Correlation Analysis on Buyer-Seller Relationship in Malaysia: With Reference to Similarity and Relationship in Managerial and Quality Perspective

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Abstract: Literature review reveals that there is a need for further research in the area of similarity-attraction paradigm impact on relationship management and relationship quality, especially from the perspective of purchasing professional and sales representatives. The population for this study comprised of all the purchasing personnel from the companies that are listed on the main and second board of Bursa Malaysia. 162 responses have been successfully collected. The reliability for the items and scales used in the questionnaire is 95.8%. By using correlation analysis from the SPSS program, the results have shown that there are significant relationship between the variables in Similarity and Relationship Management, and also between the variables in Similarity and Relationship Quality. Similarity in work attitudes has been found to have the most significant impact on relationship management and quality. Therefore, findings from this study is hoped to give contribution to knowledge especially in the role of Similarity in marketing relationships. Besides, this study will have some managerial implications, which will help management to determine an effective way of managing relationships and to improve the quality of the buyer-seller relationships.

Keywords: Buyer-seller, relationship, similarity, management, quality.

1. Introduction
Rapidly changing competitive environments are forcing business marketing firms to seek more creative and flexible means for meeting competition. Many firms have responded to these challenges by building collaborative relationships with customers and suppliers [1].

Both operationally and theoretically, the word relationship is poorly defined [2]. Fundamentally, a relationship may be seen to exist in an operational context, where the relationship is created through a series of episodes, so that in the buying of a service at least two encounters are required before a relationship exists [3]. This position is further developed by Barners 1997 [4], who suggest that before a relationship may be said to exist, both parties must mutually perceive that the relationship exists and the relationship must be characterised by a special status.

As many of the professions have adopted a marketing orientation in recent times, there has emerged a strong emphasis on the need for effective management of client relationships [5]. If we are to succeed, relationship marketing is no longer something we can choose, or not choose, but to implement. Relationship marketing and a focus on quality are now essential elements of our everyday work. Researches in service marketing and international business have stressed the significance of buyer-seller interactions and long-term relationships [1]. Zineldin 1995 [6] stressed that the relationship between buyers and sellers in industrial markets has another character, which says that both buyer and seller are active participants in the market; the relationship between them is frequently long-term, close, and involves a complex pattern of interaction between and within each company. The relationship must be win-win if it is going to be a long-term and constructive relationship; all parties involved co-produce value and must derive individual value out of the relationship. Relationship quality describes the overall depth and climate of a relationship [7].

Similarity represents an important basis of interpersonal attraction and consequently, of social integration and cohesion. Research confirms that salespeople or service representatives who are perceived as being similar to their customers are more influential in changing attitudes and opinions than dissimilar
2. Research objective

This study will address the relationship linking Similarity to the Management and Quality of working relationships between purchasing professional and sales representatives.

3. Literature review

The approaches to supplier chain management in the industrial marketing and literature saying that partnership in supply chain relationship are clearly a very powerful strategy. It encourages a joint approach to problems and it can lead to reductions in costs, improvements in quality. Robinson 2000 [10], points out that Customer Relationship Management (CRM) is an inclusive concept; referring to the applications business can use to manage any and all aspects of customer encounters.

Relationship management is the extent, to which parties have the orientation or behavioural tendency to actively cultivate and maintain close working relationships. It is a high-order construct representing the mix of behaviours, approaches, and styles used to manage relationships effectively [11]. Many facets of relationship management have received research attention as determinants of effective work relationships [12] [13] [14]. But three stand out as being particularly relevant: relationship investments, open communication, and relationalism.

Relationship investments are the resources, efforts, and attention devoted to a relationship that do not have outside value [15]. Open communication is the extent to which buyers and sellers communicate openly, sincerely, and substantively with customers, either formally or informally [13]. Relationalism is the extent to which relaters actively and purposefully manage their relationship and promote behaviours to maintain or improve the relationship [16].

The more general concept of relationship quality describes the overall depth and climate of a relationship. Additionally, relationship quality refers to a customer’s perceptions of how well the whole relationship fulfills the expectations, predictions, goals, and desires the customer has concerning the whole relationship [7]. Satisfaction, the emotional state that occurs in response to an evaluation of interaction experiences in relation to alternatives [17], serves to strengthen the bonds of trust. Commitment is an enduring desire to maintain a valued relationship [18].

Similarity-attraction theory [19], social identity theory [20], and self-categorization theory [21] combine to argue that people are attracted to, prefer, and support relationships with similar others in order to reinforce their self-esteem and maintain balance or congruity in self-identity. The work on similarity demonstrates that it is one of the most important factors affecting liking. In fact, if two people who do not know each other should meet, probably the single most important factor determining whether or not they will like each other is how similar they are. In other words, similarity increases the possibility that two people will reward and reinforce each other directly and will share rewarding experiences. Thus, people tend to like others who reward them or who are associated with pleasant experiences.

