THE UNIVERSITY OF HULL

Guanxi-Type Relationships (*Shabakat Al-alakat*) and Relationship Marketing: New Linkages in the Egyptian SME Sector

being a Thesis submitted for the degree of Doctor of Philosophy
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by

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Dedication

This thesis is dedicated to

The Egyptian martyrs of the 25th January Revolution
Egypt's blooming flowers who allow us to breathe the fresh air of freedom

My Father and Mother

My wife *Marwa*

My lovely daughter *Judy*

&

My brothers and sister
(Mohammed, Amro & Zahraa)

Thanks for your love and patience

List of Publications

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Abstract

Establishing strong, high-quality relationships with customers can be an important element in conducting business throughout the world, particularly in complex and highly competitive markets. This study attempts to explore and examine the differences and possible linkages between two important approaches to building relationships: *guanxi* and relationship marketing. *Guanxi*-type relationships tend to work at the inter-personal level, whereas relationship marketing tends to operate at the inter-organisational level.

Despite the fact that both concepts are well known individually, a dearth of critical comparison remains in academic literature, even though evidence suggests that managers can use the linkages between the approaches to improve customer recruitment and retention. More importantly, although prior research implies an association between *guanxi* and relationship marketing, to date, no studies have sought to link the two concepts, and therefore a unified model does not exist.

Moreover, hardly any work has been done to explore *guanxi*-type relationships in the Arab world generally and the Egyptian context specifically, although Hutchings and Weir (2006a, 2006b) highlighted that networks, and in particular *guanxi*-type relationships, in the Arab world remain insufficiently researched and there is a dearth of literature exploring these. Furthermore, an informed body of knowledge, explaining *guanxi*-type relationships in the Arab world and comparing the networking styles of China and the Arab world, does not exist.

Informed by these issues, this study attempted to address these research gaps by employing a mixed method design through two phases of research. In the first phase, twenty-one semi-structured interviews were conducted with academics, experts and practitioners in the Egyptian SME sector. The aim of this phase was to explore the nature, meaning and variables of *guanxi*-type relationships in the Egyptian context, identify the variables of relationship marketing, and define the relationship between these two strands, and how organisations can link them and transform personal relationships into organisational relationships to retain their customers. The data were analysed using qualitative content analysis and Nvivo9 software.

This phase formed the foundation for the second phase, which employed a quantitative research design to collect primary data using 305 self-administered questionnaires from customers of SMEs in Egypt. The aim of the second phase was empirically to test a model that links *guanxi*-type relationships and relationship marketing and their association with relationship quality and customer retention. Through testing the research model, the study sought empirical evidence for building the organisational types of relationship involved in relationship marketing instead of the personal type of relationship involved in *guanxi*-type relationships, thereby enhancing customer retention and avoiding the problem of employees taking customers with them, when leaving the company. The data were analysed using SPSS19 and SPSS macros, employing multivariate data analysis techniques including exploratory factor analysis (EFA), multiple regression analysis, hierarchal multiple regression analysis, bootstrapping method and crosstabulation.

The findings of the first phase revealed that *guanxi*-type relationships in Egypt stem from the principles of Islam and Christianity and have become rooted and embedded in the Egyptian culture. Moreover, the Egyptian type of social network (*guanxi*-type relationships in Egypt) can be called *shabakat al-alakat* (network of relationships). Eight characteristics of *shabakat al-alakat* have been determined: social, personal, intangible, transferable, contextual, emotional, of religious origin, and long-term. In addition, *shabakat al-alakat* is a multi-dimensional construct that can be measured through five variables affectional bonding, empathy, reciprocity, personal trust and face.

Moreover, the findings of the second phase showed that *shabakat al-alakat* (*guanxi*-type relationships in Egypt), relationship investment programmes (financial and structural), relationship marketing and relationship quality have a significant positive relationship with customer retention. The results also highlighted that relationship investment programmes (financial and structural) and relationship marketing have a significant positive relationship with relationship quality. In addition, relationship quality mediates the relationship between relationship marketing and customer retention, as well as relationship investment programmes (financial and structural) and customer retention. Furthermore, the findings confirmed the interaction effect of *shabakat al-alakat* in the relationship between relationship marketing and customer retention. Overall, the proposed research model was validated.

Three major contributions stem from this research. First, this study contributes to knowledge by establishing and providing a comprehensive framework of all aspects of the social network in Egypt (*shabakat al-alakat* or *guanxi*-type relationships in Egypt): its origin; meaning; name; characteristics; variables; advantages and disadvantages and its role in attracting new customers. The second contribution comes from the novel model, which links *guanxi*-type relationships with relationship marketing and the impact of this link on customer retention. The third contribution comes from introducing a way to transfer the personal type of relationship involved in *guanxi*-type relationships to the organisational type of relationship involved in relationship marketing and transferring *guanxi*-type relationships from the uninstitutionalised and interpersonal level to the institutionalised or organisational level.

It is hoped that future research will build on these results so that further avenues can be explored.

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1.1. Introduction

This chapter aims to establish the basis and context of the study. It begins by presenting the background to and justification for this research. Then, background is provided on the small and medium-sized enterprise (SME) sector in Egypt. The subsequent section provides a definition of the research problem, which results in developing the research questions and objectives for the two phases of this thesis. Next, the theoretical, managerial and methodological contributions of this research are overviewed. Following this, the structure of this thesis is given. Then, the scope of the study is established. Finally, a summary of the main points of the chapter is presented.

1.2. Research background

Establishing quality and strong relationships with customers can be an important element when conducting business throughout the world, especially in complex and highly competitive markets (Ndubisi and Wah, 2005). This study attempts to explore and examine the differences and possible linkages between two important approaches to building relationships: *guanxi* and relationship marketing. *Guanxi*-type relationships work at the inter-personal level (Fan, 2002a; Wang, 2007), whereas relationship marketing operates at the inter-organisational level (Coviello, Brodie, Danaher, and Johnston, 2002; Gummesson, 1996; Morgan and Hunt, 1994).

The first of the constructs of interest, *guanxi*, is a “Chinese cultural phenomenon” (Fan, 2002a, p. 374) that has multiple meanings, beyond the English synonyms of “relation” or “connection” (Huang, 2008, p. 468). For example, *guanxi* can refer to (1) the relationship between people with shared characteristics, (2) active and repeated contact between people, and (3) infrequent, direct communication with a person (Bian, 1994).

Guanxi can arise from many bases (Kiong and Kee, 1998). These are “kinship”, “fictive kinship”, “locality and dialect”, “trade associations and social clubs”, “workplace” and “friendship”(Kiong and Kee, 1998, pp. 77-79). Tsang (1998) divides the categories of Kiong and Kee (1998), into two bases. The first is a blood base and comprises members of the family and of a clan, who are identified by locality and dialect, fictive kinship and kinship. The other is a social base which comes through social interactions with colleagues, business partners and friends.

For a better understanding of the concept of *guanxi*, Fan (2002a, p. 372) views *guanxi* from a problem-solution perspective and defines it as “a process of social interactions that initially involves two individuals A and B. A may or may not have special relationships with B. A asks B for assistance (favour) in finding a solution to a problem. B may have the solution at hand, or more often, has to seek further assistance from other connections, (i.e.) to start another process.” Many authors support and use Fan’s definition (e.g., Chen and Chen, 2004; Luo, 2007; Zhang and Zhang, 2006).

Moreover, Fan (2002b) argues that *guanxi* has a significant effect and a strong influence on the majority of the elements of a relationship. According to prior research, *guanxi* is a factor having the greatest influence on success when conducting business because having the right *guanxi* can bring a wide range of benefits (Abramson and Ai, 1999; Fan, 2002a; Su and Littlefield, 2001; Yeung and Tung, 1996). According to Fan (2002a, p. 372), *guanxi* is a “dynamic process” starting with two individuals, and possibly extending to more people in subsequent stages. However, although one of the parties concerned may not be able to provide the solution sought by the other, he or she is willing to contact another party or parties to find this solution, In such as case, he or she is acting as an “intermediary” or “facilitator”.

In line with Fan’s (2002a) perspective about *guanxi*-facilitated business exchanges, Yeung and Tung (1996, p. 60) suggest that *guanxi* is required by managers whose experience is not extensive and managers of SMEs (the focus of this research), as they have a greater tendency to depend on *guanxi* to attain resources and arrangements which are beneficial to them. However, while many firms consider *guanxi* an important factor for conducting business in China and a necessary condition for achieving business success, in itself *guanxi* is not sufficient to persuade customers to buy their products (Tsang, 1998).

After explaining the process of *guanxi*, it is noticeable that many of the features of *guanxi* are not unique to Chinese society, but are present to some degree in every society in the world. In support of this view, according to Hofstede (2001), China and the Arab world have certain characteristics in common, such as a high power distance. This similarity between the Arab world and China prompted Hutchings and Weir (2006a, 2006b) to highlight the need for research addressing networks in the Arab world generally and *guanxi*-type relationships specifically, as these kinds of networks have not been adequately researched. Moreover, Hutchings and Weir (2006a, p. 144) add that "no substantive comparisons undertaken of the business networking styles of these two regions of the world, [China and the Arab world]. Such a comparative analysis of Chinese and Arab behaviour is needed, as are discussions of the frame-work of values in which these behaviours are embedded." In short, research exploring the networking practices in the Arab world is under-researched.

