepreneurs in Malaysia.

The nature of this study is a correlation study where researcher basically evaluates a number of variables assumed to be related to other variables in the framework. Hence, this study is conducted with the intention to obtain an understanding of the relationship quality between online entrepreneurs and courier service providers. This study engages in hypothesis testing that usually explains the nature of certain relationship among groups or the independence of two or more factors in a situation. In this study, there are five independent variables i.e. service quality, service recovery, price fairness, relationship benefits and relational dependence (which is known as the antecedents of relationship quality), and two dependent variables that are customer retention and word-of-mouth (also considered as the outcomes of relationship quality).

For this research, cross sectional design was used since the researcher collected data once and over a period of time. This type of design is chosen over longitudinal because of time constraints, cost effectiveness, and simplicity of cross sectional to select sample that is a representative of the entire population since different respondents are chosen each time a survey is carried out. Furthermore, most studies in relationship quality generally use cross-sectional technique because of its practicality and time duration.

As for the data collection, this present study utilized survey approach by distributing questionnaires to the respondents. The study focuses on the analysis of collected primary data. The primary data is collected from the actual site of occurrence of events for the specific purpose of the study. It is cross-sectional in nature and will involve probability sampling classified as cluster sampling. The unit of analysis of this study is the online entrepreneurs in Peninsular Malaysia.

In collecting the data, the survey method was used. Survey is considered suitable for the present study as it uses basic procedure to obtain information from customer in a natural environment (Graziano and Raulin, 2004) and able to generalize results to a larger population (Girden, 2001). Furthermore, by using the survey method, data can be controlled, information can be obtained inaccessible, it has high level of validity due to questions can be posed directly to the nature of construct and it has high level of validity as the questions can be posed directly to the nature of the construct.

Besides, the survey method can be generated by using a comprehensive set of items that represents the subject of interest. As Lyon, Lumpkin and Dess (2000) posited , multi-item scales and surveys are useful in measuring the current situations with high-degree of specificity. In addition, the survey method is also known for its ability to collect large amount of data with low costs and can be subjected to statistical analysis. Consequently, the chosen research design in this present study may able to offer a reliable and valid data. Therefore, this study is a quantitative study which generally relies on deductive reasoning (Sekaran & Bougie, 2013)

3.3 Population and sampling

A population as defined by Sekaran (2003) is a group of people, events, or things that become the focus of interest for the researcher to investigate. Meanwhile, Creswell (2008) posits that population is a group of people who have the similar characteristic. On the other hand, a sample is a subset of a population where it comprises some members selected from the population (Cavana, Delahaye, & Sekaran, 2001)

The unit of analysis for this study is organizational. This is where the respondent of this study is the key informant for a company. The online entrepreneurs were decided based from the whole population of online entrepreneurs in Peninsular Malaysia. The population of this study refers to all online entrepreneurs who sell products and services through their own domain, blogs, Instagram or Facebook operating in Malaysia. The online entrepreneurs who are operated on the basis of ‘enterprise companies’ are selected because they are heavily dependent on the courier service providers in order to close their transaction with the customers. Moreover, it was reported that online retailing has been forecasted as the promising one in the retailing sub-sector (“Over 875 Million Consumers Have Shopped Online - The Number of Internet Shoppers Up 40% in Two Years ,” n.d.). However, from the online forum and social media network like Facebook, the online entrepreneurs oftentimes stated their problems with the courier service providers.

The setting of this study is in the business-to-business context which looks upon the relationship between the online entrepreneurs and their courier service providers in Malaysia. In doing this, the survey is targeted at the online entrepreneurs in Peninsular Malaysia. On the other hand, the researcher also obtained the directory of online entrepreneurs from the Companies Commission of Malaysia (CCM), thus it is easy for the researcher to get details of the companies involved in online retailing. The following Table 3.1 shows the number of online entrepreneurs in Peninsular Malaysia

Table 3.1

Number of online entrepreneur in Peninsular Malaysia 2016

State	Number of Online Entrepreneurs
Perlis	25
Kedah	366
Pulau Pinang	695
Perak	714
Selangor	2296
Wilayah Persekutuan	1198
Putrajaya	32
Negeri Sembilan	497
Melaka	151
Johor	974
Pahang	186
Kelantan	167
Terengganu	191
TOTAL	**7501**

Sources: Data acquired from the Companies Commission of Malaysia (CCM)

In Table 3.1, it can be seen that the total population of online entrepreneur in Peninsular Malaysia is 7501. However, from the data, it showed that almost half of the population is located in the Klang Valley. Klang Valley comprises Selangor, Federal Territory of Kuala Lumpur, and Putrajaya. These states were chosen because of the number of online entrepreneurs which comprises 47% (3526 online entrepreneurs) from the total population. This is nearly half of the population of online entrepreneurs in peninsular Malaysia.

3.32 Sample size and sampling technique

The population for this study is 3526 online entrepreneurs in Klang Valley. According to Krejcie and Morgan (1970) the required sample size for the population of 3526 is 351. The number of the population sample size is determined based on Krejcie and Morgan (1970). The study's questionnaire was then distributed via postal to the 351 questionnaires online entrepreneurs based on the simple random sampling.

For an equal chance of participation to every respondent, and to avoid closely located respondents into cluster, a simple random sampling technique was used. The list of online entrepreneurs in Klang Valley was obtained from the Companies Commission of Malaysia (CCM). Then, the researcher performed the simple random table in Microsoft Excel to randomly select the online entrepreneurs.

3.4 Operationalization of variables and instrumentation

The aim of the present study is to examine the relationship between the antecedents (service quality, service recovery, price fairness, relationship benefits and relational dependence) of relationship quality and its outcomes (customer retention and word-of-mouth). In attempting of doing this, all the variables were operationalized and the measurements items for each variables were adapted/adopted from the past studies published in well-known academic journals to fit the scope of this research. These variables are discussed in the following sub-section.

3.4.1 Relationship quality

According to Woo & Ennew (2004), the construct of relationship quality is generally conceptualised as multi-dimensional. It is considered as a higher-order construct consisting of several distinct but related dimensions (Crosby et al., 1990; F. Robert Dwyer & Oh, 1987). The early study in the relationship quality by F. Robert Dwyer & Oh (1987) postulated that the difference between a quality relationship and a non-quality relationship lies in the high levels of satisfaction, trust, and minimal opportunism. This view is supported by the study done by Crosby et al., (1990) which conceptualised relationship quality as "a second-order construct composed of at least two dimensions, including trust in the salesperson, and satisfaction with the salesperson". From these two early studies in the relationship quality, it can be seen that work done by Crosby et al., (1990) has formed the foundation for relationship quality as the studies done by Kim & Cha (2002); Lagace et al.(1991) and Shamdasani & Balakrishnan (2000) which considered relationship quality as the second-order construct comprised trust and satisfaction.

Relationship quality will be measured using items adapted from (Smith & Smith, 1998) on a five point Likert scale 1=strongly disagree 5=strongly agree.

Table 3.2

Relationship quality measures

Items
Trust
1. I can count of this courier services provider through on commitments.
2. Ulterior motives or hidden agendas are not a concern in this relationship. (X).
3. I respect this courier services judgement.
4. We trust each other. (X)
5. I think s/he would try to take advantage of our relationship
Satisfaction
1. Overall, I believe we are both quite satisfied with our working relationship. (X)
2. This is among the best relationships that I've experienced.
3. I think this courier services is pleased with our relationship. (X)
4. I would say our relationship couldn't be much better. (X)
5. I have not been happy with this relationship.
Commitment
1. I believe we are both committed to this relationship.
2. I have a strong sense of loyalty to this supplier.
3. This rep is prepared to make short-term sacrifices to maintain our relationship.
4. I believe we both view our relationship as a long-term partnership.

3.4.2 Service quality

In order to assess the quality of a service, Parasuraman, Zeithaml, & Berry, (1994) proposed a scale known as SERVQUAL scale. In this study, they discovered ten general dimensions such as tangibles, reliability, responsiveness, competence, courtesy, credibility, security, access, communication and understandings (see Table 3.4). However, later they discovered that some of the dimensions were correlated. Hence, they made refinements of the scale and finally they composed five higher-order dimensions. The five dimensions are tangibles, reliability, responsiveness, assurance and empathy. According to Berry & Parasuraman (1991), the dimension of reliability is related to service outcome, whereas tangibles, responsiveness, assurance and empathy dimensions are more related to service process.

Table 3.3:
Generic dimensions customers use to evaluate service quality

Dimension	Definition
Credibility	Trustworthiness, believability, honesty of the service provider
Security	Freedom from danger, risk, or doubt
Access	Approachability and ease of contact
Communication	Listening to customers and keeping them informed in language they can understand
Understanding the customer	Making the effort to know customers and their needs
Tangibles	Appearance of physical facilities, equipment, personnel, and communication materials
Reliability	Ability to perform the promised service dependably and accurately
Responsiveness	Willingness to help customers and provide prompt service
Competence	Possession of the skills and knowledge required to perform the service
Courtesy	Politeness, respect, consideration and friendliness of contact personnel

Source: (Lovelock, 2008, p. 409)

The complex nature of services is different from products due to its intangibility, inseparability, perishable and heterogeneity. A quality product usually conforms to the performance as expected by the customers or functioning well. Compared to services, the quality of a product is easy to be determined. This present study involves the courier service providers which offer delivery services for the online entrepreneurs. Thus, it is important to include service quality as one of the antecedents of relationship quality.

Service quality will be measured using the scale developed by (Parasuraman et al., 1994) on a five point Likert scale 1= strongly disagree to 5=strongly agree.

Table 3.4:

Service quality measures

Items

Reliability

1. The courier service providers provide services as promised.
2. The courier service providers are dependable in handling customers' service problems.
3. The courier service providers perform services right the first time.
4. The courier service providers provide services at the promised time.
5. The courier service providers maintain error-free records.

Responsiveness

1. The courier service providers keep customers informed about when services will be performed.
2. The courier service providers have a prompt service to customers.
3. The courier service providers are willing to help customers.
4. The courier service providers are ready to respond to customers' requests.

Assurance

1. Their employees instill confidence in customers.
2. They always make customers feel safe in their transactions.
3. The employees are consistently courteous.
4. The employees have the knowledge to answer customers' questions.

Empathy

1. The employees give customers individual attention.
2. The employees who deal with me always show that they care for me.
3. The employees always have the customer's best interest at heart.
4. The employees always understand my needs as their customers.
5. The courier services provider has convenient business hours.

Table 3.3 (Continued)

Tangibles

1. The courier service providers have up-to-date equipment
2. The physical facilities are visually appealing.
3. The employees look neat and professional in appearance.
4. The appearances of the physical facilities are associated with the service.

3.4.3 Service recovery

Service recovery will be measured using the instruments developed by Andreassen, (2000). The items incorporate the online entrepreneurs who expect good explanation of what happened, an apology, the courier service provider that empathizes with the situation and the courier service provider will make an effort and try to make them happy again. It consists of four items on a five point Likert scale ranging 1=strongly disagree and 5= strongly agree.

Table 3.5:
Service recovery measures

Items
1. When you for the first time contacted the courier service provider (verbally online entrepreneur by writing) in relation to your complaint, to which degree were you counting on that company to give you a good explanation for what happened?
2. When you for the first time contacted the courier service provider (verbally online entrepreneur by writing) in relation to your complaint, to which degree were you counting on that company to apologize for what happened?
3. When you for the first time contacted the courier service provider (verbally online entrepreneur by writing) in relation to your complaint, to which degree were you counting on that company to show understanding for your complaint?
4. When you for the first time contacted the courier service provide (verbally online entrepreneur by writing) in relation to your complaint, to which degree were you counting on that company to do anything in its capacity to make you satisfied?

3.4.4 Price Fairness

Price fairness will be adapted using the instruments in the study by (W G Kim & Cha, 2002). It consists of three items on a five point Likert scale ranging from 1=strongly disagree and 5= strongly agree.

Table 3.6:
Price fairness measures

Items
1. The price charged by the courier service provider is fair.
2. The price charged by the courier service provider is appropriate.
3. The price charged by the courier service provider is rational.

3.4.5 Relationship benefits

The present study refers relationship benefits as comprise confidence benefits, social benefits and special treatment benefits. Confidence benefits refer to online business perceptions in reducing his or her anxiety and comfort in service encounter expectation. Social benefits, is associated to the emotional part of the relationship and is characterized by personal recognition of customers by employees, the customer's own familiarity with employees, and the creation of friendships between customers and employees. Meanwhile, special treatment benefits occur when the online business in their relational activities with the courier service provider offers his or her price breaks, faster service, or individualized additional services. These relationship benefits are benefits that exist above and beyond the core service provided.

The relationship benefits will be adapted and measured using the instrument by (T. Hennig-Thurau et al., 2002) because the study is also being done in the context of service industry. Moreover, the scales form this study have shown a high reliability i.e. confidence benefits = 0.834, social benefits= 0.918 and special treatment benefits=0.898 with the scale item range 1=strongly disagree, 5=strongly agree.