Drawing on studies of homophily [22] [23] and relational demography [19], this study focuses on four aspects of similarity. There are similarities in life stage, culture, work attitudes, and personality.

4. Theoretical framework and hypotheses:

Figure 1: Conceptual Model for Similarity, Relationship Management and Relationship Quality.
Figure 1 illustrates a conceptual model for three important aspects: Similarity, Relationship Management and Relationship Quality. This study focuses on four facets of similarity, which are life stage, cultural background, work attitudes, and personality. Relationship management is being manifested in three related constructs of relationship investment, open communication, and relationalism. And as for relationship quality, it is also being manifested in three related constructs of trust, satisfaction, and commitment.

Therefore, two hypotheses have been formed to determine the significance of the three aspects mentioned above. Then, each of the hypotheses formed is separated into some sub-divisions or small hypotheses in order to have a better understanding towards their relationships between these variables. The two main hypotheses are:

\[ H_1: \text{Similarity (in life stage, cultural background, work attitudes, and personality) has significant impact on Relationship Management (relationship investment, open communication, and relationalism).} \]

\[ H_2: \text{Similarity (in life stage, cultural background, work attitudes, and personality) has significant impact on Relationship Quality (trust, satisfaction, and commitment).} \]

5. Methodology

This is a field study and it is analytical in nature because this study attempts to analyse the relationships between the dependent and independent variables. The population for this study comprised of purchasing personnel in all of the companies that are listed on main board and second board of Bursa Malaysia. The unit of analysis will be individual: each purchasing personnel and sales representative as one unit. The items used in the questionnaire are measured with 5-point Likert-type.

6. Discussion

Based on the research objective, reliability test and correlations analysis from SPSS program were carried out. The reliability of the items and scales used in the questionnaire (in 42 questions) is 95.8%.

Findings from the correlation analysis indicate that there is a significant relationship between variables similarity and relationship management under hypothesis 1 (H1). It is found that all these variables under H1 have significant impacts among each other. As for hypothesis 2, the results from correlation analysis also show that all the variables analysed, which are among the variables from similarity and relationship quality, have significant relationships. Both hypotheses are accepted. In other words, Similarity in life stage, cultural background, work attitudes, and personality, which exist between purchasing personnel and sales representative, is found to be giving positive impacts on Relationship Management and Relationship Quality.

From the results obtained, the total sum of correlation coefficient for similarity in work attitudes is the highest compared to the other aspects of similarity examined in this study (Table 1 and Table 2). As overall, similarity in work attitudes among purchasing personnel and sales representative has stronger and more significant relationship towards relationship management and relationship quality.

Similarities found between purchasing personnel and sales representative, especially in work attitudes has a positive impact on relationship management and quality. It is believed that when a buyer and a seller have similar work attitudes, they tend to cooperate better since they are more willing to respect and accept each other opinions. Thus, they are more likely to support and agree with each other way of handling and solving their work tasks. This may be due to they both are having the same principles, attitudes, and methods of working. Therefore, they can communicate more easily and openly, so that they can manage their relationship more effectively, as well as improving their working relationship’s quality.

However, similarity in aspects of personality, cultural background, and life stage should not be neglected. This is because of the results have shown that there are significant relationships among the variables from similarity and relationship management and relationship quality. This is why all these three aspects of similarity will also be discussed here.

Table 1: Correlation coefficient between Similarity and Relationship Management.

<table>
<thead>
<tr>
<th>Similarity</th>
<th>Relationship Investment</th>
<th>Open Communication</th>
<th>Relationalism</th>
</tr>
</thead>
<tbody>
<tr>
<td>Life Stage</td>
<td>.153*</td>
<td>.183*</td>
<td>.253*</td>
</tr>
<tr>
<td>Culture Background</td>
<td>.280**</td>
<td>.305**</td>
<td>.407**</td>
</tr>
<tr>
<td>Work Attitudes</td>
<td>.475**</td>
<td>.281**</td>
<td>.519**</td>
</tr>
<tr>
<td>Personality</td>
<td>.384**</td>
<td>.190**</td>
<td>.433**</td>
</tr>
</tbody>
</table>
Table 2: Correlation coefficient between Similarity and Relationship Quality.

<table>
<thead>
<tr>
<th>Similarity</th>
<th>Relationship</th>
<th>Quality</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Trust</td>
<td>Satisfaction</td>
</tr>
<tr>
<td>Life Stage</td>
<td>.329*</td>
<td>.303*</td>
</tr>
<tr>
<td>Culture</td>
<td>.404**</td>
<td>.401**</td>
</tr>
<tr>
<td>Background</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Work</td>
<td>.445**</td>
<td>.546**</td>
</tr>
<tr>
<td>Attitudes</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Personality</td>
<td>.391**</td>
<td>.476**</td>
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Similarity in personality enables two different individual become closer and yet they may get to know each other more. It has been predicted that those individual with the same thinking, style, and behaviour will more likely to attract each other attention and are easier to develop a good and long-term relationship. When a relationship gets better, both individual will be more able to manage their relationship in the most effective way.