To date, *guanxi*-type relationships in the Arab world are known as *wasta.* The early literature by Cunningham and Sarayrah, (1993, 1994) and Weir (2003a, 2003b) were interested in studying the concept of *wasta* in the Middle East. Next, Weir and Hutchings (2005) were the first to draw parallels between *wasta* and *guanxi*-type relationships and introduce *guanxi*-type relationships in the Arab world as *wasta.* Based on Weir and Hutchings's perspective, other research was conducted (Hutchings and Weir, 2006a, 2006b; Weir and Hutchings, 2006; Smith, Huang, Harb and Torres, 2012a; Smith, Torres, Leong, Budhwar, Achoui, and Lebedeva, 2012b).

The Western concept of relationship marketing emerged from the field of services and business-to-business marketing to challenge the traditional marketing approach, which was based completely on transactions and the notion of the marketing mix (Berry, 1983; Christopher, Payne and Ballantyne, 1991; Grönroos, 1994; Gummesson, 1987; Jackson, 1985). Grönroos (1994) views relationship marketing as an alternative to the traditional marketing approach that is capable of absorbing the dynamics and interactions in firms' relationships with business-to-business customers as well as final consumers. Berry (1983, p. 25; 2002, p. 61) further defines relationship marketing as "attracting, maintaining and enhancing customer relationships." This definition, which introduces relationship marketing as a marketing paradigm with a strategic viewpoint, "focuses on the significance of attracting new customers as a first step in marketing activities" (Bruhn, 2003, p. 10) and also stresses the importance of maintaining or retaining customers (Berry, 2002; De Burca, Brannick, and Meenaghan, 1995). Shani and Chalasani (1992, p. 34) also add that "relationship marketing is an integrated effort to identify, maintain and build up a network with individual consumers and to continuously strengthen the network for the mutual benefit of both sides, through interactive, individualised and value-added contacts over a long period of time".

The adoption of relationship marketing requires the modification of the conventional methods of strategic marketing management (Grönroos, 1996). In relationship marketing, a key strategic concern is establishing partnerships and a network capable of handling the service process. Three typical elements constitute the tactical level: "having direct contact with customers and other stakeholders, building databases that contain necessary information about customers and others, and developing a customer-oriented service system" (Grönroos, 1996, p. 5). In relationship marketing, there is also an emphasis on the construction and management of relationships with the social environment (Grönroos, 1994), where such relationships entail a change in focus from organisations and products to individuals and partners rather as analysis units (Webster, 1992).

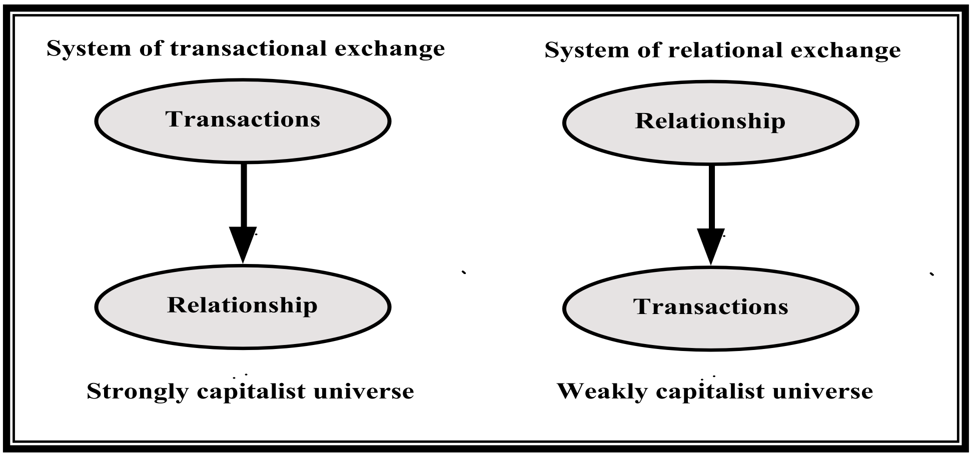
Relationship marketing yields a long list of benefits, including larger market share, boost in company profits, greater customer retention, increased loyalty levels, and lower costs in many areas (Bruhn, 2003; Morgan and Hunt, 1994; Oliver, 1999; Reichheld and Sasser, 1990). Rosenberg and Czepiel (1984) argue that attracting one new consumer costs firms five times more than the cost of retaining one loyal consumer. Due to this and the higher profit return from established customers, Reichheld (1993) finds that profits climb steeply when firms increase their rates of customer retention, as the cost of acquiring new customers to take the place of ones who leave is greater than that of existing customers. Companies were found to increase their profits from 25 percent to 85 percent by an improvement of only 5 percent in customer retention (Reichheld, 1993).

Up to this point, the discussion has demonstrated the significance of relationship marketing literature in the West. However, there is a dearth of studies on the extent to which concepts of relationship marketing have spread in developing and emerging economies (Flambard-Ruaud, 2005). However, it is conceivable that Western concepts of relationship marketing may not be appropriate in non-Western societies where the cultures and economies differ from those in the West (Flambard-Ruaud, 2005).

Use of an inter-cultural approach in business in general and marketing in particular has gained support from academics such as Hofstede (1991), who stressed that cultural variations have a crucial effect on the results of all elements of business. Hence, it came to be generally believed that cultural factors should not be ignored in an attempt to comprehend the contextual background of initiating and developing relationships with customers (Gilbert and Tsao, 2000). There are a number of different definitions of culture, but the most commonly accepted appears to be that of Hofstede (1984, p. 21), who defined culture as “the collective programming of the mind”. Similarly, Payne, Christopher, Clark, and Peck (1999, p. 313), specifically in a business context, define culture as “the deep-seated, unwritten system of shared values and norms within an organisation”. Interaction and behaviour vary from one culture to another because of differences in social norms (Flambard-Ruaud, 2005). Therefore, in terms of cross-national relationships, cultural differences will inevitably affect the nature and the success of these (Ambler and Styles, 2000).

Hence, there are a number of differences, some more obvious than others, between Eastern and Western *mores* and behaviour. In a Western context, theories of transaction cost, social exchange, and interaction are used to analyse relationships (Buttery and Wong, 1999). Conversely, in Africa, Asia and the Middle East, the relationship aspect of business tend to be integrated. In these environments, successful business dealings are frequently influenced by the success of relationships. Relationships are established prior to the transaction being carried out and may be more accurately termed a customer-seeking strategy. Moreover, this relationship is a personal one between individuals and not merely between organisations. The relationship is not only established prior to a sale, but is also a continuing one. The company has to maintain the relationship if it wants to do more business. Hence, according to Flambard-Ruaud, 2005) while in strongly capitalist economies (mainly in the West) the transaction is the core of the exchange and the relationship is formed and developed by the transaction, in less strongly capitalist economies (i.e. in Africa, Asia and the Middle East), it is the transaction which is formed and developed by the transaction. This is shown in Figure 1.1.

Figure 1-1: The comparison of the two systems of exchange



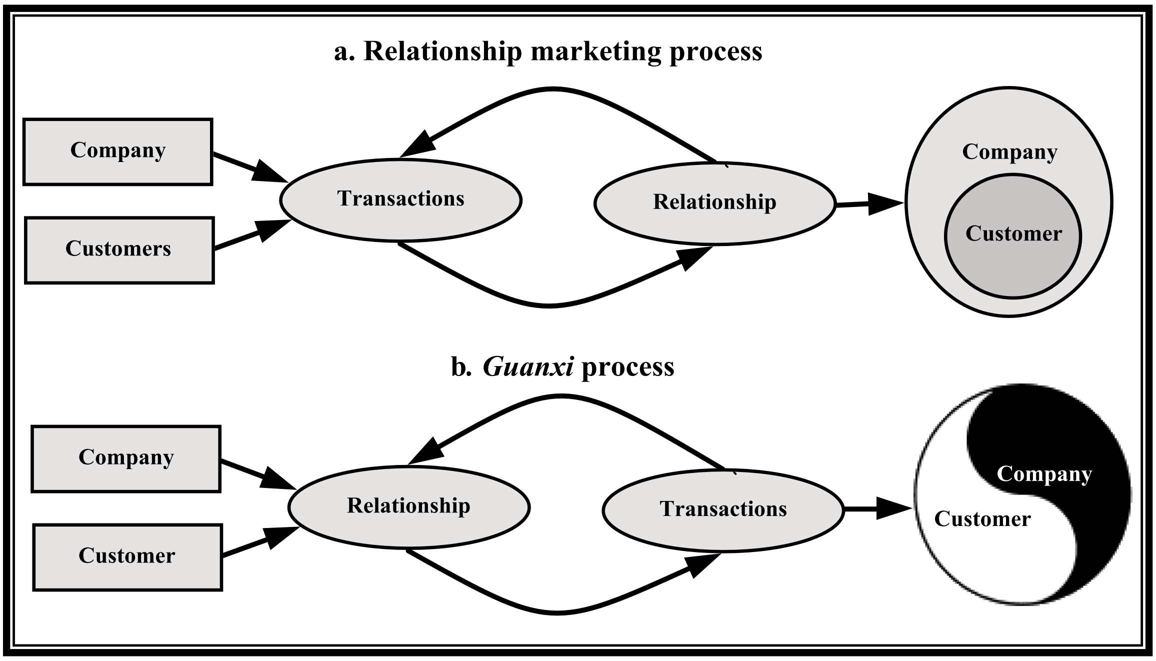
Source: *Flambard-Ruaud (2005, p.57).*

Accordingly *guanxi* (as a non-Western approach for building relationships) and relationship marketing (as a Western concept for building relationships) have fundamental differences (Fan, 2002a; Wang, 2007), but they also have certain commonalities (Flambard-Ruaud, 2005; Wang, 2007). Several scholars (Arias, 1998; Flambard-Ruaud, 2005; Geddie, DeFranco, and Geddie, 2005; Wang, 2007; Yau, Lee, Chow, Sin, and Tse, 2000) consider, in a fragmented manner, the similarities and differences between *guanxi* and relationship marketing and analyse them from various perspectives. However, no comprehensive analysis of the similarities and differences between *guanxi* and relationship marketing exists.