Table 3.7
Relationship benefits measures

Items
Confidence benefits
1. I know what to expect when I go in.
2. This company's employees are perfectly honest and truthful.
3. This company's employees can be trusted completely.
4. This company's employees have high integrity.
Social benefits
1. I am recognized by certain employees.
2. I enjoy certain social aspects of the relationship.
3. I have developed a friendship with the service provider.
4. I am familiar with the employee(s) that perform(s) the service.
5. They know my name.
Special treatment benefits
1. I get faster service than most customers.
2. I get better prices than most customers.
3. I am usually placed higher on the priority list when there is a line.
4. They do services for me that they don't do for most customers.
5. I get discounts or special deals that most customers don't get.

3.4.6 Relational dependence

Online business is dependent on the courier services in order to deliver their product. If the courier services fail to deliver the product, the transaction is considered fail. This will create an unfavorable situation or conflict between the online business and the customer. Thus, relational dependence is a 'need to maintain the relationship in order to achieve desired goals'(Frazier, 1983).

This study will use and adapt the measurement of relational dependence that was proposed by (Clark, Vorhies, & Bentley, 2011). The construct reliability is 0.94 and measured with a five point Likert scale (1=strongly disagree, 5=strongly agree)

Table 3.8

Relational dependence scale items

Items
1. This courier service company is important to my business.
2. This courier service company has services that provide me with a breadth of options.
3. This courier service company is critical to my future financial performance.
4. This courier service company has a relationship with me that is critical to achieving the goals of our practice.
5. This courier service company has services on which I depend to deliver my products to my customer.
6. This courier service company has services that if no longer available, would have a negative effect on my businesses.

3.4.7 Customer retention

Customer retention is the intention to stay in the relationship (N Kumar et al., 1995a). In this study, customer retention is operationalized as online entrepreneur intention to use the same courier service provider in the future. Customer retention will be measured using the instruments developed by N Kumar et al., (1995a). The scale incorporates the reseller's perceptions on its supplier's continuity intention. It consists of three items on a five point Likert scale ranging from 1=strongly disagree 5= strongly agree.

Table 3.9

Customer retention measures

Items
1. We expect our relationship with the courier service to continue for a long time.
2. Renewal of relationship with the courier service is virtually automatic.
3. It is unlikely that our firm will still be doing business with this courier service in 2 years. (X)

3.4.8 Word-of-mouth

In this study, word-of-mouth refers to online entrepreneur recommending the firm and the service to others as well as communications with the firm (Jean, 2001). Word-of-mouth recommendation will be measured using the instrument originally developed by (Valarie A Zeithaml, Berry, & Parasuraman, 1996). It consists of five items on a five-point Likert scale, ranging from 1 =strongly disagree to 5 = strongly agree .

Table 3.10:

Word-of-mouth measures

Items
1. I will say positive things about the courier service provider to others.
2. I will recommend this courier service provider to someone who seeks my advice.
3. I will encourage friends and relatives to do business with this courier service provider.
4. I will consider this courier service provider as my first priority.
5. I will do more business with this courier service provider in the next few years.

Table 3.11:

Summarization number of items for each constructs and operational definition

Constructs	Operational Definition	Number of items
Relationship quality	Relationship quality is a general assessment of relationship strength and the extent to which a relationship meets the needs and expectation of the parties involved based on a history of successful or unsuccessful encounters or events. (Smith & Smith, 1998)	14
Service quality	Service quality is a term which describes a comparison of expectations with performance. (Lewis, R. C., & Booms, 1983)	22
Service recovery	Service recovery refers to the actions taken by a service provider to address customer complaints regarding a perceived service failure. (Gronroos, 1988)	4
Price fairness	Price fairness refers to consumers' assessments of whether a seller's price is reasonable, acceptable or justifiable. (Herrmann et al., 2007)	3
Relationship benefits	Relationship benefits refer to those benefits customers receive from long-term relationship above and beyond the core service performance. (Gwinner et al., 1998)	14
Relational dependence	Relational dependence is a need to maintain the relationship in order to achieve desired goals. (Frazier, 1983)	5
Customer retention	Customer retention is defined as the intention to stay in the relationship. (Nirmalya Kumar et al., 1995)	3
Word-of-mouth	Word-of-mouth is recommending the firm and the service to others as well as communications with the firm. (Jean, 2001)	5

3.5 Questionnaires design

The questionnaires consists of nine sections. The first section is about the profile of the respondents where demography related questions were asked. Then, in section two, the questions focused on relationship quality which comprises the dimension of trust, commitment and satisfaction. Then, in section three until section seven, the questions were related to the antecedents of relationship quality. Following in section eight and nine are the questions related to the outcomes of relationship quality. The following Table 3.13 illustrates the layout of the questionnaire.

Table 3.13
Layout of the Questionnaire

Section	Variables	No. of dimensions/ items	Scale	Past Studies Sources
1	Demography			
2	Relationship quality	3/14	1-5 Likert type scale	Smith & Smith (1998)
3	Service quality	5/22	1-5 Likert type scale	Parasuraman et. al (1994)
4	Service recovery	4	1-5 Likert type scale	Andreassen (2000)
5	Price fairness	3	1-5 Likert type scale	Kim & Cha (2002)
6	Relational benefit	3/13	1-5 Likert type scale	T. Hennig-Thurau (2002)
7	Relational dependence	6	1-5 Likert type scale	Clark, Vorhies & Bentley (2011)
8	Customer retention	3	1-5 Likert type scale	Kumar et. al (1995)
9	Word of mouth	5	1-5 Likert type scale	Valerie A Zeithaml, Berry and Parasuraman (1996)

3.6 Data collection method

A cross sectional empirical study was carried out in order to test the hypotheses of the study. This was done by distributing a self-administered questionnaire to the owner of the online retail store. The respondents were identified from the list of directory from the Company Commission of Malaysia (CCM) and the questionnaires were distributed personally by the researcher.

Accompanying the questionnaire was a cover letter from the researcher requesting a prompt response and research contract promising complete anonymity. By doing this, it is hoped to increase the motivation of the informants to cooperate without fear of potential reprisals. Furthermore, the respondents were assured that there is no right and wrong answer. The researcher hoped that they will answer all the questions as honest as possible.

The questionnaires were posted to the selected respondents via mail. The respondents were given the maximum of four weeks to respond to the questionnaires. Although the respondents spent most of the time doing business online, the researcher prefer to use self -administered technique in collecting the data. This is this technique is more efficient compared to use online survey (Sudman & Greeley, 2013). This also being stressed by Nulty (2008) that online survey basically resulted in a lower response rate among the respondents. After that, the list of the selected online entrepreneurs based on the simple random was handed to the numerator in order to collect the questionnaires.

3.7 Data analysis procedure

Several statistical tools and techniques were used in order to conduct data analysis and hypothesis testing. This study used different statistical tools represented by SPSS version 22.0 and SEM-PLS Version 2.0 to facilitate data analysis.

Descriptive statistics are used to obtain sample characteristics data such as respondents' background. Personal data such as age, gender, and education level were analyzed by frequency distribution. Besides, other descriptive analyses namely mean, maximum, minimum, standard deviations and variance were also used in this study.

Prior to this analysis, several steps needed to be accomplished by the researcher such as the followings:

3.7.1 Data coding

Data coding is essential in the data analysis process. The researcher needs to ensure that the answers from the respondents are coded accordingly in the SPSS worksheet. All the data need to be arranged and coded by using alphanumerical pattern according to the respondents' answers. In addition, some of the data used reverse coding and must be re-coded for the purpose of this study.

3.7.2 Data screening

Data screening is the process of ensuring that the data is clean and ready before conducting further statistical analyses. Data must be screened in order to ensure the data is useable, reliable, and valid for the analyses. In conducting this study, the researcher carried out the data screening process by identifying the usable questionnaires. This has been done by coding process in the SPSS software and select only the usable questionnaires from the respondents.

3.7.3 Missing data

In statistics, missing data occurs when the respondents do not answer certain questions in the questionnaire. Missing data are a common occurrence and can have a significant effect on the conclusions that can be drawn from the data. It can be solved by deletion, distribution or replacement or by calculating the mean of the answer scale.

3.7.4 Partial least squares structural equation modelling (PLS-SEM)

PLS-SEM has grown as an evolving statistical modelling technique (Chin, 2010; Haenlein & Kaplan,2004). It is a technique that generalizes and combines features from principal component analysis and multiple regression. Hence, it is useful when we need to predict a set of dependent variables from a (very) large set of independent variables (i.e., predictors).

There are several considerations that have to be taken into account when deciding to apply PLS-SEM. Basically, it revolves around four issues such as the data, model properties, the PLS-SEM algorithm and model evaluation issues (Hair et al, 2014). The following Table 3.14 summarizes the key characteristics of PLS-SEM.

Table 3.13
Key characteristics of PLS-SEM

Data Characteristics	
Sample sizes	• No identification issues with small sample sizes • Generally achieves high levels of statistical power with small sample sizes • Larger sample sizes increase the precision (i.e., consistency) of PLS-SEM estimations
Distribution	• No distributional assumptions; PLS-SEM is a nonparametric method
Missing values	• Highly robust as long as missing values are below a reasonable level
Scale of measurement	• Works with metric data, quasi metric (ordinal) scaled data, and binary coded variables (with certain restrictions) • Some limitations when using categorical data to measure endogenous latent variables

Model Characteristics	
(Table 3.14 Continued)	
Number of items in each construct measurement model	• Handles constructs measured with single and multi-item measures
Relationships between constructs and their indicators	• Easily incorporates reflective and formative measurement models
Model complexity	• Handles complex models with many structural model relations • Larger numbers of indicators are helpful in reducing the PLS-SEM bias
PLS-SEM Algorithm Properties	
Objective	• Minimizes the amount of unexplained variance (i.e., maximizes the R^2 values)
Efficiency	• Converges after a few iterations (even in situations with complex models and/or large sets of data) to the optimum solution; efficient algorithm
Construct scores	• Estimated as linear combinations of their indicators • Used for predictive purposes • Can be used as input for subsequent analyses • Not affected by data inadequacies
Parameter estimates	• Structural model relationships are generally underestimated (PLS-SEM bias) • Measurement model relationships are generally overestimated (PLS-SEM) bias • Consistency at large • High levels of statistical power

Model Evaluation Issues	
(Table 3.14 Continued)	
Evaluation of the overall model	• No global goodness-of-fit criterion
Evaluation of the measurement models	• Reflective measurement models: reliability and validity assessments by multiple criteria • Formative measurement models: validity assessment, significance and relevance of indicator weights, indicator collinearity
Additional analyses	• Impact-performance matrix analysis • Mediating effects • Hierarchical component models • Multigroup analysis • Uncovering and treating unobserved heterogeneity • Measurement model invariance • Moderating effects

In addition, PLS-SEM is more or less similar to the usage of multiple regression analysis. This is where the focal objective is to maximize the variance explained in the dependent constructs as well as to evaluate the data quality on the basis of the measurement model characteristics. As for the purpose of this study, the researcher opts for PLS-SEM on the basis that PLS-SEM is flexible and it is able to cater to minimal demands on the sample size. Furthermore, the model of this study consists of reflective constructs. Thus, predictions of objectives of this study may be projected. Consequently, the Smart PLS M2 Version 2 is used to analyze the data.

3.7.5 Assessing the Measurement Model (Outer Model)

To begin with, the analysis covers the assessment of the measurement model. The researcher needs to examine and evaluate the reliability and validity of the construct measures. There are two type of the measurement model that needs to be treated differently. The first one is the reflective mode which has arrow pointing from the construct to the observed indicators in the measurement model. If the construct changes, all the items in the measurement model change too. Therefore, all indicators are highly correlated. The second one is the formative mode which has arrows pointing from the indicators in the measurement model to the constructs. Meaning that, all indicators together form the constructs. The formative indicators represent independent sources of the construct's content, so they should not be highly correlated. The differences between reflective and formative construct is demonstrated in Figure 3.1:

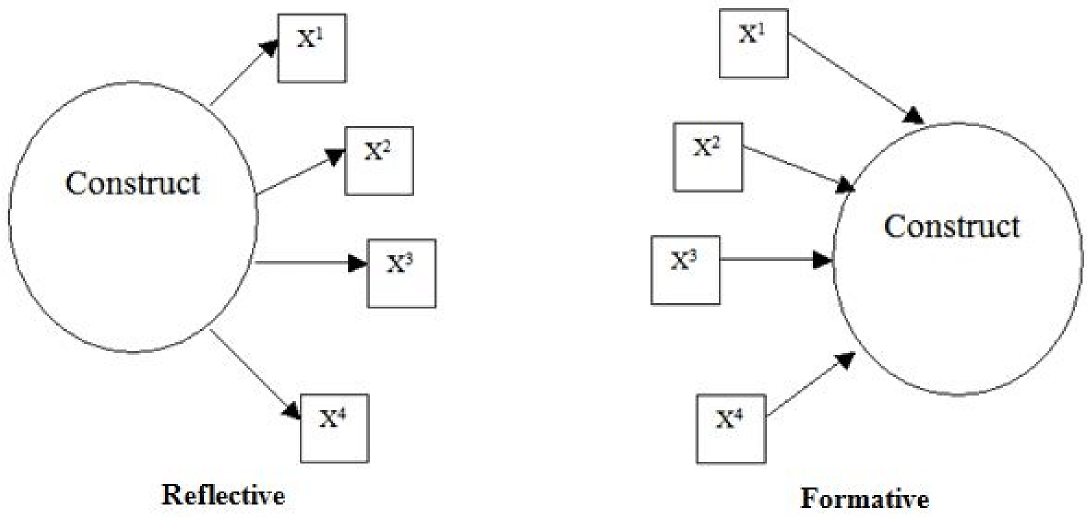

Figure 3.1

Differences between reflective and formative measurement model

Apart from these, in order to examine the reliability and validity for both constructs, Hair, Ringle, and Sarstedt (2011) stated that certain evaluations should be carried out as the following Table 3.15:

