

# Buyer Perceptions, Relationship Commitment by Dr. Masato Abe

## ABSTRACT

This study examines industrial buyer-supplier relationships in an Eastern business setting, the automotive parts industry in Thailand. Study objectives are to: 1) replicate and extend previous research on buyer-supplier relationships to supply chains in an Eastern developing country, 2) operationalize and test a conceptual model of relationship commitment containing antecedents and consequences hypothesized as relevant in Eastern and Western business settings; 3) compare relative effects of Eastern relational antecedents with Western economic antecedents; and 4) suggest directions for future research on buyer-supplier relationships in Eastern and Western settings.

The study's conceptual model contains nine latent constructs, chosen on the basis of a grounded theory study set in the Thai electronics industry; a review of Western literature on buyer-supplier relationships, supply chain management, and national cultures; and two phases of qualitative interviews with automotive parts manufacturers in Thailand. The conceptual model posits relationships between buyers' perceptions of a buyer-supplier relationship and buyer behaviors in the relationship, mediated by three construct forms of attitudinal commitment—calculative commitment, obligational commitment, and affective commitment. The model represents buyers' perceptions by four exogenous constructs: mutual prosperity, conflict, supplier importance, and supplier performance. The first two are central from an Eastern cultural perspective and the second two are central from a Western cultural perspective. Buyers' behaviors are represented by two endogenous constructs: cooperation (Eastern cultural perspective) and opportunism (Western cultural perspective). Model hypotheses are tested by structural equation modeling using *Amos 4.01* and survey data collected from 201 Thai buyers employed at Japanese automotive parts manufacturers in Thailand in 2004.

Results show an adequate fit of model to data. Hypotheses are generally supported and indicate substantive total, direct, and indirect affects among the nine constructs. Exogenous constructs generally show larger effects than the three construct forms of attitudinal commitment on cooperation and opportunism. Commitment mediates many relationships between buyer perception constructs and buyer behavior constructs. The three construct forms of commitment influence buyer behaviors differently. While calculative and affective commitment foster a collaborative buyer-supplier relationship, obligational commitment negatively impacts the relationship by enhancing the buyer's opportunistic behaviors. Eastern relational variables have a greater impact on buyer behaviors than do Western economic variables. The study concludes that different effects between the two groups of constructs are attributable to Eastern collectivist cultures that are distinct from Western individualist cultures in many aspects. In particular, relational constructs—mutual prosperity and conflict—show an ability to regulate opportunism, a function usually explained by economic based constructs in the Western marketing literature.

The conceptual framework and empirical results of this study contribute to literature on buyer-supplier relationships, especially to relationship commitment theory, relational exchange theory, and transaction cost economics. The framework and results contribute to business practices for effective supply chain management in an Eastern cultural setting. The study concludes by suggesting future research topics on buyer-supplier relationships.