Guanxi and relationship marketing have several similarities. First, both involve the notion of relationship or connection, or two or more parties forming a bond (Alston, 1989; Arias, 1998; Flambard-Ruaud, 2005; Xin and Pearce, 1996). Second, they have the same goal, namely, maintaining long-term relationships with partners rather than building relationships on the basis of a single transaction (Flambard-Ruaud, 2005). Wang (2007, p. 82) refers to this goal as "long-term orientation," in which the exchange partners focus on the relationship itself, thus minimizing conflict and creating a harmonious environment to achieve permanent cooperation (Alston, 1989; Arias, 1998; Xin and Pearce, 1996). Third, as Wang (2007) indicates, *guanxi* and relationship marketing both value mutual understanding and cooperative behaviour.

Despite these similarities, fundamental differences also exist between the concepts, which are discussed in detail in the literature chapter (Chapter Two). However, it is important here to refer to some of these differences, which drive the need for this study. Firstly, *guanxi* by definition is a personal relationship at the individual level (Wang, 2007). Thus, *guanxi* works only at a personal level. In contrast, relationship marketing refers to all types of the firms' external and internal relationships (Morgan and Hunt, 1994). Thus, relationship marketing is impersonal and mainly works at the organisational level (Wang, 2007). Secondly, Barton (1999) claims that in relationship marketing, the relationship between company and customer develops after the first transaction, with no prior relationship. In the same vein, relationship marketing is seen by Garbarino and Johnson (1999) as ranging from transactional to highly relational approach and they emphasise the growth of satisfaction, confidence, and commitment in the establishment of the customers' future intentions. In contrast, with *guanxi*, a relationship already exists before the transaction (Flambard-Ruaud, 2005; Geddie, DeFranco, and Geddie, 2002). Figure 1.2a and b illustrate the development processes of both relationship marketing and *guanxi*. In both, the relationship is established through a positive transaction. Geddie *et al*. (2005) further distinguish between *guanxi* and relationship marketing. As shown in the figure below, in the former, the relationship is established before the transactions take place, while in latter is built on the basis of the transaction.

Figure 1-2: Comparison the process of relationship marketing and *guanxi*



Source: *Adapted from Geddie et al. (2005, p. 628).*

In summary, the previous discussion has revealed that *guanxi* and relationship marketing are not the same (Fan, 2002a); rather, they are distinct approaches to building relationships (Geddie *et al*., 2005). *Guanxi*-type relationships possess unique and distinguishable characteristics in non-Western relational exchanges, whereas relationship marketing occurs in primarily Western-type relational exchanges (Fan, 2002a; Lee, Pae, and Wong, 2001; Tsang, 1998). Relationship marketing can be an essential business concept in both Western and non-Western contexts but, as a Western concept, must cope with the local changes influenced by Eastern forms of relationships and the contextual background of generating relationships with customers (Flambard-Ruaud, 2005; Gilbert and Tsao, 2000).

Ambler (1994), Björkman and Kock (1995), Lovett, Simmons, and Kali (1999), and Simmons and Munch (1996) use the terms *guanxi* and relationship marketing interchangeably; that is, they assume that *guanxi* represents a "Chinese version" of relationship marketing. However, Fan (2002a) asserts that this assumption leads to a misunderstanding of *guanxi* and that many fundamental differences exist between the two approaches. In addition, although previous research explores relationship marketing and *guanxi* extensively and suggests the importance of transferring *guanxi* from the inter-personal level to the organisational level (Flambard-Ruaud, 2005; Geddie *et al*., 2002, 2005; Zhang and Zhang, 2006), **no model exists to theoretically and practically link these concepts, a gap this study aims to fill**.

This linkage between relationship marketing and *guanxi* is expected to offer new and valuable insights and benefits for both Western firms, which currently use relationship marketing only, and non-Western firms, which only apply *guanxi*-type relationships (Flambard-Ruaud, 2005; Geddie *et al*., 2005). On the one hand, applying *guanxi* before relationship marketing should make relationship marketing more applicable to the less capitalist economics (Asia, Africa, and Middle East), where relationships create and develop transactions (Flambard-Ruaud, 2005). It will also make relationship marketing adaptable to non-Western cultural characteristics and problems (e.g., lack of trust) (Flambard-Ruaud, 2005; Gilbert and Tsao, 2000). For example, firms in both Asian and Arab cultures often prefer to deal with known and trusted partners (Flambard-Ruaud, 2005), and insist on finding out about those they are considering doing business with and building a trusting relationship with them before entering into business transactions (Hutchings and Weir, 2006a).

In *guanxi*-type relationships, firms developing and managing a business relationship tend to place more importance on the trust and reputation of their partners and their personal and business networks than on any official contractual or legal documents (Arias, 1998; Björkman and Kock, 1995). Thus, *guanxi* involves a kind of trust in the context of building a relationship (Flambard-Ruaud, 2005). In addition, many potential benefits could ensue from the combination of the *guanxi* and relationship marketing concepts. *Guanxi* offers insights into the means to implement relationship marketing (Geddie *et al*., 2002, 2005) and might play a vital role in the process of relationship marketing, in which managers establish and use *guanxi* to carry out business in important ways, such as gaining access to new customers with little cost, retaining current clients, and facilitating daily business operations (Dunfee and Warren, 2001).

On the other hand, relationship marketing goes beyond the scope of *guanxi* (Zhang and Zhang, 2006), so firms might use relationship marketing as an extension to *guanxi*, to avoid some of the pitfalls of *guanxi* (Geddie *et al*., 2005). For example, firms can lose *guanxi* when an employee moves to a different firm because the connections move with him or her (Arias, 1998). By applying relationship marketing after *guanxi*, firms can help transfer the personal type of relationship involved in *guanxi* to the organisational type of relationship involved in relationship marketing (Zhang and Zhang, 2006). This helps in maintaining and enhancing the customer relationship over the long run, thus increasing customer retention (Palmatier, Jarvis, Bechkoff and Kardes, 2009; Tang, Chou and Chen, 2008; Tseng, 2007).

Clearly, there are many benefits for *guanxi* and relationship marketing, and previous research explores relationship marketing and *guanxi* extensively and suggests the importance of transferring *guanxi* from the inter-personal level to the organisational level (Flambard-Ruaud, 2005; Zhang and Zhang, 2006). Moreover, some prior research infers an association between *guanxi* and relationship marketing (Björkman and Kock, 1995; Geddie *et al*., 2002, 2005). **Nevertheless, to date, no studies have sought to link the two concepts, and therefore no model exists to theoretically and/or practically link these concepts, a gap this study aims to fill.**

Moreover, it is no surprise that much of the work and understanding of *guanxi*-type relationships and relationship marketing to date focuses on China and the Western markets (Ndubisi and Wah, 2005; Flambard-Ruaud, 2005). **There are few published papers on relationship marketing and *guanxi*-type relationships relating to the Arab world generally and the Egyptian context specifically, particularly the small and medium-sized enterprise (SME) sector in Egypt, which is the focus of this research**. Egyptian studies on relationship marketing and *guanxi*-type relationships generally and in the SME sector specifically are needed as many implications can be discovered, that will help academics to conceptualise the linkage between *guanxi*-type relationships and relationship marketing, and marketing practitioners to design effective programmes to develop their customers' retention.

In this study, a unified model to link *guanxi*-type relationships and relationship marketing and their association with customer retention is proposed and empirically tested qualitatively and quantitatively. Also the theoretical and managerial implications of such a linkage are provided. Additionally, the study provides empirical evidence of the transfer of the personal type of relationship involved in *guanxi*-type relationships to the organisational type involved in relationship marketing, consequently enhancing relationship quality and customer retention. Thus, the findings of this study provide important insights for both academics and practitioners involved in the issues of relationship marketing and *guanxi*-type relationships. As such, this study offers new and valuable insights and benefits for both Western firms, which apply relationship marketing only, and non-Western firms, which employ only *guanxi*-type relationships.