Table 3.14

Assessing measurement model

Criteria for Reflective Measurement Model	Description
Composite realiability (internal consistency)	Composite reliability (CR) should be higher than 0.7
Indicator reliability	Indicator loadings should be higher than 0.5
Convergent validity (average variance extracted)	Average variance extracted (AVE) should be higher than 0.5
Discriminant validity	The AVE of each latent construct should be higher than the construct's highest squared correlation with any other latent construct (Fornell-Larcker criterion)
Cross loadings	Cross loadings offer another check for discriminant validity. If an indicator has higher correlation with another latent variable, the appropriateness of the model should be reconsidered.
Criteria for Formative Measurement Model	**Description**
Convergent validity	Convergent validity is examined by looking at its correlation with an alternative measure of the construct, using reflective measures. The correlation should be 0.80 or higher.
Collinearity among indicator	Variance inflation factor (VIF) is used as an indicator of multi collinearity, with a suggested cut off value of 5
Significance and relevance of outer weights	Use bootstrapping to assess their significance. The t-values are calculated to assess each indicator weight's significance

Source: Hair, Hult, Ringle, and Sarstedt, 2014

In accordance to internal consistency, composite reliability is preferred over Cronbach's Alpha in order to solve some of the limitations (J. C. Anderson & Gerbing, 1988). The main drawback is that it assumes equal reliabilities of all items. According to Hair, Anderson, Tatham and Black (2006), composite reliability provides a better estimate of variance shared by the respective indicators.

3.8 Chapter summary

This chapter discusses the methodology used in this study. It describes research designs, population, unit of analysis, sampling size, variables measurement and operationalization of constructs, procedure of data collection and strategy for data analysis. The study used cross-sectional research design for the purpose of data collection. The data of the study was analyzed and interpreted with PLS-SEM.

CHAPTER FOUR

RESULTS

4.1 Introduction

This chapter discusses the data analysis process and results from this study. First, the chapter describes the response rate and the descriptive analysis of the study. It is then followed with the analysis on the goodness of measures to test the validity and reliability of the variables. The discussion of this chapter continues with the analysis of relationship between all the variables involved. Finally, the results of the hypotheses of this study are presented.

4.2 Response rate

In conducting this study, a total of 351 questionnaires were distributed to the online entrepreneurs in the Klang Valley (Selangor, Wilayah Persekutuan Kuala Lumpur and Putrajaya). The data collection process was carried out in March 2016 until September 2016. It turned out only 125 (34%) questionnaires were returned and only 117 were usable with the response rate of 31.62% percent. Table 4.1 summarizes the distribution of questionnaires in the study.

Table 4.1
Questionnaires distribution

Response rate	
Questionnaires Distributed	351
Returned and Usable	117
Returned and Unusable	8
Response Rate	31.62%
Usable Response Rate	32%

This response rate is considered low but still acceptable. This consideration is supported by Sekaran and Bougie (2013) who suggest that 30% response rate is acceptable for surveys. Furthermore, Chin (1998) stated that PLS that is used for this study has the strength to accommodate the minimum of 30 responses. Hence, the total number of 117 responses is adequate to conduct the statistical analysis. The response rate for this study is higher as compared to the previous study in the similar setting done by Rauyruen and Miller (2007). In their study, the response rate accounted only 17.8%.

4.3 Response Bias

4.3.1 Non response Bias

In this study, the test for non-response bias was not conducted due to the way the data were collected. This study is using the self-administered method in collecting the data where the questionnaires were hand delivered to the online entrepreneurs. Thus, the test for deviations between the respondents and the non-respondents was not employed.

4.3.2 Common Method Variance

Common method variance (CMV) or known as mono-method bias, refers to "variance that is attributable to the measurement method rather than to the construct of interest" ((Podsakoff, P. M., MacKenzie, S. B., Lee, J. Y., & Podsakoff, 2003, p. 879). In general, this variance is a potential problem in research associated with the self-report surveys (Lindell & Whitney, 2001).

This study adopted Harman's single factor test in order to assess the likely presence of common method bias (Podsakoff & Organ, 1986). The variance is the potential problem in research when the same person provides self-report data for the items in measuring the dependent and independent variables.

The test was performed through the exploratory factor analysis with un-rotated factor solution using SPSS. The result of the factor will show a single factor which must not explain beyond 50% of the total variances of the variables of the study. In this study, the result of the factor analysis shows that 18.15% of the total variances of the variables were explained by a single factor (refer appendice). Therefore, it indicates that common method bias is not a problem in this study.

4.4 Profile of Respondents

This section features the profile of the respondents in this study. The purpose of collecting profile information is to provide overall differences among subjects and help interpret the analysis.

As shown in Table 4.2 is the summary of the distribution of samples on demographic characteristics of this study (N=117). It can be seen that majority of the respondents were female (69.2%). From the table, online entrepreneurs in this study mainly aged in their 26-30 years (45.3%) old with most of them have bachelor degree accounted for 38.5% as their highest education level. Finally, the respondents were asked on how long they have been involved in selling products or services online, it can be seen 89% of them involved in this industry for one to five years.

Further elaborated in Table 4.3 are the information regarding the products or services sold or rendered by the respondents and types of social media they utilised.

Meanwhile Table 4.4 shows information regarding the courier services of their choice.

Table 4.2
Profile of respondents

Variables	Categories	N	(%)
Gender	Male	36	30.8
	Female	81	69.2
Age	20-25 years	33	28.2
	26-30 years	53	45.3
	31-35 years	24	20.5
	Above 36 years	7	6.0
Education	SPM/STPM	30	25.6
	Diploma	41	35
	Degree	45	38.5
	Master/PhD	1	0.9
Years in online retailing	1-5 years	104	89
	Above 6 years	13	11

Table 4.3

Products and social media

		N	(%)
Product	Clothing	82	44
	Cosmetics	35	18
	Wedding Planner	8	4
	Mobile Phone	6	3
	Electrical Appliances	14	8
	Handbag	14	8
	Others:	27	15
Social Media	Facebook	92	44
	Instagram	87	42
	Blogs	24	12
	Tweeter	5	2

Table 4.4

Courier service provider (frequencies)

	Everyday	Once a week	Fortnightly	Monthly
Poslaju	56	32	2	4
Nationwide	1	2	-	-
Skynet	8	8	2	18
Fedex	2	1	3	

4.5 Descriptive analysis of constructs

The descriptive analysis of the constructs showed the general statistical values by using the SPSS. The statistical values are namely means, standard deviation, minimum and maximum for all the constructs. According to Pallant (2010), the analysis provides some information regarding the distribution of scores on continuous variables. Table 4.5 presents the descriptive analysis for each variable. All the constructs have been measured on a five point scale.

Table 4.5
Descriptive analysis of constructs

	N	Minimum	Maximum	Mean	Std. Deviation
Service Quality	117	1.59	4.91	3.69	.400
Service Recovery	117	2.00	5	3.78	.726
Price Fairness	117	1	5	3.39	.650
Relationship benefits	117	2.08	4.46	3.35	.555
Relational Dependence	117	2.67	5	3.74	.543
Relationship Quality	117	2.29	5	3.59	.453
Customer Retention	117	2.33	5	3.82	.535
Word-of-mouth	117	2.60	5	3.93	.664

4.6 Testing goodness of the measurement

In conducting the analysis for this study, the researcher used PLS structural equation modeling (SEM). This can be done by using the software application SmartPLS 2.0 M3 (Ringle, C., Wende, S., & Will, 2005). According to Hair, Black, Babin, Anderson, and Tatham (2010), the analysis of PLS SEM comprises of two important multivariate techniques namely factor analysis and multiple regression.

In PLS, the first step is to assess the measurement model which is also known as the outer model. The purpose of measurement model is to confirm the reliability and validity of the measurement items (Chin, 1998; Henseler, J., Ringle, C. M., & Sinkovics, 2009). The criteria involved in the measurement model are validity and reliability. The purpose of the reliability test is to determine whether the measuring instrument consistently measures what it supposes to measure while the validity test attempts to find out the extent or degree to which certain instrument measures a particular concept it is designed to measure (Sekaran & Bougie, 2013). In an elaborate form, researchers assessed outer model with individual item reliability, construct internal consistency and construct validity. Meanwhile, the reliability, convergent and discriminant validity of the instruments used in this study are evaluated using the approaches developed for a PLS context by Fornell and Larcker, (1981). On a stronger note, the predictive power of a particular model in PLS analysis is obtained by the R squared (R^2) values of the latent constructs or endogenous variables and path coefficient for each relationship from exogenous variables to endogenous variables. In PLS analysis, the interpretations of values of R^2 is similar to those obtained from the multiple regression analysis. Importantly, the R^2 values indicate the amount of variance in the construct that is explained by the model (Barclay, D., Higgins, C., & Thompson, 1995b; Chin, 1998)

In PLS procedure for estimating parameters, certain assumptions such as distributional normality of the observations is not followed, hence the traditional parametric-based techniques for test of significance are not appropriate for PLS (Chin, 2010). Therefore, statistical significance in PLS analysis is assessed with the use of bootstrap and the jack-knife techniques (Hair et al., 2014).

The jack-knife technique is an algorithm-based technique built into PLS and it is used to generate path coefficients for testing the significance of hypotheses. The primary advantage of this technique is it saves resources and reduces execution time for large data sets (Chin, 2010).

Bootstrapping, on the other hand, represents a more exact calculation of measures and this study uses this technique for the purpose of testing the significance of all the path coefficients (Chin, 2010). As being mentioned earlier, bootstrapping is used to evaluate the significance of model's path coefficients as well as to estimate the standard error (Chin, 1998). In PLS analysis, bootstrapping which is a nonparametric technique is used to randomly generate the large number of subsamples from original sample with replacement (Efron, B., & Tibshirani, 1993). The bootstrapping is regarded as a superior re-sampling with replacement from the original sample.

Although the role of bootstrapping has been recognized by most researchers, controversy still exists regarding the standard for generating subsamples using the technique. This is due to the recent evidence that has shown that contemporary researchers often decide the number of bootstrap retrials to undertake based on the peculiarity of their situations (Martins, C., Oliveira, T. and Popovič, 2014). However, it has been argued that inadequate number of retrials may lead to incorrect estimation of standard error, t-values, confidence intervals or conclusions in the test of hypotheses (Bontis, Booker, & Serenko, 2007). Important guidelines for the selection of the number of re-sampling are still being explored (Andrews & Buchinsky, 2003). The present study follows the recommendation by Chin (2010) which suggested that a total of 500 retrials were chosen in order to determine the significance of model's path coefficients and standard error.

4.6.1 Constructs validity

The purpose of construct validity is to ascertain the degree in which the results that is obtained from the use of a measure matches the theories upon which the test is primarily designed (Sekaran & Bougie, 2013). Specifically, this concerned with answering the question: does the adapted instrument measure what is supposed to be measured or theorized? The researcher subjected the measurement scales into three validity tests namely content validity, convergent validity, and discriminant validity (Sekaran & Bougie, 2013).

Content validity measures the extent to which the indicators or scale items represent the domain of the concepts under study. For the content validity to be established, an extensive review of literature was embarked on after which the items were adapted from the previous studies. By doing this, it will help to reduce the issue of measurement error. The researcher also seeks consultation from experts including an Associate Professor and two Senior Lecturers from Universiti Utara Malaysia (UUM) to further examine the instrument and few improvements and modifications were done before the distribution to the respondents. Hence, the general procedures for selection of measurement and content validity were followed (Cronbach, L. J., & Meehl, 1955; Straub, 1989).

Convergent validity is the measure of constructs that should be theoretically related while discriminant validity is the measure of constructs that should not be related theoretically. Both convergent validity and discriminant validity are subtypes of construct validity because they work interdependently (Chin, 1998; Dyba, 2005). According to Hair et al. (2010), three assessors of convergent validity are namely factor loadings, composite reliability and average variance extracted (AVE).

In establishing convergence validity, factor loadings and cross loadings must be assessed in order to detect any problems that may be associated with any particular items. According to Hair et. al., (2010), the measurement scale is valid when items load highly (i.e., >0.5) on their related constructs. For this study, fifty eight items (58) comply on the respective constructs and exceeded the recommended threshold value of 0.5 (Hair et al., 2010). Hence, twelve (12) items were removed in the course of running the measurement model of this study. The items were deleted because the loadings did not meet the suggested requirement. Table 4.6 summarizes the result of the measurement model. The result showed that all 16 constructs were valid measures of their respective constructs based on their parameter estimates and statistical significance (Chow & Chan, 2008). Thus, the model constructs had sufficient convergent validity.