Besides, similar personality may possibly help a person to predict and know more accurately about the thinking and actions that might be taken by the other person, whom is seen to be have similar with him. Consequently, trust is built and they feel more comfortable with each other. This may lead to satisfaction among them, and also may boost their willingness to put commitment into the relationship. Surely, it will help to improve their relationship quality.

Through interactions and relationships with individuals that have similar cultural background, things or actions that are sensitive and might irritate or annoy others’ feeling can be avoided. Besides that, individuals with the same cultural background are more able to know and understand each other’s cultural, and therefore can be more aware of what or how to communicate in the most respective way. This will increase the feeling of comfort whenever they are dealing with each other. They do not have to feel anxious or uncertainty about their actions taken, and lower the risks of having anyone of them getting hurt or feel disrespected.

The last aspect of similarity discussed here is the similarity in life stage. This similarity includes one’s biography such as age, marital status, family background, and also life experiences that he or she had. It is said that this similarity smoothens the interaction between two individuals, because differences or gaps in life stage, for examples, differences in age and marital status between two person might act as a barrier that stops them from taking further initiatives to know each other more. In the other hand, similarity in life stage between two people, such as both of them have been going through some same life experiences, this might encourage them to share among themselves and some common topics can be created and discussed more often. Thus, this might help to build a closeness and comfortable friendship.

Buyer and seller, who have similarity in these aspects mentioned above, are found to have gained some advantages. For this study, the purchasing personnel who have similarities with their sales representatives are noticed to have the priority to get better quality and receive their order on time. It has been known that human tend to become bias and give more priorities to persons they like, by providing more good services or treatments to whom they are closed to. So, similarity could make two people that are alike to start to like each other more, and built a more intimate and sincere relationship. As a result, the benefits or priorities of the purchasing officers will always be guaranteed in such relationship.

7. Conclusion

From the findings, the management in an organization can plan an effective and suitable strategy to improve their relationship quality with other organizations. A close buyer-seller relationship (individual level), with each buyer and seller comes from different companies can help to maintain a good relationship among their companies (organizational level). A representative either in purchasing or from sales department is being recognized as an essential “tool” for his or her company to improve the relationship management and quality with other companies.

Hence, it is important to employ a suitable candidate to represent the firm in order to manage any business transaction with other firms, as well as maintains and improves relationship quality. This study is hoped to give some managerial implications and provides ideas toward understanding in similarity paradigm on buyer-seller relationships. Therefore, the management of a company may apply this knowledge into recognizing criteria needed in choosing and determining the most suitable person to become their representative, according to the similarities the representative shared with the representative from the other company.

Similarity between buyer and seller in the contexts of life stage, cultural background, work attitudes, and personality, have been found to have different impacts on aspects of relationship investment, open communication, relationalism, trust, satisfaction, and commitment. Based on the output
from correlation analysis, the management should pay more attention on those relationships that are significant and those with the highest coefficient of correlation. This will provide ideas and knowledge in this area especially to further understand the significant role played by similarity in relationship marketing.

Purchasing personnel and sales representative that have similar attitudes are found to have significant impact and having the highest score of correlation coefficient on relationship management and relationship quality. Most probably the similarity in work attitudes between them can help to boost up their cooperation, since they are more likely to support each other opinions. Besides, this similarity may prevent any misunderstanding and arguments that might occur during their business transactions. Consequently, they both can look forward to have a smooth and satisfied relationship management, as well as improve their relationship quality.

The quality movement has consistently, from Deming 1986 [24] to current advocates, focused upon the customer and giving superb customer service. It seems reasonable, therefore, to expect that increasing quality management maturity will lead to more extensive and effective use of customer relationship management in meeting customer needs. Some organizations appear to adopt quality management programs only superficially giving more “lip service” than real use, while others buy far more fully into quality management and its philosophies. On the other hand, positive impact is likely to be seen too when there is improvements on the process of relationship management. It has also been said that increased in relationship management will lead to increased in relationship quality. This is due to a good and effective management of relationship can help to tighten and stronger a relationship. Feelings of trust, satisfaction, and commitment will then develop, and might lead to improvement in relationship quality.

As a whole, similarity shared between purchasing personnel and sales representative enables the management of relationship becomes smoother and easier, as well as improving their relationship quality. Recognition and understanding in similarity might give some managerial implications to company, in order to improve their relationship quality with other companies by selecting the right person to represent their company.

Withheld of this understanding, the company can plan and choose the most suitable representative, by giving more attention on similarity in work attitudes. This study is hoped to provide a new idea to company in rearrange and improve the way they manage their relationship with other companies. It has been found that good relationship management in individual level (buyer and seller) can help to build closer relationship among organizational level (company and company). This is mainly because of good management of relationship can ensure a better and more effective buyer-seller relationship. Consequently, this will also ensure that these relationships become smoother and last longer.

8. References

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