1.3. Background of the SME sector in Egypt

Small and Medium-sized Enterprises (SMEs) in Egypt play a crucial part in the Egyptian economy and are one of its main sources of growth (ADB, 2009). The development of SMEs in Egypt is viewed as a vital part of the Egyptian government's social and economic development plans, as they represent a considerable proportion of the country's economy (ADB, 2009). According to the **Central Agency for Public Mobilization and Statistics (CAPMAS)** (2010), SMEs are major providers of employment, accounting for 90% of all private productive units in Egypt, over 99% of all non-agricultural firms, and providing almost 75% percent of private sector employment. The Egyptian government relies on the SME sector as the largest source of job creation to act as the main suppliers of new employment growth over the next twenty years (ADB, 2009). Furthermore, SMEs contribute approximately 80 percent of total value added and attract almost half of total investments. In addition, their contribution, both direct and indirect, to the country's exports has grown to around 20% of the total. SMEs provide affordable goods and services that suit both lower and lower-middle income groups account for 57 percent of the Egyptian population and SMEs provide them with goods and services at generally reasonable prices (ADB, 2009).

The activities of the SME sector are widely dispersed across manufacturing, trade and services. According to the most recent statistics from CAPMAS, the trade sector is prevalent, accounting for almost 61% of SMEs' activities, followed by the manufacturing sector. However, new businesses are less likely to be in the manufacturing sector and more likely to be in the retail and service sectors (CAPMAS, 2010).

In accordance with Egypt's SME law (141/ 2004), the Social Fund for Development (SFD) is the principal organisation for SMEs. The SFD was appointed to coordinate all governmental bodies and other non-governmental institutions involved with SMEs. Law (No. 141/2004), dealing with the support and the enforcement of the development of the SME sector was issued in 2004 and defined a small enterprise as "any economic, productive or service enterprise employing up to 50 workers with a paid in capital of maximum one million EGP [Egyptian Pounds]". Also according to this law, an enterprise in which the "capital does not exceed 50,000 EGP and the number of employees is below 10" is considered a micro-enterprise. Enterprises employing more than 50 but fewer than 100 employees with a paid capital between one and five million EGP are held to be medium-sized (ADB, 2009, p. 17).

The Egyptian government's **National Policy for Small and Medium-Sized Enterprise (SMEPoL)** addresses methods of developing SMEs' capacities. Its main objective is to remove various barriers to the development of SMEs. These may be financial, management, marketing, production (e.g., operations, growth, and difficulties in accessing capital and resources). In order to do this, it is necessary to change the culture of the civil service and reduce the red tape, which is inherent in the Egyptian bureaucracy and is very likely to hinder some of the ongoing reforms.

One of the ways in which SMEPoL seeks to develop SMEs in Egypt is by carrying out supportive research concerning the main issues facing the SME sector. Hence, this research was carried out to assist the development and growth of the SME sector in Egypt and avoid the considerable marketing difficulties that SMEs encountered in the past, which resulted in an increased percentage of business failures rate to 6.3% (Hattab, 2009). Specifically, this research offers a guideline for managers of SMEs to enhance the effectiveness of their current marketing programmes by giving them a deeper understanding of *guanxi*-type relationships in Egypt and relationship marketing. Moreover, it suggests a new technique to attract new customers and retain them through a long-term relationship. Further, this guideline assists SME managers to reduce their costs by attracting new customers and retaining loyal customers at low cost. Thus, this research will assist in the success, survival and growth of SMEs, which will in turn be reflected in the growth of the Egyptian economy as whole, as the SME sector is a major source of growth for the Egyptian economy, and a major provider of employment (CAPMAS, 2010; ADB, 2009).

1.4. Research problem definition

The previous discussion has shown the importance of *guanxi* and relationship marketing, which revealed many gaps regarding both of them and their possible linkage. Collectively, the apparent gaps constitute the research problems.

First, some prior research infers an association between *guanxi* and relationship marketing, suggests the importance of the link between them, and advises that managers can use the linkages between the approaches to improve customer recruitment and retention (Björkman and Kock, 1995; Geddie *et al*., 2002, 2005). Others recommend the importance of transferring *guanxi*-type relationships from the inter-personal level to the organisational level (Flambard-Ruaud, 2005; Zhang and Zhang, 2006). However, to date, no studies have sought to link the two concepts, and therefore no model exists to theoretically and/or practically link these concepts. Also, no studies have sought to consider how to transfer *guanxi*-type relationships from the uninstitutionalized or interpersonal level to the institutionalized or organisational level.

Second, both concepts are well known individually, but a dearth of critical comparison remains in academic literature. Several scholars (Arias, 1998; Flambard-Ruaud, 2005; Geddie *et al*., 2005; Wang, 2007; Yau *et al*., 2000) consider, in a fragmented manner, the similarities and differences between *guanxi* and relationship marketing and analyse them from various perspectives. However, from a literature review, no comprehensive analysis of the similarities and differences between *guanxi* and relationship marketing exists.

Third, many studies discuss the variables of *guanxi* (Chen, 2001; Geddie *et al.,* 2002, 2005; Hwang, 1987; Kiong and Kee, 1998; Tsang, 1998; Wang, 2007; Yang, 1994; Yau *et al.,* 2000) and illustrate *guanxi* as multi-dimensional construct through some variables. However, there is no consensus among *guanxi* authors about what precisely constitutes a set of *guanxi* variables, although in a general sense, bonding (Kiong and Kee, 1998; Tsang, 1998; Yau *et al*., 2000), empathy (*renqing*) (Yang, 1994; Yau *et al*., 2000), reciprocity (*bao*) (Yau *et al*., 2000), personal trust (*xinyong*) (Xin and Pearce, 1996; Tsang, 1998; Buttery and Wang, 1999; Yau *et al*., 2000), face (*mianzi*) (Chen, 2001; Simmon and Munch, 1996; Tsang, 1998) and affection (*ganqing*) (Yang, 1994; Wang, 2007) are recognized as the main variables of *guanxi*. A review of the *guanxi* literature indicates that, there are no studies or models applying all these variables together.

On a different note, based upon reviewing an abundance of relationship marketing research papers widely cited in the literature (Appendix I), a number of key variables have been recognized as the main variables of relationship marketing. These variables are: trust, commitment, conflict handling, communication, empathy, shared values, reciprocity and equity (Adamson, Chen and Handford, 2003; Dwyer, Schurr and Oh, 1987; Grossman, 1998; Gruen, 1995; Hunt, Arnett and Madhavaram, 2006; Morgan and Hunt, 1994; Ndubisi, 2004; Ndubisi and Wah, 2005; Samiee and Walters, 2003; Sin, Tse, Yau, Lee and Chow, 2002; Sin, Tse, Yau, Chow, Lee and Lau, 2005; Smith and Barcley, 1997; Sividas and Dwyer, 2000; Van Zyl and Mathur-Helm, 2007; Wong and Sohal, 2002; Yau *et al*., 2000 and Yilmaz and Hunt, 2001). Nevertheless, there is a debate among scholars about the precisely set of relationship marketing variables. For instance, Morgan and Hunt (1994) propose that trust and commitment are both key for good relationships, whereas others suggest that either trust or commitment alone is enough to build relationship and generate retention (Anderson and Weitz, 1992; Doney and Cannon, 1997; Gruen, Summers and Acito, 2000; Jap and Ganesan, 2000; Sirdeshmukh, Singh and Sabol, 2002). In addition, although there is an abundance of research, which has studied these variables, there is no study, which has investigated all these variables together.

Fourth, hardly any work has been done to explore *guanxi*-type relationships in the Arab world generally and the Egyptian context specifically. Hutchings and Weir (2006a, p. 141) highlighted that there is a dearth of research on networks in the Arab world generally and *guanxi*-type relationships specifically and that there is only a small body of literature exploring them. Moreover, Hutchings and Weir (2006a, p. 144) add that "no substantive comparisons undertaken of the business networking styles of these two regions of the world, [China and the Arab world]. Such a comparative analysis of Chinese and Arab behaviour is needed, as are discussions of the frame-work of values in which these behaviours are embedded."

In this context, this study attempted to fill these gaps in the body of knowledge through two research phases.

The first phase was exploratory in nature and sought generally to explore *guanxi*-type relationships in Egypt, relationship marketing in the Egyptian SMEs sector and the link between them. At a detailed level, using Chinese *guanxi* as a guideline, this first phase aimed to explore *guanxi*-type relationships in Egypt; their existence; origin; meaning; name; characteristics; variables; advantages and disadvantages and role in attracting new customers. This phase also explored the key variables of relationship marketing in the Egyptian SME sector as well as relationship marketing programmes. Additionally, in this phase, the research sought to gain new insights and better understanding of the link between *guanxi*-type relationships and relationship marketing and how organisations can transfer personal relationships into organisational relationships in order to retain their customers. Interviews with academics in marketing, international business, culture and SMEs; SME managers; and experts and consultants in developing and marketing SMEs in Egypt were all incorporated into this phase.

In this phase Chinese *guanxi* was used as a 'guideline' for the equivalent type of network in Egypt for many reasons. It is clear from the discussion about the characteristics and advantages of *guanxi*, that *guanxi* is considered the most comprehensive and richest type of social and cultural network which has significant influences on all aspects of the business (Park and Luo, 2001; Xin and Pearce, 1996) and exists at different levels of business operations (Li and Wright, 2000). In addition, *guanxi* is agreed to be one of the crucial elements of business success in China and is required by managers of SMEs, on whom this research focuses, who depend on it to attain resources and arrangements which are beneficial to them (Yeung and Tung, 1996). Finally, it is known that *guanxi*-type relationships exist to some extent in every human society (Tsang, 1998) and many *guanxi* characteristics are similar to aspects of Arab societies (Hutchings and Weir, 2006a).