As can be seen in Table 4.6, all the indicators loaded on their respective constructs from a lower bound of 0.60 to an upper bound of 0.904. All items which are below 0.5 were deleted from the model. As for the relationship quality, items deleted are (TRST5, SATF5 and COMMIT3), service quality (RELT5, ASS4), service recovery (SERR4), relational benefit (SOCB5), relational dependence (RELD1, RELD5 and RELD6) and word-of-mouth (WOM4 and WOM5). There are no deleted items for price fairness and customer retention. In relation to this, the convergent validity was also assessed with average variance extracted (AVE) as shown in Table 4.4. AVE refers to the average variance that a construct and its measures share. The general rule is that the value of AVE should be 0.5 and above (Barclay, D., Higgins, C., & Thompson, 1995a)

Table 4.6

Convergent and composite reliability analysis

First Order Construct	Item	Loadings	CR	AVE
Trust	TRST1	0.751	0.810	0.518
	TRST2	0.718		
	TRST3	0.802		
	TRST4	0.592		
Commitment	COMT1	0.732	0.801	0.577
	COMT2	0.643		
	COMT4	0.884		
Satisfaction	SATF1	0.793	0.837	0.563
	SATF2	0.723		
	SATF3	0.747		
	SATF4	0.736		
Reliability	RELT1	0.636	0.827	0.547
	RELT2	0.739		
	RELT3	0.697		
	RELT4	0.868		
Responsiveness	RESP1	0.772	0.812	0.521
	RESP2	0.621		
	RESP3	0.700		
	RESP4	0.784		
Tangible	TANG1	0.795	0.814	0.526
	TANG2	0.805		
	TANG3	0.677		
	TANG4	0.606		
Empathy	EMPT1	0.786	0.834	0.503
	EMPT2	0.760		
	EMPT3	0.649		
	EMPT4	0.731		
	EMPT5	0.604		
Assurance	ASSR1	0.793	0.800	0.575
	ASSR2	0.826		
	ASSR3	0.643		

Table 4.6 (continued)

Service Recovery	SERR1R	0.806	0.855	0.663
	SERR2R	0.883		
	SERR3R	0.749		
Price Fairness	PRIF1	0.844	0.748	0.502
	PRIF2	0.634		
	PRIF3	0.626		
Confidence Benefits	CONB1	0.627	0.819	0.537
	CONB2	0.600		
	CONB3	0.823		
	CONB4	0.847		
Social benefits	SOCB1R	0.793	0.8363	0.5618
	SOCB2R	0.773		
	SOCB3R	0.760		
	SOCB4R	0.666		
Special Treatment Benefits	SOTB1R	0.891	0.927	0.761
	SOTB2R	0.877		
	SOTB3R	0.904		
Relational dependence	RELD2	0.749	0.802	0.575
	RELD3	0.821		
	RELD4	0.701		
Customer retention	CUSR1	0.870	0.827	0.617
	CUSR2	0.812		
	CUSR3	0.659		
Word-of-mouth	WOMT1	0.785	0.822	0.607
	WOMT3	0.761		
	WOMT4	0.800		

Another validity test that need to be assessed is the discriminant validity. This analysis aims at confirming the construct validity of the outer model. In essence, it tends to ensure that those measures that are not supposed to be related are not related theoretically having conducted the analysis. According to Hair et al. (2014), discriminant validity ensures that all the measures are related to their own respective constructs and no other constructs. In order to obtain discriminant validity, two measures were involved namely cross loadings and Fornell-Larcker criterion. First, the cross loadings analysis stated that the standardized loading estimates should be 0.5 or higher and ideally 0.7 and higher. The items with very low loadings (below 0.4) should be deleted (Hair et al., 2014). Table 4.7 exhibits that the outer loadings of the item were greater than the cross loadings of other constructs, which were greater than 0.5. It showed that all indicators are loaded onto their underlying constructs well, suggesting no cross loadings existed among the indicators.

In order to assess the latter, the square roots of average variance extracted (AVE) is calculated and compared with the correlations of other constructs of the study (Chin, 2010; Fornell & Larcker, 1981). As a rule, the squared root of AVE should be higher than the squared correlation estimates as this indicates a credible discriminant validity (Hair et al. 2006). Specifically, the diagonal elements or coefficients must be higher than the off-diagonal elements or coefficients or elements in the corresponding rows and columns before an adequate discriminate validity can be established. As calculated, the results of discriminant validity are displayed in Table 4.6. On the diagonal of the table, square roots of AVE for all the items are displayed and this reveals higher square roots of AVE for Special Treatment Benefit (STB) (0.872) and lower case for Price Fairness (PRFAIR) (0.708).

In overall, the results of factor loading and cross loading, convergent and reliability analysis and discriminant validity as shown in Table 4.6,4.7 and 4.8 respectively reveal valid measures for all the constructs of this study based on their parameter estimates and statistical significance (Chow & Chan, 2008).

Table 4.7

Factor loadings and crossloading

	ASS	COMMIT	CBF	CUSR	EMP	PRFAIR	REL	RELDEP	RES	SATSF	SOB	SERREC	STB	TRUST	TAN	WOM
ASS1	**0.793**	0.454	0.186	0.394	0.390	0.302	0.377	0.183	0.396	0.258	0.254	0.081	0.228	0.233	0.265	0.293
ASS2	**0.826**	0.380	0.147	0.346	0.355	0.269	0.448	0.052	0.349	0.171	0.154	0.196	0.105	0.191	0.266	0.205
ASS3	**0.643**	0.228	0.170	0.249	0.252	0.421	0.461	0.309	0.352	0.224	0.212	0.143	0.157	0.147	0.251	0.241
COMMT1	0.424	**0.732**	0.073	0.344	0.367	0.217	0.469	0.006	0.298	0.286	0.267	0.248	0.019	0.257	0.252	0.311
COMMIT2	0.453	**0.643**	0.329	0.275	0.263	0.271	0.364	0.303	0.378	0.226	0.225	0.288	0.044	0.388	0.321	0.246
COMMIT4	0.305	**0.884**	0.268	0.378	0.406	0.390	0.365	0.089	0.329	0.353	0.343	0.131	0.245	0.378	0.310	0.365
CONB1	0.093	0.218	**0.627**	0.169	0.119	0.157	0.375	0.282	0.288	0.310	0.296	0.393	0.081	0.226	0.433	0.307
CONB2	0.221	0.190	**0.600**	0.077	0.134	0.227	0.326	0.161	0.088	0.383	0.379	0.366	0.037	0.079	0.399	0.381
CONB3	0.261	0.248	**0.823**	0.367	0.374	0.205	0.204	0.388	0.302	0.382	0.384	0.074	0.278	0.246	0.444	0.360
CONB4	0.077	0.237	**0.847**	0.246	0.269	0.330	0.268	0.409	0.287	0.538	0.533	0.241	0.239	0.295	0.481	0.513
CUSR1	0.402	0.410	0.330	**0.870**	0.257	0.340	0.331	0.246	0.459	0.272	0.268	0.000	0.388	0.302	0.404	0.281
CUSR2	0.336	0.352	0.191	**0.812**	0.399	0.321	0.235	0.161	0.353	0.237	0.249	-0.067	0.418	0.253	0.226	0.230
CUSR3	0.296	0.239	0.210	**0.659**	0.306	0.186	0.087	0.160	0.210	0.060	0.074	-0.200	0.224	0.238	0.238	0.035
EMPT1	0.402	0.410	0.330	0.270	**0.786**	0.340	0.331	0.246	0.459	0.272	0.268	0.000	0.388	0.302	0.404	0.281
EMPT2	0.336	0.352	0.191	0.212	**0.760**	0.321	0.235	0.161	0.353	0.237	0.249	-0.067	0.418	0.253	0.226	0.230
EMPT3	0.247	0.326	0.193	0.430	**0.649**	0.183	0.167	0.154	0.234	0.214	0.228	-0.112	0.230	0.212	0.190	0.191
EMPT4	0.296	0.239	0.210	0.374	**0.731**	0.186	0.087	0.160	0.210	0.060	0.074	-0.200	0.224	0.238	0.238	0.035
EMPT5	0.246	0.229	0.218	0.440	**0.604**	0.174	0.056	-0.053	0.146	0.232	0.235	-0.117	0.287	0.138	0.300	0.217

Table 4.7(Continued)

PRIF1	0.349	0.431	0.336	0.367	0.346	**0.844**	0.328	0.246	0.347	0.387	0.373	0.232	0.247	0.291	0.426	0.401
PRIF2	0.300	0.185	0.194	0.284	0.276	**0.634**	0.207	0.445	0.194	0.180	0.185	-0.045	0.123	0.115	0.225	0.169
PRIF3	0.233	0.140	0.090	0.094	0.110	**0.626**	0.130	0.358	0.196	0.228	0.216	-0.017	0.281	0.185	0.324	0.264
RELT1	0.189	0.360	0.178	0.068	0.056	0.068	**0.636**	0.170	0.223	0.261	0.261	0.280	-0.094	0.226	0.172	0.239
RELT2	0.302	0.185	0.273	0.109	0.083	0.220	**0.739**	0.286	0.366	0.333	0.330	0.300	-0.039	0.198	0.289	0.320
RELT3	0.206	0.181	0.240	0.114	0.107	0.200	**0.697**	0.251	0.232	0.277	0.269	0.274	-0.125	0.319	0.280	0.248
RELT4_R	0.486	0.568	0.340	0.389	0.381	0.362	**0.868**	0.302	0.536	0.423	0.416	0.268	0.221	0.306	0.405	0.433
RELD2	0.091	0.177	0.332	0.286	0.249	0.238	0.292	**0.749**	0.269	0.264	0.278	0.208	0.166	0.230	0.308	0.217
RELD3	0.218	0.104	0.310	0.165	0.165	0.362	0.224	**0.821**	0.314	0.271	0.275	0.173	0.300	0.227	0.307	0.260
RELD4	0.192	0.075	0.361	0.084	0.072	0.408	0.269	**0.701**	0.415	0.450	0.437	0.264	0.323	0.230	0.351	0.468
RESP1	0.379	0.425	0.288	0.332	0.324	0.212	0.437	0.217	**0.772**	0.327	0.289	0.231	0.255	0.267	0.192	0.389
RESP2	0.367	0.467	0.193	0.443	0.392	0.318	0.356	0.254	**0.621**	0.246	0.236	0.088	0.291	0.329	0.214	0.300
RESP3	0.228	0.256	0.272	0.330	0.321	0.350	0.316	0.438	**0.700**	0.370	0.366	0.176	0.462	0.112	0.403	0.383
RESP4	0.387	0.121	0.216	0.258	0.260	0.245	0.368	0.393	**0.784**	0.311	0.301	0.150	0.279	0.049	0.288	0.321
SATF1	0.173	0.200	0.433	0.084	0.137	0.431	0.320	0.449	0.349	**0.793**	0.304	0.471	0.326	0.282	0.444	0.453
SATF2	0.062	0.181	0.425	0.186	0.228	0.202	0.320	0.338	0.126	**0.723**	0.209	0.313	0.267	0.221	0.268	0.549
SATF3	0.318	0.411	0.387	0.380	0.373	0.229	0.355	0.234	0.358	**0.747**	0.593	0.214	0.461	0.270	0.366	0.611
SATF4	0.247	0.327	0.442	0.110	0.126	0.343	0.369	0.284	0.414	**0.736**	0.436	0.451	0.237	0.222	0.415	0.491

Table 4.7 (Continued)

