Dedicated With Love

To: Mimi and Max
Acknowledgements

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Abstract

Significant work has taken place in the development of our understanding of business dyadic relationships but much work remains to be done in determining the antecedents, particularly our understanding of cultural contexts. This research aims to add to the debate about what counts in developing a long-term orientation in channel relationships by investigating the role of the concept of market orientation; it explores the possible interface existing between the marketing concept and development of channel relationships. The context is relationships between distributors and suppliers in Taiwan. This study examines the relationship literature from a social exchange theoretical perspective and conducts multiple-case in-depth interviews at the dyadic ends to develop an integrated research model for analysing potential effects of market orientation on the relationship factors influencing long-term oriented relationship building.

Quantitative mixed-mode questionnaire surveys were undertaken to test the research model and hypotheses drawn from the model. Data were collected from 158 distributors from four selected business sectors, including both commodity and noncommodity ones. The results confirm the applicability of the marketing concept to an eastern country: Taiwan, and provide empirical evidence that adoption of the marketing concept can be a strategy for stimulating and sustaining long-term oriented channel relationships while mediated by a number of relationship constructs. Communication and shared value are highlighted as the primary mediators while satisfaction signals an inclination to continue a relationship. Market orientation is found to exert significant direct effects on communication and shared value and
indirect effects on the other relationship components: trust, cooperation, commitment, conflict and satisfaction, which all contribute to a continuing relationship.

Keywords: channel relationships, relationship marketing, market orientation, social exchange theory, mediating relationship constructs, Taiwan
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