The second phase was concerned with empirically testing the proposed research model linking *guanxi*-type relationships in Egypt and relationship marketing to build a quality organisational relationship with Egyptian SMEs customers and retain them through transfer of the personal type of relationship involved in *guanxi*-type relationships to the organisational type involved in relationship marketing.

1.5. Research objectives

The previous discussion has exposed many gaps in the *guanxi* and relationship marketing literature. Consequently, the main aim of this thesis is to propose a unified model that links *guanxi*-type relationships in Egypt, and relationship marketing. The intention of such a model would be to build a quality organisational relationship with Egyptian SME customers and retain them through transfer of the personal type of relationship involved in *guanxi*-type relationships to the organisational type involved in relationship marketing. Hence, this thesis endeavours to contribute to *guanxi*-type relationships and relationship marketing literatures by achieving the following objectives:

First, objectives to be achieved through a critical review and synthesis of prior research on *guanxi* and relationship marketing

1. A Critical discussion of the concepts of *guanxi* and relationship marketing to establish the boundaries between the two concepts and to provide a comprehensive exploration of their similarities and differences. This comparison of *guanxi* and relationship marketing aids a full understanding of the possible links between them and provides the foundation on which a theoretical model linking both concepts can be developed.

2. Presentation of a theoretical framework that links *guanxi* and relationship marketing and develop the theoretical and managerial implications of such a linkage.

Second, objectives to be achieved through the first (qualitative) phase

1. Exploration of the origins, meaning (ethical and unethical) and equivalent name of *guanxi*-type relationships in Egyptian culture.

2. Exploration of the key characteristics and variables of *guanxi*-type relationships in Egyptian culture as well as explore the advantages and disadvantages of *guanxi*-type relationships with respect to the Egyptian SME sector using 'Chinese *guanxi*' as a guideline.

3. Explore the role of *guanxi*-type relationships in attracting new customers to the SMEs in Egypt.

4. Explore the relationship marketing investment programme(s) is/are widely used and suitable for Egyptian SME sector and explore the key variables of relationship marketing with respect to the Egyptian SME sector.

5. Explore the relationship between *guanxi*-type relationships and relationship marketing; and how the SMEs can transfer personal relationships to organisational

relationships and the impact of this on avoid the problem of employees taking the customers they brought into the company, when leaving the company.

Using the results of the qualitative phase, the proposed model that provides a literature derived linkage between *guanxi*-type relationships and relationship marketing will be revised.

Third, objectives to be achieved through the second phase

1. Develop measures for the proposed research model's constructs: *guanxi*-type relationships, relationship investment programmes, relationship marketing, relationship quality, and customer retention. Then, identify and verify the key variables of *guanxi*-type relationships and relationship marketing in the Egyptian SME sector as well as the key relationship investment programmes in the Egyptian SME sector based on exploratory factor analysis.
2. Examine the impact of *guanxi*-type relationships, relationship investment programmes and relationship marketing on relationship quality and customer retention in the Egyptian SME sector based on empirically testing hypotheses. Thus, provide empirical evidence for building (or not) quality organisational relationships with customers and retaining them (or not) through transferring (or not) of the personal type of relationship involved in *guanxi* to the organisational type involved in relationship marketing via using relationship investment programmes and relationship marketing.
3. Provide empirical evidence for avoiding (or not) the problem of employees taking all their personal contacts (their *guanxi* network) when leaving the company.

1.6. Research questions

For the research objectives to be achieved, this study needs to provide the answers to the following main questions:

First, the research questions to be answered by the literature review

Q1: What are the boundaries (similarities and differences) between *guanxi* and relationship marketing in the previous literature; and what is the possible link between them?

Second, the research questions to be answered by the first (qualitative) phase

Q1: Do *guanxi*-type relationships exist in Egypt and, if so, what does the term *guanxi* mean in Egyptian culture?

Q2: What is an appropriate name for *guanxi*-type relationships in an Egyptian context, does it mean (refer to) *wasta*, and what are the ethical and unethical practices of *guanxi*-type relationships in an Egyptian context?

Q3: What are the key characteristics, variables, advantages, and disadvantages of *guanxi*-type relationships in the Egyptian context and the Egyptian SME sector? Can *guanxi*-type relationships in Egypt play a role in attracting new customers to SMEs?

Q4: What are the key variables of relationship marketing and types of relationship investment programmes that are most widely used and most suitable for Egyptian SMEs and what are their impacts on customer retention?

Q5: Could the proposed research model benefit SMEs by building a quality organisational relationship with customers and by retaining them, thus helping the SME to avoid the problem of employees taking all their personal contacts (their *guanxi* network) when leaving the company?

Third, the research questions be answered by the second (quantitative) phase

Q1: Which variable/s of *guanxi*-type relationships and relationship marketing is/are more important when applying *guanxi*-type relationships and relationship marketing in the Egyptian SME sector and which relationship marketing investment programmes is/are more important when applying them in the Egyptian SME sector?

Q2: To what extent do *guanxi*-type relationships, relationship investment programmes and relationship marketing, influence relationship quality and customer retention in the Egyptian SME sector?

Q3: Could the proposed research model benefit the organisation to build a quality organisational relationship with customers and retain them through transfer of the personal type of relationship involved in *guanxi*-type relationships to the organisational type involved in relationship marketing by using relationship investment programmes and relationship marketing?

Q4: Could the proposed research model help the organisation retain its customers and avoid the problem of employees taking all their personal contacts (their *guanxi* network) when leaving the company? In other words, if the company builds a quality organisational relationship with the customer through applying relationship investment and relationship marketing with them, would they still want to leave when the introducing person leaves the company and tries to take all his/her networks with them?

1.7. Research contribution

The main contribution of this research to the body of knowledge will be achieved by introducing a unified model linking *guanxi*-type relationships and relationship marketing to transfer the personal type of relationship involved in *guanxi* to the organisational type of relationship involved in relationship marketing, with the aim of building a quality organisational relationship with Egyptian SMEs customers and maintaining customer retention. Three levels of contribution will be made: theoretical, managerial and methodological, these contributions are explained below. Apart from these principal contributions, others for academics and practitioners have been made and are presented in detail in the final chapter.

1.7.1. Theoretical contribution

First, this study will contribute to knowledge by providing a comprehensive analysis of the similarities and differences between *guanxi* and relationship marketing, which both are well known individually, but which suffer from a dearth of critical comparison.

Second, this study will contribute to knowledge by providing a comprehensive framework to all aspects of *guanxi*-type relationships in Egypt (Egyptian network equivalent to Chinese *guanxi*), its origin; meaning; name; characteristics; variables; advantages and disadvantages and role in attracting new customers. This will fill a gap in published work about networking and the type of relationships equivalent to *guanxi* in the Middle East, specifically the Egyptian context.

Third, this study will contribute to relationship marketing theory and *guanxi*-type relationships by conceptualising a unified model linking *guanxi*-type relationships and relationship marketing to build a quality organisational relationship with customers and maintain customer retention. No prior study has been cited in the literature which introduces an empirically verified, unified model linking *guanxi*-type relationships with relationship marketing.

Fourth, this study will use all of the *guanxi* and relationship marketing variables cited in the previous literature, as well as relationship marketing investment programmes, to determine which variable/s of *guanxi*-type relationships and relationship marketing is/are more important when applying *guanxi*-type relationships and relationship marketing in the Egyptian SME sector and relationship marketing investment programmes is/are more important in the Egyptian SME sector. It is important to note here that all of them have been studied before but there are no studies which have used all of these variables together.

1.7.2. Managerial contribution

First, in practical terms, building on the managerial implications of the proposed research model, this study will provide a 'tool kit' which offers managers in Egyptian SMEs accessible guidance regarding the marketing strategies to be adapted in order to improve the effectiveness of their current marketing systems and programmes.

Second, the findings of this study will highlight for SME managers the applicability and the way of transferring the personal relationship between the customer and the company representative to an organisational relationship between the customer and the organisation, thus avoiding the problem of departing employees taking their personal contact customers when leaving the company.

1.7.3. Methodological contribution

In methodological terms, this thesis makes the following contributions:

First, this study has undertaken an intensive review of the literature to identify existing scales of variables of *guanxi*, relationship investment programmes, and relationship marketing (Appendix IV). Only scale items that had been validated in prior studies were used, and then modified according to the results of the first phase of this research, to fit the context of this research.