SOCB1	0.173	0.200	0.433	0.084	0.137	0.431	0.320	0.449	0.349	0.341	**0.793**	0.471	0.326	0.282	0.444	0.503
SOCB2	0.062	0.181	0.425	0.186	0.228	0.202	0.320	0.338	0.126	0.321	**0.773**	0.313	0.267	0.221	0.268	0.549
SOCB3	0.318	0.411	0.387	0.380	0.373	0.229	0.355	0.234	0.358	0.223	**0.759**	0.214	0.461	0.270	0.366	0.661
SOCB4	0.247	0.327	0.442	0.110	0.126	0.343	0.369	0.284	0.414	0.315	**0.666**	0.451	0.237	0.222	0.415	0.507
SERR1	0.098	0.209	0.301	-0.129	-0.162	0.049	0.277	0.239	0.120	0.223	0.221	**0.806**	-0.091	0.190	0.176	0.225
SERR2	0.177	0.249	0.230	-0.021	-0.041	0.147	0.289	0.265	0.227	0.523	0.505	**0.883**	0.017	0.161	0.266	0.511
SERR3	0.190	0.148	0.265	-0.090	-0.101	0.158	0.355	0.154	0.240	0.409	0.387	**0.749**	-0.051	0.123	0.181	0.429
SOTB1	0.259	0.288	0.219	0.403	0.398	0.280	0.123	0.278	`	0.426	0.427	0.029	**0.891**	0.054	0.317	0.447
SOTB2	0.212	0.118	0.264	0.498	0.483	0.240	0.027	0.266	0.360	0.347	0.353	-0.037	**0.877**	-0.020	0.235	0.348
SOTB3	0.152	0.175	0.202	0.426	0.436	0.291	0.107	0.288	0.373	0.424	0.430	-0.040	**0.904**	0.082	0.248	0.422
SOTB4	0.106	-0.023	0.171	0.221	0.232	0.268	-0.009	0.374	0.329	0.333	0.337	-0.109	**0.814**	-0.082	0.208	0.331
TRST1	0.213	0.341	0.247	0.312	0.288	0.319	0.307	0.451	0.269	0.369	0.381	0.130	0.241	**0.751**	0.288	0.338
TRST2	0.163	0.277	0.113	0.158	0.157	0.078	0.126	0.084	0.054	0.088	0.096	0.129	-0.187	**0.718**	0.224	0.093
TRST3	0.195	0.377	0.251	0.269	0.280	0.168	0.268	0.039	0.168	0.187	0.174	0.054	-0.078	**0.802**	0.317	0.222
TRST4	0.147	0.281	0.238	0.185	0.217	0.292	0.299	0.270	0.220	0.292	0.283	0.348	-0.031	**0.592**	0.352	0.276
TANG1	0.300	0.367	0.434	0.348	0.307	0.259	0.358	0.255	0.314	0.235	0.229	0.137	0.212	0.368	**0.795**	0.254
TANG2	0.312	0.276	0.424	0.290	0.329	0.474	0.307	0.424	0.301	0.449	0.428	0.233	0.272	0.251	**0.805**	0.475
TANG3	0.144	0.205	0.495	0.195	0.250	0.388	0.281	0.339	0.219	0.513	0.508	0.259	0.142	0.352	**0.677**	0.504
TANG4	0.146	0.206	0.456	0.203	0.245	0.327	0.252	0.216	0.155	0.435	0.433	0.201	0.214	0.187	**0.606**	0.432
WOM1	0.173	0.200	0.433	0.084	0.137	0.431	0.320	0.449	0.349	0.344	0.223	0.471	0.326	0.282	0.444	**0.785**
WOM2	0.318	0.411	0.387	0.380	0.373	0.229	0.355	0.234	0.358	0.195	0.349	0.214	0.461	0.270	0.366	**0.761**
WOM3	0.247	0.327	0.442	0.110	0.126	0.343	0.369	0.284	0.414	0.236	0.306	0.451	0.237	0.222	0.415	**0.791**

Note: Bold values are loadings for items which are above the recommended value 0.5

ASS- Assurance; COMMIT-Commitment; CBF-Confidence Benefits; CUSR-Customer Retention; EMP-Empathy; PRFAIR-Price Fairness; REL-Reliability; RELDEP-Relational Dependence; RES-Responsiveness; SATSF-Satisfaction; SOB-Social Benefits, SERREC-Service Recovery; STB-Special Treatment Benefits; TRUST-Trust; TAN-Tangible; WOM-Word-of-mouth

Table 4.8

Discriminant validity

	ASS	CB	COM	CR	EMP	PF	REL	RELDEP	RES	SATSF	SERREC	SOB	STB	TAN	TRUST	WOM
ASSURANCE	**0.758**															
CUSTOMER B	0.218	**0.733**														
COMMITMENT	0.481	0.302	**0.759**													
CUSRENTION	0.442	0.315	0.437	**0.785**												
EMPATHY	0.445	0.332	0.458	0.531	**0.709**											
PFAIR	0.416	0.322	0.403	0.373	0.362	**0.708**										
RELIABILITY	0.554	0.366	0.501	0.301	0.285	0.335	**0.740**									
RELDEPEND	0.215	0.442	0.161	0.244	0.221	0.436	0.348	**0.758**								
RESPONSP	0.478	0.335	0.428	0.455	0.436	0.368	0.516	0.434	**0.722**							
SATISF	0.282	0.559	0.386	0.264	0.296	0.403	0.457	0.428	0.430	**0.750**						
SRECOVERY	0.182	0.315	0.260	-0.086	-0.114	0.138	0.357	0.283	0.230	0.477	**0.814**					
SOCBENE	0.268	0.554	0.374	0.272	0.305	0.391	0.450	0.431	0.406	0.446	0.461	**0.750**				
SPETB	0.213	0.246	0.171	0.452	0.451	0.309	0.076	0.340	0.423	0.441	-0.040	0.446	**0.872**			
TANGIBLE	0.341	0.590	0.383	0.377	0.393	0.478	0.417	0.424	0.362	0.503	0.263	0.490	0.292	**0.726**		
TRUST	0.254	0.300	0.449	0.336	0.337	0.301	0.352	0.302	0.255	0.334	0.198	0.334	0.016	0.403	**0.720**	
WOM	0.321	0.538	0.409	0.259	0.283	0.422	0.448	0.408	0.479	0.474	0.475	0.252	0.447	0.522	0.332	**0.779**

4.6.2 The establishment of second-order constructs

In this study, relationship quality, relationship benefit and service quality are conceptualized as the second-order construct indicators. The second- order constructs were assessed using the repeated indicator in which all the first order constructs are taken out together as a reflective measure in PLS model. Therefore, the second order constructs were measured directly by all indicators of the first order constructs (Becker, Klein, & Wetzels, 2012). Then, the same number of indicators of each construct in the first-order model was then used to make a better operationalization of the model (Chin et. al., 2003).

Considering Becker et al. (2012), relationship quality, relationship benefit and service quality are categorized in the reflective-reflective type I model. This type of hierarchical latent variable model is the most appropriate if the objective of the study is to find the common factor of several related, yet distinct reflective constructs.

Secondly, relationship benefit consists of consumer benefit, social benefit and special treatment benefit as the first-order construct. The weight values recorded for relationship benefit as the second order constructs are 0.041 for consumer benefit, 0.007 for social benefit and 0.053 for special treatment benefit and all are significant at $P<0.01$. Therefore, the second-order construct of relationship benefit is directly measured by all the indicators of the first-order constructs (Kleijnen, Lee, & Wetzels, 2009).

Finally, service quality consists of five first-order construct that are assurance, empathy, reliability, responsiveness and tangible. The weight values of the five first-order construct are 0.054 for assurance, 0.041 for empathy, 0.076 for reliability, 0.034 for responsiveness and 0.053 for tangible. Hence, all the five dimensions for service quality were measured according to the second-order construct procedure (Kleijnen et al., 2009).

In conclusion, all the three dimensions showed that the values are well below the recommended threshold. The result demonstrated the goodness of measure for the formative second-order as shown in the following Table 4.9.

Table 4.9
Second order of RQ, RB and SQ construct and its relationship with first-order constructs

Second-order Construct	First-order Construct	R^2	T-value
Relationship Quality (RQ)	Commitment	0.520	P<0.01
	Satisfaction	0.214	P<0.01
	Trust	0.659	P<0.01
Relationship Benefit (RB)	Confidence Benefit	0.194	P<0.01
	Social Benefit	0.656	P<0.01
	Special Treatment Benefit	0.754	P<0.01
Service Quality (SQ)	Assurance	0.724	P<0.01
	Empathy	0.229	P<0.01
	Reliability	0.525	P<0.01
	Responsiveness	0.600	P<0.01
	Tangible	0.161	P<0.01

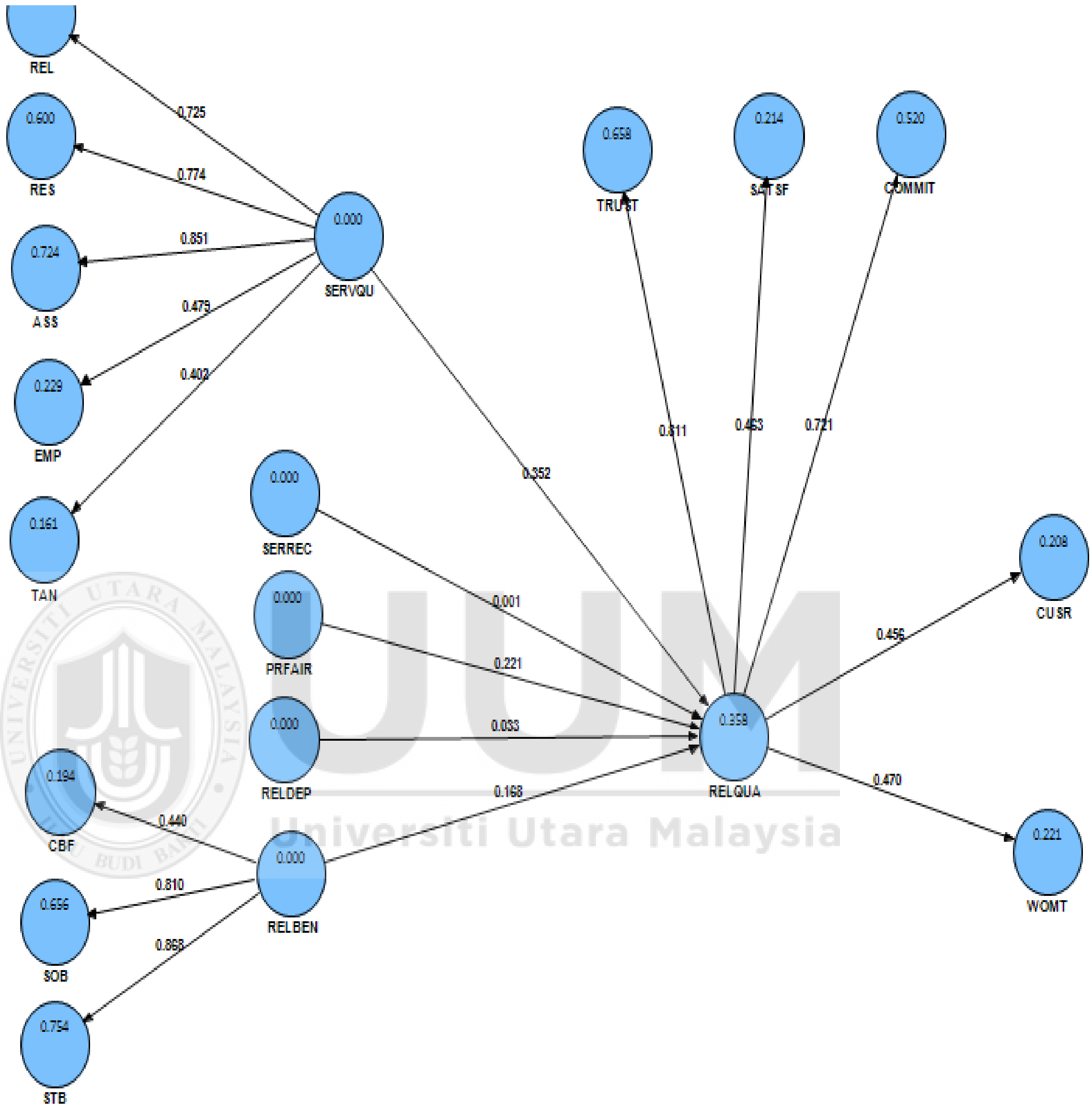

Figure 5.1

The measurement model

4.7 Effect size

Effect size (f^2) in PLS-SEM was performed to determine the change in R^2 to distinguish whether the impact of a particular exogenous latent variable (or independent variable) on an endogenous latent variable (or dependent variable) has substantive impact meaning changes to R^2 was observed with the omission of any selected exogenous variable from the model. The effect size f^2 can be calculated using the following formula:

$$F^2 = \frac{R^2_{included} - R^2_{excluded}}{1- R^2_{included}}$$

Where $R^2_{included}$ and $R^2_{excluded}$ are the R^2 provided on the endogenous latent variable when the predictor exogenous latent variable is used or omitted in the structural model respectively. According to Cohen (1988), the effect size f^2 of 0.02, 0.15, and 0.35, can be viewed as a guideline for whether a predictor or exogenous latent variable has a small, medium, or large effect at the structural level. As being illustrated in Table 4.10 the exogenous constructs of this study exhibit small effect sizes on their respective endogenous constructs.

Table 4.10

The effect size of the model

Latent variables	$R^2_{included}$	$R^2_{excluded}$	F^2	Result
SERQ	0.359	0.331	0.044	small
SERR	0.359	0.358	0.002	small
PRIF	0.359	0.314	0.070	small
RELD	0.359	0.356	0.005	small
RELB	0.359	0.337	0.034	small

4.8 Predictive relevance of the model

Besides the effect size, the researcher also conducted the predictive relevance of the model (Q^2) (Geiser, 1974; Stone, 1974). It can be assessed by cross-validated redundancy measure obtained through PLS blindfolding technique for all the endogenous. The rule for predictive relevance of the model is that the value of cross-validated redundancy should be greater than zero (Fornell & Cha, 1994). The following Table 4.11 shows the result of this analysis.

Table 4.11

Predictive relevance of the model

Construct	R2	Cross-Validated Redundancy
Relationship Quality	0.358	0.372
Customer Retention	0.208	0.210
Word-of-mouth	0.221	0.217

Table 4.11 reveals the predictive quality power of the model of this study. It can be seen that the cross-validated redundancies for the endogenous constructs are 0.372, 0.210 and 0.217. These values are higher than zero as proposed by Fornell & Cha (1994) and Hair et al. (2014). Thus, it can be said that the model has a good predictive capability.

4.9 Structural Model and Hypothesis Testing

In the preceding section, the measurement model of this study has been discussed. Following the measurement model is the structural model that needs to be considered for analysis. In this step, the researcher needs to inspect the standardized path coefficients in order to test the hypotheses of this study. Hence, PLS path coefficient approach is executed.

The first step required in order to test hypothesis for direct relationship is to run the PLS algorithm. By doing this, the researcher is able to generate path coefficients that were used to determine the relationships between exogenous and endogenous constructs of this study. The next step is bootstrapping in order to generate the t-value to test the significance of the relationship. This study adheres the recommendation of Hair et al, (2014) that bootstrapping can be run with 5000 subsample size.

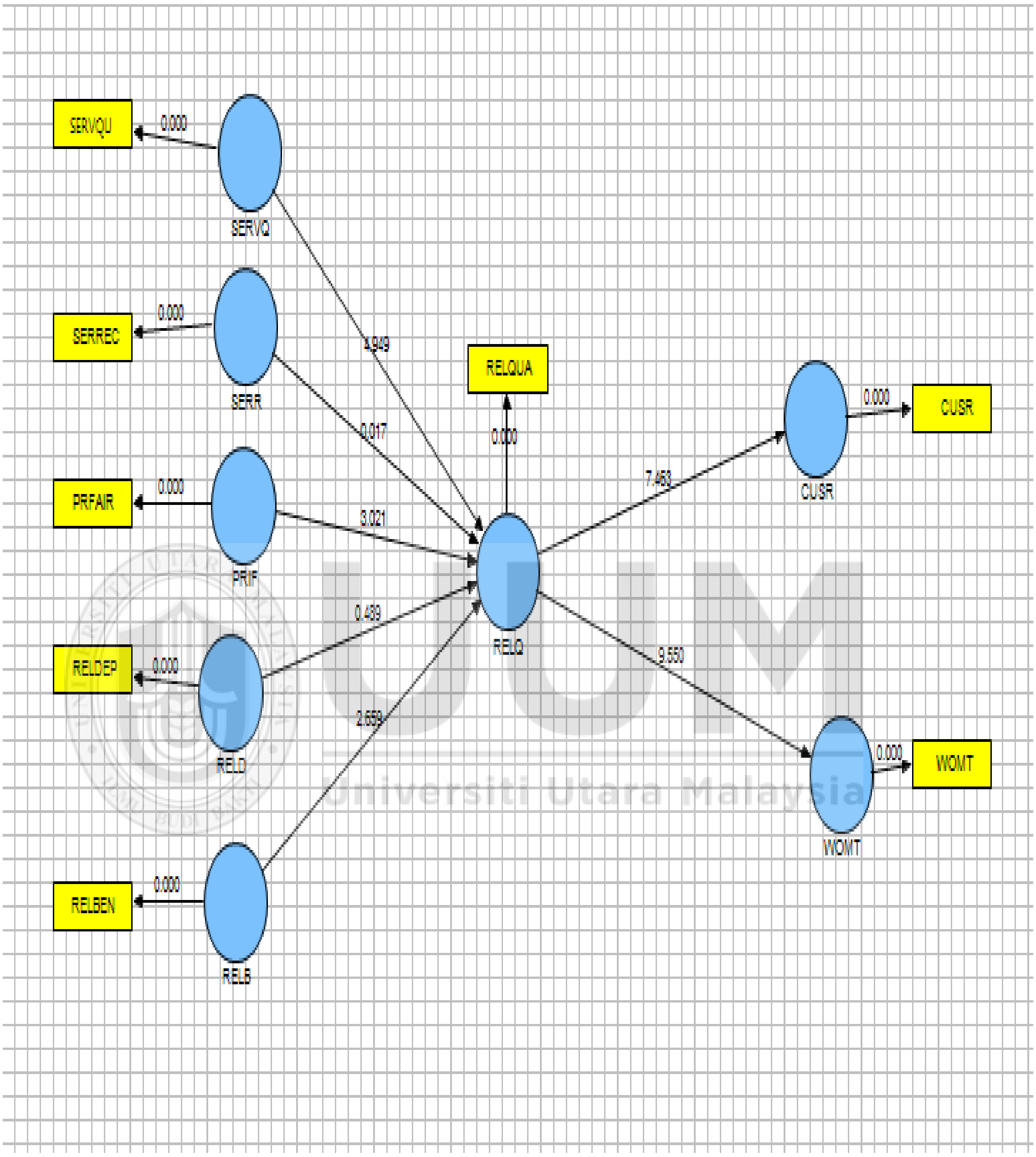

Figure 5.2

PLS Algorithm

Based on the PLS algorithm figure shown above, the following Table 4.12 shows the results of direct relationships of the structural model.

Table 4.12

The results of inner model

Hypotheses	Paths	β	SE	T value	P value	Remarks
H1	**RQ->CR**	0.456	0.061	7.464	0.000	Supported
H2	**RQ->WOM**	0.470	0.049	9.550	0.000	Supported
H3	**SQ->RQ**	0.352	0.071	4.949	0.000	Supported
H4	**SR->RQ**	0.001	0.071	0.018	0.493	Not supported
H5	**PF->RQ**	0.221	0.073	3.021	0.002	Supported
H6	**RD->RQ**	0.033	0.068	0.489	0.313	Not supported
H7	**RB->RQ**	0.168	0.063	2.659	0.004	Supported

From Table 4.12, it can be seen that there is no direct effect in H4 (service recovery and relationship quality) and H6 (relational dependency and relationship quality) where P<0.01. Apart from these, other hypotheses are also supported.

4.10 Chapter Summary

This chapter reports all the findings from the analysis outcome. Generally, most of the hypotheses were supported. The data analyses in this chapter were done using the SPSS software in describing the demographic profile of the respondents. Meanwhile, the rest of the analyses were performed by using PLS. The detailed discussion regarding the analyses output will be discussed in the following chapter.

CHAPTER FIVE

DISCUSSION AND CONCLUSION

5.1 Introduction

This chapter will provide discussion of the findings and highlights the contribution of the study. By doing this, it helps the decision maker in terms of managerial implications. Besides, this chapter also reviews the limitations of the study and provides suggestions for future research. The final section of the chapter concludes and summarizes the study with some discussion of the limitations.

5.2 Recapitulation of the study findings

This quantitative study investigates the antecedents and consequences of relationship quality between Malaysian online retailing industry and courier service companies. This study focuses specifically in terms of how a good relationship must be fostered between them in order to keep the existing customers and attract the new customers. In business to business market, intense competition drives businesses to be dependent on each other by building relationship with their suppliers and service providers who are demanded to sustain with high standards. In other words, online entrepreneurs should have strong relationships with their service providers to stay ahead. In this sense, recent studies have focused on relationship quality as crucial to establish, develop and maintain relationships between the exchange partners (Jiang, Shiu, Henneberg, & Naude, 2016).

The conceptual framework of this study was underpinned by the Social Exchange Theory (SET). This study adapted valid scale items from previous studies through review of related literatures. This study extends the concepts of relationship quality, its antecedents and consequences in the marketing literature by investigating the relationship between online entrepreneurs and courier service providers in the Malaysian online retailing industry.

Furthermore, the questionnaire survey was developed based on a five interval scale for the purpose of collecting relevant data from the respondents. Then, the questionnaire survey items were validated through content validity by asking the opinions of the experts. Following the process is the data analysis process. In this stage, data were screened, subjected to factor loading, validity processes in order to establish suitability of the measurement model of the study using SmartPLS 2.0 SEM software. When all these statistical measures have been established, the researcher calculated effect size and predictive relevance of the model which led to the achievement of the structural model that formed the ground for hypotheses testing. For this study, direct hypotheses were tested through PLS algorithm and bootstrapping. The PLS algorithms were meant to generate path coefficients while bootstrapping was used to generate t-value and which of course helped in generating p-value for decision making with respect to the statistical significance of the paths. In the next section, the findings of the study are discussed in greater detail to provide an explanation to each of the supported and non-supported hypotheses.

Based on the results of the research, the structural model supported the hypothesized paths: service quality, price fairness, and relationship benefits influence relationship quality. Furthermore, the hypothesized path supported that customer retention and word of mouth were the consequences of relationship quality. However, the hypothesized path for service recovery influence relationship quality and relational dependence influence relationship quality, were not supported.

5.3 Discussion and conclusions

The following section discusses in further details the research question posited in this study. The discussion will focus on the hypotheses which show significant results. The discussion revolves around the direct path of the antecedents and relationship quality. Further, the discussion on the direct path of the relationship quality and the outcomes is presented.

5.3.1 The level of relationship quality of the courier services provider

Apart from the seven objectives mentioned in chapter one, this study also aims to examine the level of relationship quality provided by the courier service providers to the online entrepreneurs. The mean score for the three relationship quality dimensions, namely trust, commitment and satisfaction show moderate level. Although the score is not high, it reflects that the samples considered the quality in the relationship with their courier service providers.

Apart from these, the level of relationship quality which is moderately high is also consistent with past studies done by (Ishak, 2014; Palmatier, Dant, Grewal, & Evans, 2006; Wong & Sohal, 2002a). Their studies showed similar results where relationship quality level is moderately high from the perspective of buyer and seller. This is a clear evidence that relationship quality is a concept that is consistently important across countries and business sectors. Thus, business practices involved with relationship quality are important in sustaining the business in the long run.

The results suggest that trust, commitment and satisfaction are perceived as essential in the relationship building. Hence, this findings are aligned with the previous findings in which most of the researchers in relationship marketing stipulated that trust, commitment and satisfaction are essential indicators to measure relationship quality specifically in the business-to-business context (W Ulaga & Eggert, 2004; Walter et al., 2003).

Thus, this study concludes that in the context of business to business, relationship quality also has been determined as necessary for relationship marketing studies (Jiang et al., 2016) . In line with the previous studies, the present study also demonstrated the importance of relationship quality in online retailing industry as a fundamental basis for implementing successful relationship. As the courier service providers learn to manage online entrepreneurs' relationship quality, the entrepreneurs will be more willing to maintain the relationship and secure the demand for the courier service provider for their products. The following discussion will present the antecedents of relationship quality.

The Antecedents of Relationship Quality

Of all the antecedents included in the analysis, only three emerged as significant predictors of relationship quality. These are service quality, price fairness and relationship benefits. As hypothesised, all these three antecedents have a positive influence on relationship quality. This information can be used by courier service providers to focus on those positive aspects of service, price and benefits in a working business relationship. However, the factors such as service recovery and relational dependence did not show significant effect on relationship quality.

5.3.2 The direct relations between service quality and relationship quality

Service quality is generally conceptualized as customer perceived judgement as a result from stages of evaluation and then they compare their expectations with the service received (Grönroos, 1984; Lewis, R. C., & Booms, 1983)

The result from the output of the algorithm and bootstrapping PLS-SEM confirms that there is a positively significant relationships between service quality and relationship quality. Therefore, this study found that service quality affects the quality of a relationship between online entrepreneurs and courier service providers.

This study is confirming that service quality is an important antecedents to relationship quality. In other words, the relationship between Service Quality and Relationship Quality will at last impacting the customer retention and word-of-mouth. The positive relationship between service quality and relationship quality is consistent with the previous studies done by Keating, Kriz, & Quazi (2011) and Lemy (2013). Similarly, the study by Carr (2006) also found the same evidence among the business-to-business in buyer relationship.

5.3.3 The direct relations between service recovery and relationship quality

In a service industry, service recovery is an important factor to contribute a superior performance for a firm because recovery related to performance where the service provider is able to provide better services to its customers. However, the present study findings demonstrated that service recovery is not significantly related to online entrepreneurs' relationship quality. This indicates that, even if the courier service provider gives service recovery in its operations for the online entrepreneurs, it will not have any impact on the relationship quality. In other words, it means that service recovery practiced by the courier service provider does not influence entrepreneurs' satisfaction, trust and commitment behaviour.

This study is contrasting to the findings in the previous research such as the ons by Andreassen, (2000), Ling & Ding (2006) and Ha and Jang (2009) who generally found that service recovery is related to increase relationship quality. But, this is a contribution that throw some lights in understanding the current working relationship between the courier service providers and online entrepreneurs. This could be related to the expectation of online entrepreneurs upon the current service recovery system not being met.

Another reason for the insignificant influence of service recovery on relationship quality is more likely due to online entrepreneurs' expectation towards service recovery as a basic supports from courier service providers rather than a contributing factor for relationship satisfaction.

The study done by Ha and Jang (2009) focused on the outcome failure (overcooked steak) in conceptualizing the service recovery. They stressed out that customers' perceptions on the effectiveness of recovery may depend on the type of service failure. As for this study, the type of service failure is process failure. Thus, it may be one of the factors contributing to the insignificant result of the present study.

5.3.4 The direct relations between price fairness and relationship quality

Price fairness refers to consumers' assessments of whether a seller's price is reasonable, acceptable or justifiable (Herrmann et al., 2007; Xia et al., 2004). It is related on whether the charges by the courier services provider is reasonable or not. The result of this study confirmed the hypothesized relationship between price fairness and relationship quality is positively significant. The result is consistent with the studies done by (Kaura, Prasad, & Sharma, 2015; W G Kim et al., 2006; Meng & Elliott, 2008) that a customer who is satisfied with supplier's prices related policies is more likely to be satisfied with the relationship with the supplier as compared to the one who is dissatisfied with the price elements. The results of this study revealed that fair price element by courier service provider positively affects the quality of the relationship with online entrepreneurs. Accordingly, the online entrepreneurs, or dealers who receive fair price support from the courier service providers considered the relationship to be more satisfying, trustworthy and committed.