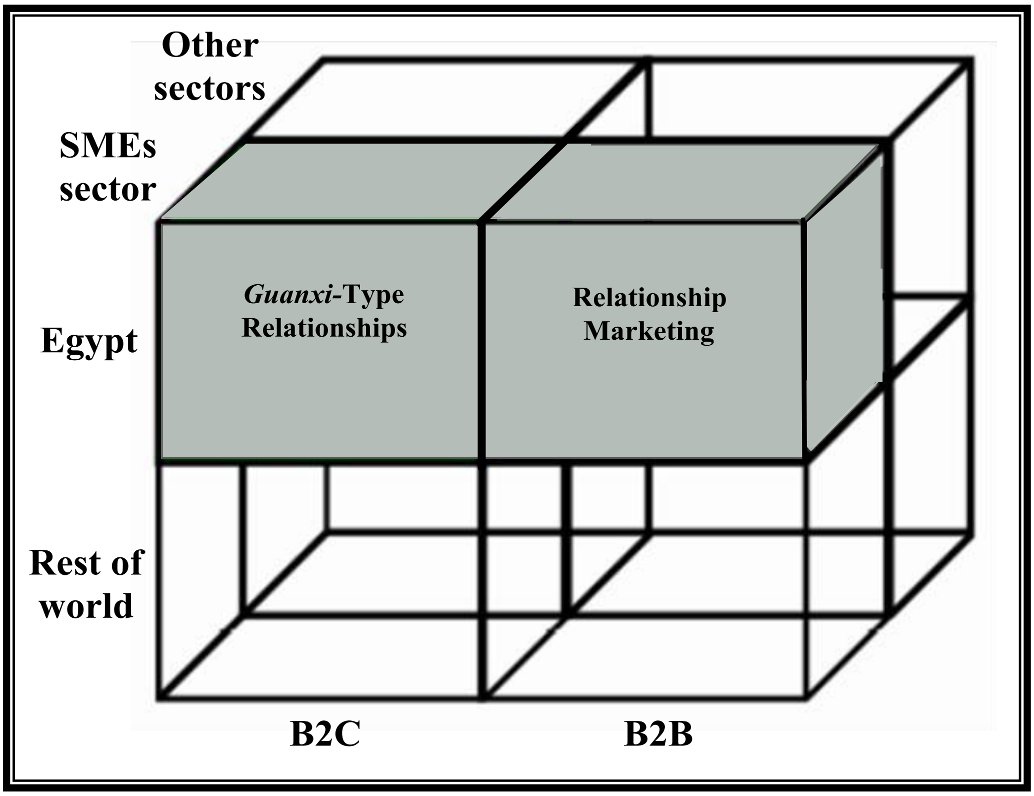
Second, this thesis developed in part five of the questionnaire a scale to determine whether customers will leave the company or not when the person who introduced the company to them leaves the company, and the reasons for the decision to stay with or leave the company.

Third, this thesis is the first to use two methods of analysis: the causal steps approach of Baron and Kenney's (1986) method and the bootstrapping method using SPSS macros to test moderating and mediating effects. According to the results of both methods, the contribution this thesis provides is that when using a large sample clear of any serious statistical assumption violation, the results of both methods will be almost the same and all the problems of the causal steps approach of Baron and Kenney (1986) will be diminished.

1.8. Boundaries of the research scope

The research context integrates two main areas to help answer the research questions. These two areas include *guanxi*-type relationships and relationship marketing. Within this context, the boundaries of the study were three-fold, as shown in Figure 1.3. These are related to location (Egypt) (y-axis), business-to-customer (B2C) and business-to-business (B2B) markets (x-axis), and sector (the SME sector) (z-axis).

Figure 1-3: Conceptualising boundaries of research scope



As mentioned earlier, this study was conducted in Egypt. This is represented by the y-axis in Figure 1.3. The second boundary (z-axis) relates to the selected sector, which is the SME sector (as discussed in section 1.3). Finally, this study, in the first phase, focuses on SMEs operating in both B2B and B2C markets while the second phase focuses only on B2C.

1.9. Thesis structure

This thesis consists of seven chapters along with appendices and references and is structured as follows:

Chapter two presents a review of a wide range of literature and assists in clarifying key conceptual terms such as *guanxi*, relationship marketing, relationship investment programmes, relationship quality, and customer retention as they are used in this study. Moreover, it elucidates gaps in the current literature of these concepts and provides parameters and a foundation on which a theoretical framework can be developed. This chapter is divided into four parts. ***The first part*** discusses the definition, characteristics, variables, types, advantages and disadvantages, and models of *guanxi*. ***Next, the second part*** provides an insight into the relationship marketing area by presenting the origins, definitions, variables, programmes, advantages and disadvantages, process, and consequences of the relationship marketing. ***Part three*** compares *guanxi* and relationship marketing. Finally, ***part four*** presents a theoretical model that links *guanxi* and relationship marketing and their association with customer retention, as well as develops the theoretical and managerial implications of such a linkage and research hypotheses.

Chapter three outlines and justifies the methodology employed in this research in terms of the research philosophy, approaches, strategies, the methods used to collect the data, in addition to the data analysis techniques used in the two phases of the research. Issues of sampling, reliability and validity are addressed.

Chapter four presents the qualitative data analysis and findings of the first phase of this research (exploratory semi-structured interviews).

Chapter five presents the analysis and the findings of the quantitative data from the survey. It also includes respondents' characteristics and the procedures for variables validation. In this chapter a range of statistical techniques are adopted.

Chapter six discusses the data analysed in the two phases of the research, qualitative and quantitative, in the light of the literature. This chapter provides a bridge between the data analysis (chapters four and five), and existing literature (chapter two).

Finally, **Chapter seven** draws conclusions from the preceding chapters to summarise and conclude the thesis; it highlights the contributions made in three areas: theoretical, managerial and methodological. It also indicates the limitations of the research and suggests directions for future research.

1.10. Summary

This chapter has established the basis for the research and outlined the main aspects of this thesis, drawing attention to the research background, revealing salient empirical research gaps in the previous literature. These elements assisted in providing the context of the research as well as delineating the research problem, objectives, and questions, and its potential contribution to knowledge. Furthermore, the chapter highlighted the thesis structure and outlined the main purpose of each of the chapters with boundaries being stated. With this basis having been established, the next chapter presents a review of the literature of *guanxi* and relationship marketing, in order to provide the theoretical foundation of the study.

Chapter Two: Literature Review

Table 2-1: Thesis map

Chapter One: Introduction and Research Background
Chapter Two: Literature Review
Chapter Three: Research Design and Methodology
Chapter Four: Qualitative Data Analysis and Findings
Chapter Five: Quantitative Data Analysis and Findings
Chapter Six: Discussion of the Key Findings
Chapter Seven: Conclusion

2.1. Introduction

As outlined in Chapter One, *guanxi* and relationship marketing are the main strands of this thesis. Accordingly, this chapter reviews a wide range of relevant literature in order to establish the domain of *guanxi* and relationship marketing and to reveal the gap in the prior literature. Further, it is logical that to begin to solve a research problem, it is necessary to establish what is already known (Baker, 2005). This is done in four parts, where the chapter is being structured as follows.

The first part defines the concept of *guanxi*, the first theme of this thesis, analyses its characteristics, identifies its variables, reviews its types, and discusses the advantages and disadvantages, and models of *guanxi*. ***Next, the second part*** provides an insight into to the relationship marketing area by presenting the origins, definitions, variables, programmes, advantages and disadvantages, process, and consequences of relationship marketing. This is followed by the ***penultimate part,*** which provides a comprehensive analysis of the similarities and differences between *guanxi* and relationship marketing, as a foundation upon which the theoretical framework can be developed. Finally, ***part four*** presents the theoretical model that links *guanxi* and relationship marketing and their association with customer retention, as well as develops the theoretical and managerial implications of such a linkage and the research hypotheses. Moreover, the conclusion of each part consists of a reprise of the main points of the part and the manner in which the reviewed literature offers a theoretical foundation for the proposed model provides in this thesis.

Part One: *Guanxi*

2.2. Definition of *guanxi*

Establishing quality and strong relationships with customers can be an important factor in doing business in today's complex and highly competitive markets. One of the approaches that is used to build these kind of relationships is *guanxi*, which is a Chinese term denoting to interpersonal networks with a strong effect and considerable significance in most facets of relationships (Fan, 2002b).

Guanxi is a "Chinese cultural phenomenon" (Fan, 2002a, p. 374) that has multiple meanings, beyond the English synonyms of "relation" or "connection" (Huang, 2008, p. 468). For example, *guanxi* can refer to (1) the relationship between people with shared characteristics, (2) active and repeated contact between people, and (3) infrequent, direct communication with a person (Bian, 1994, p. 974).

In the academic literature, *guanxi* has been variously conceptualized. Some scholars have referred to *guanxi* as a *relationship* or *special relationship.* For instance, Alston (1989, p. 28) defines *guanxi* as "*special relationships* two persons have with each other" with unlimited exchange of favours, with each of them fully committed to the other. Osland (1990, p. 8) adds that *guanxi* is "a *special relationship* between a person who needs something and a person who has the ability to give something". Yang (1988, p. 409) considers *guanxi* to be "pre-existing *relationships* of classmates, people from the same native-place, relatives, superior and subordinate in the same workplace, and so forth".

Other studies view *guanxi* as a *tie*. Jacobs (1979) defines *guanxi* as particularistic *ties* based on shared attributes. In addition, Bian (2006, p. 312) describes *guanxi* as a "particular and sentimental *tie* that has the potential of facilitating favour exchanges between the parties connected by the tie". In addition, *guanxi* is variously interpreted as *interpersonal friendship* (Ang and Leong, 2000); *reciprocal exchange* (Hwang, 1987); "*tight, close-knit networks*" and a "*gate* or *pass*" (Yeung and Tung, 1996, p. 54); and "*interpersonal connections*" (Xin and Pearce, 1996, p. 1641).

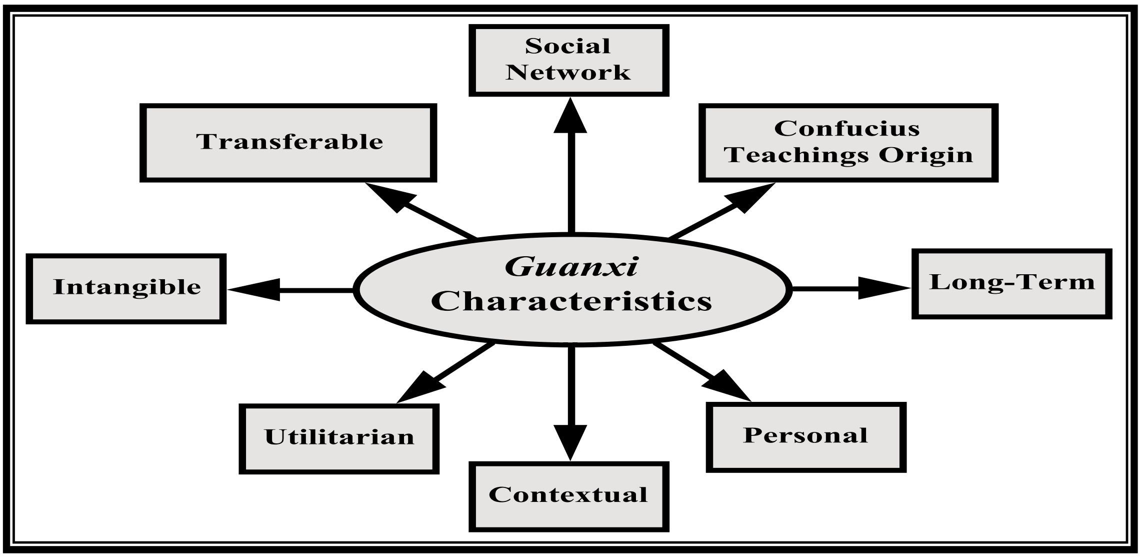
Moreover, Fan (2002a, p. 372) views *guanxi* from a problem-solution perspective and defines it as "a process of social interactions that initially involves two individuals A and B. A may or may not have special relationships with B. A asks B for assistance (favour) in finding a solution to a problem. B may have the solution at hand, or more often, has to seek further assistance from other connections, (i.e.) to start another process.” Many authors support and use Fan’s definition (e.g., Chen and Chen, 2004; Luo, 2007; Zhang and Zhang, 2006).

Although many firms consider *guanxi* an important factor for conducting business in China and a necessary condition for achieving business success, in itself *guanxi* is not sufficient to persuade customers to customers to buy their products (Tsang, 1998).

2.3. Characteristics of *guanxi*

A number of significant features underlie the cultivation, use and preservation of *guanxi*, as summarised in Figure 2.1.

Figure 2-1: Characteristics of *guanxi*



Source: *Adapted from Arias (1998), Bjorkman and Kock (1995), Geddie et al. (2005), Luo (1997, 2007) and Tsang (1998).*

First, *guanxi* is essentially a social network. *Guanxi* is constructed on interactions that comprise exchanges that are predominantly social in nature, although business exchanges may also occur. There are two primary elements in *guanxi* networks as social networks, one being the links or connections with particular individuals and the other, the environment surrounding the individuals (Arias, 1998; Bjorkman and Kock, 1995). This suggests that the business relationship is a consequence of the social relationship (Arias, 1998; Bjorkman and Kock, 1995).

Second, *guanxi* comes from Confucius’ teachings. Researchers have traced the origin of Chinese *guanxi* networks back to the Confucian teachings and principles (Bian and Ang, 1997; and Kienzle and Shadur, 1997). A basic Confucian assumption is that people have relationships with each other and that the most important relationships are "ruler/subject, father/son, older brother/younger brother, husband/wife, and older friend/ younger friend" (Hofstede and Bond, 1988, p.8). Moreover, King (1991, p. 79) stated that "*guanxi* is deeply embedded in Confucian social theory and has its own logic in forming and in constituting the social structure of Chinese society". Confucius' teachings and principles are not a religion but lessons and pragmatic rules in practical ethics that can be used for daily life. These teachings and principles are derived from what Confucius concluded from the lessons of Chinese history (Hofstede and Bond, 1988)

Third, *guanxi* is personal. *Guanxi* is usually considered at the individual level (Tsang, 1998) whereas the relationships are built among people, not among organisations (Arias, 1998). To a great extent, this elucidates the difference between *guanxi* and inter-organisational networking in Western societies (Arias, 1998). *Guanxi* among organisations is first created and then built upon by personal relationships (Arias, 1998). Hence, the organisation loses the *guanxi* of the individual who brought a *guanxi* connection if he or she goes to a new organisation, as this connection will go with him or her (Arias, 1998). However, the intensive use of *guanxi* at the organisational level has increased. This is because organisations have started to encourage employees to use their personal *guanxi* for organisational purposes by rewarding and promoting them through either a commission or bonus (Luo, 1997).

Fourth, *guanxi* is long-term oriented. In Confucian societies, it is understood that social interactions take place are taken into account in the long term. Members of such societies hold that duality is present in all facets of life (Luo, 2007). All *guanxi* relationships are developed and strengthened by regular contact and interaction in the long term, and also regarded as a type of savings account which can be stored and drawn upon if required. *Guanxi* relationships do not come to an end, but can pass from one generation to another generation if constantly maintained (Luo, 2007).

Fifth, *guanxi* is contextual. *Guanxi* depends entirely on context. For example, giving a gift in one situation is accepted as customary gift giving. In a different situation, it might be considered instrumental or it might be seen as bribe (Luo, 2007).

Sixth, *guanxi* is essentially utilitarian rather than emotional. *Guanxi* links people through favours exchange rather than emotions. In addition, *Guanxi* relationships without exchange of favours are easily ended (Luo, 2007). Moreover, this principle facilitates the extension of individual *guanxi* to organisational associations. Employees earn benefits such as bonuses, commissions, and promotions when they transfer personal *guanxi* to the organisation. It is also possible for organisations to take advantage of each others' *guanxi*, if there is complementarily of resources and the two parties have a strategically need each other (Luo, 2007).

Seventh, *guanxi* is intangible. People in the *guanxi* network are trusted and committed to each other by an unwritten, invisible, and understood code of equity and reciprocity (Luo, 1997). Disrespecting this code can seriously damage a person's social reputation for a person and consequently leads to loss of face, the same as refusing to return a favour for a favour (Luo, 1997).

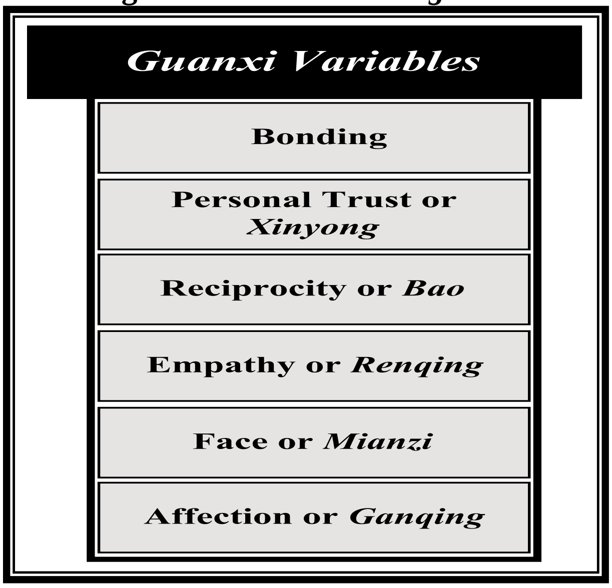
Lastly, *guanxi* is transferable. If person A wants to make relationship with person C, A has *guanxi* with B and B also has *guanxi* with C, then B can suggest A to C (Luo, 1997; Tsang, 1998). The success of *guanxi* as a transferable feature will depend on the feeling of satisfaction of person B with his *guanxi* relationships with both A and C (Luo, 1997; Tsang, 1998).

Hence, the previous discussion reveals that *guanxi* has several characteristics, which make it a rich and comprehensive network of a cultural and social nature. Although companies can benefit from *guanxi* characteristics, however, they should consider the negative consequences. For instance, being ***transferable*** allows companies to take advantage of their employees' *guanxi* in promoting the firm, but at the same time, being ***personal*** could make companies struggle if the employee who brought a *guanxi* connection leaves (Arias, 1998). In this respect, Luo (2007) points out that it is not difficult to be aware of the importance of *guanxi* and to understand its features, but that finding and carrying out a suitable method of satisfying *guanxi* relations is not as simple (Luo, 2007). Overall, *guanxi* development is considered an art of building the relationships.