Successful delivery charges depends to some extent on the consumers' perception of price fairness. If a courier service provider increases its delivery charges for no apparent reason, consumers may think they are being overcharged. Consumers are less likely to use a particular courier service provider if they believe the prices are unnecessarily high. Therefore, the courier service providers should consider price increase only if customers can be convinced that there is a justification for them. They should prove to online entrepreneurs that the benefits of the high-quality delivery service worth more than the amount they are being charged. Consequently, online entrepreneurs who have strong bonds with a courier service provider is likely to pay premium prices, spread a positive word-of-mouth and repeat the services.

5.3.5 The direct relations between relationship benefits and relationship quality

The study hypothesized that the relationship benefits has a significant relationship with relationship quality. A significant positive relationship between relationship benefits received by online entrepreneurs and their perceived relationship quality has been reported in this study. This means that the greater the relationship benefits such as confidence benefits, special treatment and social benefits received by the online entrepreneurs, the higher will be the satisfaction and commitment level of the entrepreneur's towards the service providers. This is probably due to the importance of value in relationship expected by partied involved in a relationship. Another reason is possibly because of the benefits obtained through the possession and control of resources that are valued by the other party.

In the case of online entrepreneurs' nature who worked dependently, they expect special treatments from service provider in delivering the products as expected by the customers. This finding validates the earlier study by Kim and Lee (2013) on the importance of various types of relationship benefits in causing quality in a working relationship.

Moreover, in order to sustain the relationship, courier service providers should focus on creating social benefits and special treatment benefits in order to improve the service relationship for the existing online entrepreneur. Social benefits can be created though personal recognition by employees, which assists in developing familiarity between the online entrepreneur and the courier services' employee, and the building of friendship between the courier service providers and online entrepreneur. The courier service providers need to focus on building relationships with online entrepreneurs by using the customer's name, recognizing them, and fostering the social aspects of the relationship. Special treatment benefits are associated with providing the regular customer with benefits that are unstructured. To regular customers, the courier service providers can provide price breaks or special deals that most customers will not get, they can offer faster service, or they can place the customer on a priority list.

5.3.6 The direct relations between relational dependence and relationship quality

The finding in the present study indicates that relational dependence is not related to online entrepreneurs' relationship quality. Specifically, the result shows that the perception of dependency of the online entrepreneur is not associated with their quality relationship with the courier service providers. This study is inconsistent with the findings in the previous studies by Hibbard et al., (2001); Lewis & Lambert, (1985) who generally found that the level of dependence are associated with relationship quality and satisfaction in business relationship.

The plausible explanations for the non-significant relationship between relational dependence and relationship quality satisfaction is related to the lesser dependence practice due to the availability of a number of alternative courier service providers resources needed by a firm, and the non- criticality of the resources to the online entrepreneurs. Thus, this indicates that online entrepreneurs believed that there are many other potential sources of supply and the possibility of developing a business with a new source of supply. Another plausible reason may be due to the cost of switching to a new courier service provider where for online entrepreneurs it could take a while for them to switch to a new courier service provider.

Relationship Quality and Consequences

Another interesting finding in the current study involves the consequences of relationship quality such as customer retention and word of mouth. The findings assert the theoretical relationship between relationship quality customer retention and word of mouth that is established in the relationship between buyer seller relationships. This is significant because it extends the knowledge of relationship quality between online entrepreneurs and courier service providers.

5.3.7 The direct relations between relationship quality and customer retention

Customer retention in this study is defined as the intention to stay in the relationship (Nirmalya Kumar et al., 1995). The results in this study support the contention that relationship quality influences customer retention. The findings revealed that relationship quality significantly influenced online entrepreneurs' retention to the courier service provider. Apparently, online entrepreneur considers relationship as an important prerequisite for retaining quality relationship. This is because satisfaction, trust and commitment are pillars and different episodes of the working relationship. The findings helped to articulate our understanding of relationship quality as components of satisfaction, trust and commitment lent strong acceptance of the common sense belief that it has a basis in retaining and maintaining the existing customer relationship.

It can be concluded that the findings of this study are in line with previous studies (J S Boles & Johnson, 2000; Garbarino & Johnson, 1999; Han & Hyun, 2015; W.G. Kim et al., 2001). The present study indicates that when online entrepreneurs are satisfied with the relationship, they tend to have a greater willingness to continue the existing business with their courier service providers.

At the same time, courier service providers may enhance the element of trust, satisfaction and commitment in managing the relationship with the online entrepreneurs. This can be done in the aspect of transactional and relational drivers. As for the transactional drivers, the courier service providers may reduce the number of the late deliveries of the parcels and offers a competitive price package for the regular customers. In the other end, the relational driver can be realized by the socialization skill of the courier service providers' employees. The employees should be trained as a part-time marketer for the company. Consequently, by integrating transactional and relational drivers the relationship quality for both parties is strengthened and customer retention is achieved.

5.3.8 The direct relations between relationship quality and word-of-mouth

Word-of-mouth refers to the extent to which customers recommend the firm and the service to others (Jean, 2001). It is related to the behaviour and attitude of the firm in spreading the words either the positive or the negative ones. The result of this study confirmed the hypothesized that the relationship between relationship quality and word-of-mouth is positively significant. This result is consistent with (Woo Gon Kim, Han, & Lee, 2001)in their which study indicated that customers who experienced a good relationship quality are more likely to spread a positive word-of-mouth about the particular business.

On the other hand, the study by Lee (2016) showed that relationship quality substantially influenced word-of-mouth and he stressed that relationship quality plays an important role in affecting customer's acquisition and retention. For instance, WOM instigates effective customer acquisition by positive business referrals. It reflects the act of loyalty by existing customers, which may lead to the continued support or consumption of the similar product or service. Hence, relationship quality is a strong predictor which leads to positive referrals as well as to sustain the relationship.

This study's finding also implies that once the online entrepreneurs experienced a valued relationship quality with the particular courier services provider, the chances are high that they will spread a positive word-of-mouth. This behavior and attitudes towards the particular courier service provider is important in order to attract more new prospects. Therefore, the courier service industry may sustain in the future.

5.4 Contributions of the research

The following section discusses the contribution of the study in the aspect of theoretical and practical.

5.4.1 Theoretical Contribution

Findings from this study have extended previous studies and thus, have contributed to new knowledge in supply chain and distribution channel research. The inclusion of service based variables and relational based variables, particularly in the context of online channel distribution involving firms that exchange in interdependent in nature.

It gives the extension of the knowledge online channel based firms relationship, specifically on how service providers can influence on enhancing their customers' quality of the business relationship. The theoretical value of this study is that it emphasized the relevance of using social exchange theory in explaining the concept of relationship quality which makes an important contribution to the growing literature of the relationships marketing field. This study enhances the perspective of social exchange perspective by integrating the constructs of operational based such as service quality, service recovery, price fairness and relational based factors such as relationship benefits and relational dependence.

Social exchange theory suggests that reciprocal exchange of positive and valuable behaviour enhance trust, commitment and satisfaction with the relationship. Hence, favourable exchange is expected to bring the firms closer together and foster a bonding relationship. Furthermore, closeness and quality based relationship between exchange parties would bring positive outcome such as retention and positive word of mouth. In other words, these assert the view in social science that people tend to appraise exchange relationships primarily on the basis of outcomes. This study also examines one of the key constructs of relationship marketing like relationship quality in terms of multidimensional (satisfaction, trust and commitment) rather than individual construct. Thus, the findings of this study support this assertion as well as raise the issues that relationship quality is multidimensional and it is antecedents by various factors.

Another interesting finding in the current study involves the consequences of relationship quality. The findings validate the theoretical suggestion that periodical episodes in relationship would lead to positive consequences such as retention and positive word of mouth. The significant relationship between relationship quality, retention and positive word of mouth extends the knowledge of relationship pillars in an online channel relationship.

Furthermore, the concept of relationship quality in terms of satisfaction, trust and commitment adds to the emerging understanding of the quality of working relationship between two parties and how these relationships can best be managed for maximum returns and benefits for both parties.

5.4.2 Managerial Implications

The results from this study demonstrated important relationship among the variables. These relationships provided several implications to the organizations. First, service quality is vital in order to have a quality relationship between the online entrepreneur and the courier service providers. This study provides a few key managerial implications on how courier service providers, in particular, can develop and manage their relationship with online entrepreneurs in an a better way. Any two firms involved in a relationship to achieve mutual goals by reciprocal behaviour and exchange in establishing and maintaining their relationship for long term.

Understanding of online entrepreneur's expectation in building a quality relationship is important to the courier service providers. First, a service provider could able to improve their own levels of sales and company performance by enhancing better value to the online entrepreneur, which means that when online entrepreneurs' satisfaction, trust and commitment are improved, it will lead to the increase in the demand for courier service. Secondly, managing a successful relationship becomes relevant because of the concern given to the importance of relational based business which appears to be emphasised in current business competencies, especially in a country like Malaysia, where collectivism and social values are embedded in business transaction.

These findings of the relative importance among the antecedent variables that determine relationship quality can be used by courier service providers in managing a successful relationship with online entrepreneurs. Specifically, this study found that the importance of service quality, price fairness and relationship benefits given by the courier service providers to online entrepreneur as the most important predictor of relationship quality. Thus, the courier service providers can realign their service quality effort such as by providing services as promised, giving timely information and assurance of services, and customer oriented employees in dealing with online entrepreneurs. Furthermore, the courier service providers must focus on price fairness as compared to the existing alternative service provider in order to maintain the existing relationship and gain demand from the online entrepreneurs.

The finding of the present study exhibited that courier service providers should give various benefits such as special treatment, friendliness and social values in a relationship which is the basis for strengthening the relationship quality. At the same time, they should be aware that service recovery and relational dependence are still relevant to online entrepreneurs but are unable to influence their relationship quality. Thus, more efforts are needed to make sure that their recovery system and process are improved than the current service recovery approach in order to maintain the existing relationship with online entrepreneurs.

5.5 Limitations of the Study and Directions for Future Research

Although this study has provided supports for the hypothesized relationships between variables, the results have to be interpreted by taking into consideration the study limitation. The first limitation can be seen in the aspect of the research design. The current is a cross sectional study and does not allow causal interference to be consistent over time. Thus, it is suggested that future research needs to be undertaken using a longitudinal design to test the theoretical constructs at different points of time in order to strengthen the result of this study.

The second limitation lies in the background of the respondents. The respondents consist of the online entrepreneurs who have registered as an enterprise company but does not allow generalization for all the online retailers in this industry. Therefore, the findings of the study should be interpreted in the limited context of the studied respondents only. However, this study can be replicated within other online retailing setting i.e. in terms of the organizational structures that differ in terms of resources to shed some light on the antecedents and outcomes of the relationship quality.

The third limitation of this study is in the aspect of the age group. The majority of the respondents are ranging from the age of 20-30 years old. This indicates that the respondents are young. However, there are opportunities to tap this study to the respondent with different age group, for example the teenager age ranging from 13 years old to 19 years old. Thus, future study may bring the findings in a different perspective.

The fourth limitation of this study is the imbalance in the gender of the respondents. It can be seen that there is a high number of female respondents (69.2%) compared to the male respondents (30.8%). The different composite of gender may bias the result. Hence, in the future the study, future researchers should concentrate on the composition of both male and female equally.

5.6 Conclusion

Basically the research objectives had been realized and research questions were answered regardless of several limitations in the study. The findings answered all research questions which accomplished the objectives of this study. This study has provided empirical evidence of the relationship between service quality, service recovery, price fairness, relationship benefits, relational dependence in influencing relationship quality. In addition, this study examines the interaction between relationship quality, customer retention and word-of-mouth.

Although research in relationship quality is plenty in social sciences study, this research still contributes to the literature on relationship quality in Malaysian context. The Social Exchange Theory has been drawn as the foundation for this study. Besides theoretical contributions, the results from this study also provide some practical implications especially in order to strategize the business. There are also a number of recommendations for future research, such as identifying other antecedents and outcomes of relationship quality. Overall, this study added to previous knowledge about factors that contribute to relationship quality, and its outcomes..

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APPENDICES

Appendix A: Research Questionnaire

MAIL SURVEY COVER LETTER

Dear Survey Recipient:

I am a doctoral candidate at School of Business Management, Universiti Utara Malaysia. Currently, I am conducting a study on relationship quality between the online entrepreneurs and courier services provider. For the purpose of this study, your organization has been chosen as one of the survey respondent. Therefore, I would like to ask your assistance in completing the attached questionnaire. The results from this study will be used to complete my PhD thesis.

The study being conducted in order to understand retailer-supplier relationships in order to provide your organization with ideas on how to maintain and improve relationships with the suppliers specifically the courier services provider. I believe it is important to look at the quality of retailer-supplier relationships from your points of view. I am hoping that your experience will provide me with valuable insights into the nature of this relationship.

The attached survey should not be difficult to complete and should not take more than 15-20 minutes to finish. You only need to circle the answers and answer a few short questions. A postage paid envelope has been included for you to return the completed survey. Returning the questionnaire is your consent to participate.

Your participation in this survey is voluntarily and you are not obliged to answer any question which you feel uncomfortable. All responses will remain confidential. Along with this, I attached a complimentary souvenir as a gesture of my appreciation for your time, attention and cooperation. I would also like to express my gratitude and happy to share the results of this study with you when it is completed. If you are interested in receiving a copy of the results, do attach your business card to the survey when returning in to me.

I would appreciate if you could complete this survey as soon as possible and preferably within a week of receiving it. Thank you so much for taking time to read this letter and I hope you can find time to complete the attached survey. Should you have any query, please call me at 019-4422257 or email at irahdin@uum.edu.my.

Your sincerely,

……………………………………….

Munirah binti Khamarudin
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MAIL SURVEY QUESTIONNAIRE

Dear respondent, please bear in mind that this study is completely voluntarily and confidential. All of your responses shall not be revealed to your suppliers, employers and competitors. In retailer-supplier relationships, retailers and suppliers can be different in terms of their dependency upon each other. Please think of ONE courier services provider with whom you have been doing business for more than six months, or who accounted for at least 10% of business transacted with you during the past six months or you can even think

Research on Courier Services Provider Relationship Quality

This questionnaire seeks information regarding the courier services provider relationship quality from online entrepreneurs' perspective. All the information provided is meant for research purposes only and will be treated with strictest confidentially by the researcher. Names will never appear in any written form. Please answer all questions using the guidelines provided in each section. Thank you for participation. **Please state (/) for your answers.**

Section 1: Profile of respondent

1. Gender

	Male
	Female

2. Age: ______.

3. Highest education level.

	SPM/STPM
	Diploma
	Degree
	Master/PhD

4. How many years in selling product online? ________ years.

5. Type of product/services.

	Clothing
	Cosmetics
	Wedding planner
	Travel agent
	Mobile phone and accessories
	Electrical appliances
	Handbags
	Other:

6. Type of social media used:

	Facebook
	Instagram
	Blogs
	Tweeter
	Other:

7. Which courier services provider you mostly used during the past 12 months:

Frequency / Company	Everyday	Once a week	Fortnightly	Monthly
Pos Laju				
Nationwide				
Skynet				
Fedex				
Other:				

Section2: Relationship Quality (RQ) - Please circle (O) for your answers.

Please assess the following statement to describe your feeling towards the courier services provider **with reference on question 7 in Section 1 (Most frequent used).**

		Strongly Disagree				Strongly Agree
T1	We can count of this courier services provider through on commitments.	1	2	3	4	5
T2	There is no hidden agendas in this relationship.	1	2	3	4	5
T3	We respect this company's judgement.	1	2	3	4	5
T4	We trust each other.	1	2	3	4	5
T5	We think this company would try to take advantage of our relationship	1	2	3	4	5
S1	Overall, we believe that we are both quite satisfied with our working relationship.	1	2	3	4	5
S2	This is among the best relationships that we've experienced.	1	2	3	4	5
S3	We think this courier services provider is pleased with our relationship.	1	2	3	4	5
S4	We would say our relationship couldn't be much better.	1	2	3	4	5
S5	We are not happy with this relationship.	1	2	3	4	5
C1	We believed that we are both committed to this relationship.	1	2	3	4	5
C2	We have a strong sense of loyalty to this courier service provider.	1	2	3	4	5
C3	This courier service provider is prepared to make short-term sacrifices to maintain our relationship.	1	2	3	4	5
C4	We believed we both view our relationship as a long-term partnership.	1	2	3	4	5

Section 3: Service Quality

Please assess the service quality you have with your courier service provider **with reference on question 7 in Section 1 (Most frequent used).**

		Strongly Disagree				Strongly Agree
R1	The courier services provider provides services as promised.	1	2	3	4	5
R2	The courier services provider is dependable in handling customers' service problems.	1	2	3	4	5
R3	The courier services provider performs services right the first time.	1	2	3	4	5
R4	The courier services provider provides services at the promised time.	1	2	3	4	5
R5	The courier services provider maintains error-free records.	1	2	3	4	5
RP1	The courier services provider keeps customers informed about when services will be performed.	1	2	3	4	5
RP2	The courier services provider has a prompt service to customers.	1	2	3	4	5
RP3	The courier services provider is willing to help customers.	1	2	3	4	5
RP4	The courier services provider is ready to respond to customers' requests.	1	2	3	4	5
A1	The employees instill confidence in customers.	1	2	3	4	5
A2	The employees always make customers feel safe in their transactions.	1	2	3	4	5
A3	The employees are consistently courteous	1	2	3	4	5

A4	The employees have the knowledge to answer customer questions.	1	2	3	4	5
E1	The employees give customers individual attention.	1	2	3	4	5
E2	The employees who deal with us always show that they care.	1	2	3	4	5
E3	The employees always have the customer’s best interest at heart.	1	2	3	4	5
E4	The employees always understand my needs as their customers.	1	2	3	4	5
E5	The courier services provider has convenient business hours.	1	2	3	4	5
T1	The courier services provider have up-to-date equipment	1	2	3	4	5
T2	The physical facilities are visually appealing	1	2	3	4	5
T3	The employees look neat and professional in appearance.	1	2	3	4	5
T4	The appearances of the physical facilities are associated with the service.	1	2	3	4	5

Section 4: Service Recovery

Please assess the service recovery you have with your courier service provider **with reference on question 7 in Section 1 (Most frequent used).**

The following question is related to your **expectation** towards the courier services provider when there is a failure.

When you for the first time contacted the courier services provider (verbally or by writing) in relation to your complaint:

		Low degree				High degree
SR1	To which degree were you counting on that company to give you a good explanation for what happened?	1	2	3	4	5
SR2	To which degree were you counting on that company to apologize for what happened?	1	2	3	4	5
SR3	To which degree were you counting on that company to show understanding for your complaint?	1	2	3	4	5
SR4	To which degree were you counting on that company to do anything in its capacity to make you satisfied?	1	2	3	4	5

Section 5: Price fairness

Please assess the price fairness you experienced with your courier service provider **with reference on question 7 in Section 1 (Most frequent used).**

		Very Unfair				Very Fair
PF1	How fair was the parcel charges charged by the courier services provider?	1	2	3	4	5

		Strongly Disagree				Strongly Agree
PF2	The price that were charged for the parcel represents a fair price.	1	2	3	4	5

		Very Unacceptable				Very Acceptable
PF3	How acceptable if the courier services provider charged your company more than the other companies?	1	2	3	4	5

Section6: Relationship benefits

Please assess the relationship benefits you experienced with courier services provider **with reference on question 7 in Section 1 (Most frequent used).**

		Strongly Disagree				Strongly Agree
CB1	We know what to expect when we go in the couriers services office.	1	2	3	4	5
CB2	This courier services provider employees are perfectly honest.	1	2	3	4	5
CB3	This courier services provider employees can be trusted completely	1	2	3	4	5
CB4	This courier services provider employees have high integrity	1	2	3	4	5
SB1	We are recognized by certain employees.	1	2	3	4	5
SB2	We enjoy certain social aspects of the relationship.	1	2	3	4	5
SB3	We have developed a friendship with the courier service provider.	1	2	3	4	5
SB4	We are familiar with the employee(s) that perform(s) the services.	1	2	3	4	5
SB5	They know our names.	1	2	3	4	5
STB1	We get faster service than most customers.	1	2	3	4	5
STB2	We are usually placed higher on the priority list when there is a line.	1	2	3	4	5

STB3	They do services for us that they don't do for most customers	1	2	3	4	5
STB4	We get discounts or special deals that most customers don't get.	1	2	3	4	5

Section7: Relational Dependence

Please assess the relational dependence you experienced with courier services provider **with reference on question 7 in Section 1 (Most frequent used).**

		Strongly Disagree				Strongly Agree
RD1	This courier services provider is important to our business.	1	2	3	4	5
RD2	This courier services provider has services that provide us with a breadth of options.	1	2	3	4	5
RD3	This courier services provider is critical to our future financial performance	1	2	3	4	5
RD4	This courier services provider has a relationship with us that is critical to achieving the goals of our practice.	1	2	3	4	5
RD5	This courier services provider has services on which we depend to deliver our products to the customer.	1	2	3	4	5
RD6	This courier services provider has services that if no longer available, would have a negative effect on our businesses.	1	2	3	4	5

Section 8: Customer retention

Please assess the likely of customer retention of courier services provider **with reference on question 7 in Section 1(Most frequent used).**

		Strongly Disagree				Strongly Agree
CR1	We expect our relationship with the courier services provider to continue for a long time.	1	2	3	4	5
CR2	Renewal of relationship with the courier services provider is virtually automatic.	1	2	3	4	5
CR3	It is unlikely that our firm will still be doing business with this company services in 2 years.	1	2	3	4	5

Section 9: Word-of-mouth

Please assess the likely of word-of-mouth of courier services provider **with reference on question 7 in Section 1(Most frequent used).**

		Strongly Disagree				Strongly agree
WOM1	We will say positive things about the courier services provider to others.	1	2	3	4	5
WOM2	We will recommend this courier services provider to someone who seeks my advice.	1	2	3	4	5
WOM3	We will encourage friends and relatives to do business with this courier services provider.	1	2	3	4	5
WOM4	We will consider this courier services provider as our first priority.	1	2	3	4	5
WOM5	We will do more business with this courier services provider in the next few years.	1	2	3	4	5

THANK YOU FOR YOUR COOPERATION

Appendix B:Descriptive Statistics for Demographic Variables

GENDER

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	male	36	30.8	30.8	30.8
	female	81	69.2	69.2	100.0
	Total	117	100.0	100.0	

AGE

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	20-25	33	28.2	28.2	28.2
	26-30	53	45.3	45.3	73.5
	31-35	24	20.5	20.5	94.0
	Above 36	7	6.0	6.0	100.0
	Total	117	100.0	100.0	

EDUCATION

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	SPM/STPM	30	25.6	25.6	25.6
	Diploma	41	35.0	35.0	60.7
	Degree	45	38.5	38.5	99.1
	Master/Phd	1	.9	.9	100.0
	Total	117	100.0	100.0	

YEARS

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	1.00	13	11.1	11.1	11.1
	2.00	28	23.9	23.9	35.0
	3.00	26	22.2	22.2	57.3
	4.00	18	15.4	15.4	72.6
	5.00	19	16.2	16.2	88.9
	6.00	6	5.1	5.1	94.0
	7.00	3	2.6	2.6	96.6
	8.00	3	2.6	2.6	99.1
	10.00	1	.9	.9	100.0
	Total	117	100.0	100.0	

Appendix C: Test of Harman's Single factor

Total Variance Explained

Component	Initial Eigenvalues Total	Initial Eigenvalues % of Variance	Initial Eigenvalues Cumulative %	Extraction Sums of Squared Loadings Total	Extraction Sums of Squared Loadings % of Variance	Extraction Sums of Squared Loadings Cumulative %
1	12.702	18.146	18.146	12.702	18.146	18.146
2	6.959	9.941	28.087			
3	4.118	5.883	33.970			
4	3.710	5.299	39.269			
5	2.890	4.129	43.398			
6	2.587	3.696	47.094			
7	2.122	3.032	50.126			
8	2.069	2.955	53.081			
9	1.833	2.618	55.700			
10	1.727	2.467	58.167			
11	1.661	2.373	60.540			
12	1.643	2.346	62.886			
13	1.432	2.045	64.932			
14	1.380	1.971	66.903			
15	1.336	1.909	68.812			
16	1.247	1.782	70.593			
17	1.138	1.626	72.219			
18	1.088	1.554	73.773			
19	1.010	1.443	75.216			
20	.955	1.364	76.580			
21	.948	1.355	77.935			
22	.892	1.275	79.209			
23	.849	1.213	80.423			

24	.789	1.128	81.550			
25	.770	1.100	82.650			
26	.711	1.015	83.665			
27	.700	1.001	84.665			
28	.667	.953	85.618			
29	.652	.932	86.550			
30	.596	.852	87.402			
31	.585	.836	88.238			
32	.542	.774	89.011			
33	.512	.732	89.743			
34	.500	.714	90.457			
35	.460	.658	91.115			
36	.437	.624	91.738			
37	.409	.585	92.323			
38	.398	.569	92.892			
39	.387	.552	93.444			
40	.359	.512	93.956			
41	.339	.485	94.441			
42	.312	.446	94.887			
43	.300	.429	95.315			
44	.273	.390	95.705			
45	.263	.375	96.080			
46	.237	.338	96.419			
47	.229	.328	96.746			
48	.213	.305	97.051			
49	.196	.280	97.331			
50	.188	.269	97.600			
51	.175	.251	97.850			
52	.157	.224	98.074			
53	.142	.203	98.278			

54	.135	.193	98.470			
55	.132	.189	98.659			
56	.117	.167	98.826			
57	.108	.154	98.981			
58	.108	.154	99.134			
59	.085	.122	99.256			
60	.085	.121	99.378			
61	.080	.114	99.492			
62	.075	.107	99.599			
63	.059	.084	99.682			
64	.050	.072	99.754			
65	.042	.059	99.813			
66	.035	.050	99.864			
67	.032	.046	99.910			
68	.028	.040	99.950			
69	.021	.030	99.980			
70	.014	.020	100.000			

Extraction Method: Principal Component Analysis.