2.4. The variables of *guanxi*

Many studies discussed the variables of *guanxi* (Chen, 2001; Geddie *et al.*, 2002, 2005; Hwang, 1987; Kiong and Kee, 1998; Tsang, 1998; Wang, 2007; Yang, 1994; Yau *et al.*, 2000) and illustrated *guanxi* as multi-dimensional construct. Although there is no consensus among *guanxi* authors about what constitute *guanxi* variables, in a general sense, bonding, empathy (*renqing*), reciprocity (*bao*), personal trust (*xinyong*), face (*mianzi*) and affection (*ganqing*) are recognized as the main variables of *guanxi*. All these variables are viewed as components of *guanxi* as summarised in Figure 2.2. Having reviewed the literature of *guanxi*, the variables can be summarised as follows:

Figure 2-2: Variables of *guanxi*



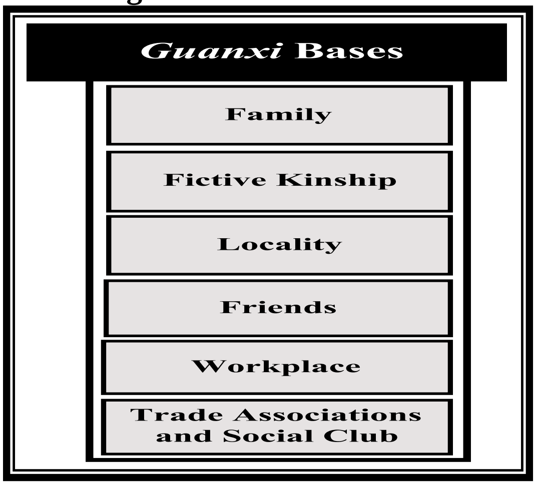
Source: *Adapted from Chen (2001), Geddie et al. (2002, 2005), Hwang (1987), Kiong and Kee (1998), Tsang (1998), Wang (2007), Yang (1994)* and *Yau et al. (2000).*

2.4.1. Bonding

Bonding in the Chinese context is a social or business behaviour in society via mutual commonalities and common backgrounds, which is used to eliminate doubt between parties (Yau *et al*., 2000). Kiong and Kee (1998) indicate potential bases of bonding (which are considered *guanxi* bases), as shown in Figure 2.3. These are “kinship”, “fictive kinship”, “locality and dialect”, “trade associations and social clubs”, “workplace” and “friendship” (Kiong and Kee, 1998, pp, 77-79). Based on the categories of Kiong and Kee (1998), Tsang (1998) divided bonding into two bases. The first is a blood base and comprises members of the family and of a clan, who are identified by locality and dialect, fictive kinship and kinship. The other is a social base which comes through social interactions with colleagues, business partners and friends. The closer the base, the more effectively a bond can serve to remove doubt.

However, it is also possible for individuals who do not have any of these backgrounds in common to develop relationships. A common identity can also be created through collaboration and cooperation between partners, which assist in developing a tie and, thus, relationship (Tsang, 1998).

Figure 2-3: *Guanxi* bases



Source: *Adapted from Kiong and Kee (1998*).

2.4.2. Empathy or *renqing*

Yau *et al.,* (2000, p. 19) define empathy as "the ability to understand someone else's desires and goals". It is extremely significant for people within *guanxi* ties to seek to know their partners and their requirements very well. Empathy is irreplaceable since it is specific to two parties, such as sharing the inner feeling or personal concerns. Chinese express themselves implicitly and vaguely as Yau *et al.,* (2000, p. 19) illustrated that "what is not said is more important than what is said". In particular, the communication model of Western people is sender-centered as a form of self-centeredness whereas that of Chinese is receiver-centered and thus the role of empathy becomes vital for maintaining a relationship.

2.4.3. Reciprocity or *bao*

Geddie *et al*. (2005) and Luo (1997, 2007) believe that *guanxi* is initialised with the tacit promise of limitless exchanges of favours and sustained in the long term by a similarly tacit loyalty to others in the network which means an unwritten code of reciprocity (*bao*). A person who likes receiving favours only without giving anything will lose his/her face in the society (Barnes, Yen, & Zhou, 2011; Luo, 1997). In general, *guanxi* includes the idea of constant mutual obligation throughout a long period, involving the fulfilment of specifications of the agreement, and sustaining each other's reputation (Tsang, 1998).

There are three interrelated aspects of social actions in terms of reciprocity between two individuals (Lebra, 1976). The first issue is related to timing; Chinese should return the favours in the appropriate time, which might be banked and returned in the future. If people within the *guanxi* network attempt to return the favour immediately, it might destroy their ongoing relationship, but they should return the favour as soon as the opportunity arises (Nie, Zhong, Zhou, Jiang and Wang, 2011). The second issue is related to interdependence for mutual benefits, which means that the motivation for a member of the network to do a favour may be an intention to obtain a favour in return. The third issue is related to equality of value exchanged, whereby "Chinese frequently return the reciprocation with greater value than what they received before in order to maintain their reputation and also sustain the future relationship" (Yau *et al*., 2000, pp. 18-19).

2.4.4. Personal trust or *xinyong*

Personal trust or *xinyong* mainly means establishing credibility via past history and reputation in terms of the fulfilment of promises and obligations with mutual satisfaction and beneficial interactions (Kiong and Kee, 1998; Yau *et al*., 2000). Moreover, *xinyong* is an index to judge a person's moral integrity and an initial channel to positively enhance relations between two parties (Chen and Chen, 2004). Generally, Chinese people place large value on trust and credibility in both social and business contexts and especially, *guanxi* network members place significant emphasis on both personal credibility and personal oral commitments and they regard insiders of the *guanxi* network as definitely trustworthy. However, in recent years, this tendency has changed. Insiders without credibility or who are deemed untrustworthy are excluded from *guanxi* ties (Hsu, 2007). Once trust has developed among parties in a *guanxi* network, conducting business within the network is less costly than conducting it outside the network; for instance, there is less risk of loans or credit sales remaining unpaid and, as contractual requirements are less complex, legal costs are lower (Geddie *et al*., 2005).

2.4.5. Face or *mianzi*

Tsang (1998, p. 66) describes face or *mianzi* as the "public image" of a person or one's prestige and reputation. Lee and Dawes (2005) and Nie *et al*. (2011) argue that face refers to the positive image in a relation context. In Chinese culture, one's reputation is rooted in one's past behaviours, particularly moral behaviour. Chen (2001, p. 74) defined *mianzi* as "a social standing based on one's characteristics and reputation within a given social group". In other words, *mianzi* is not generated by self-recognition but by others' opinions. Furthermore, *mianzi* can also represent the entire group's reputation; therefore, every member in this *guanxi* network has the responsibility to protect and gain from it. When one of the members of the *guanxi* ties acquires *mianzi*, this honour does not belong to an individual, but to the whole network and is mutually beneficial. Similarly, if someone damages another's *mianzi*, one member can destroy the group's prestige. Chen (2001, p. 72) stated that "*mianzi* is also reciprocal: it is a shared responsibility not to damage the standing or reputation of others". *Mianzi*, hence, could be seen as a sort of moral norm, whereby, everyone does their best to gain it in order to maintain their dignity. This further leads to harmony and peace in society, which is the goal of Confucianism. The concept of *mianzi* presently extends from a social and moral aspect to a business aspect and develops as a key point to preserve *guanxi* (Chen, 2001; Shou, Guo, Zhang and Su, 2011; Tsang, 1998).

2.4.6. Affection or *ganqing*

It can be described as feeling and emotional attachment amongst members of the *guanxi* networks (Barnes *et al*., 2011; Wang, 2007). It is often an indicator of closeness of *guanxi* members and reflects the quality of a relationship; thus, it is a significant variable (Barnes *et al*., 2011; Chen and Chen, 2004; Wang, 2007). Yang (1994) explained it as an interpersonal relationship, which highlights emotional exchanges rather than obligation. The existence of affection between two parties is irreplaceable and unique, and is a key to establishing lasting and firm *guanxi* networks, as it is difficult for other parties to imitate and replace (Barnes *et al*., 2011). To build up *ganqing*, the experience of sharing and interaction through living, working or studying together is a prerequisite (Tsang, 1998). To strengthen the *guanxi*, individuals have to invest time to cultivate *ganqing* (Tsang, 1998). The closest and most intimate affection only exists among family members. As there is no affection inherent in a business relationship, investment should often be made in affection to develop a good *guanxi* (Shou *et al*., 2011; Wang 2007).

In conclusion, a review of the literature and an analysis of *guanxi* models reveal that some variables, which are conceptually similar, are addressed with different names. For example *reciprocity*, which is an important element within *guanxi* that is used to maintain and keep the relationship for long time between *guanxi* members, has been called ***favour-exchange*** by Wong, Leung, Hung and Ngai (2007) and ***favour*** by Wong (1998). Similarly, Lee *et al*. (2001) have used bonding, which refers to common links between *guanxi* members**,** as ***perceived similarity.*** This weakness could cause confusion and might hinder deeper understanding of the meaning of *guanxi*. Although, there is no consensus among *guanxi* authors about what constitute *guanxi* variables, in a general sense bonding, empathy, reciprocity, personal trust, face, and affection are recognized as the main variables of *guanxi*.

2.5. Types of *guanxi*

Many types of *guanxi* have been cited in the literature. Commonly, it has been categorised according to its base, purpose or nature of interaction. A detailed review of literature has been undertaken and Table 2.2 developed by the author to review *guanxi* types in the relevant literature and summarise the key papers (Chen and Chen, 2004; Fan, 2002a, 2002b; Hwang, 1987; Su and Littlefield, 2001; Tsang, 1998; Yang, 1995; Zhang and Zhang, 2006).

Table 2-2: Review of *guanxi* types in the main studies

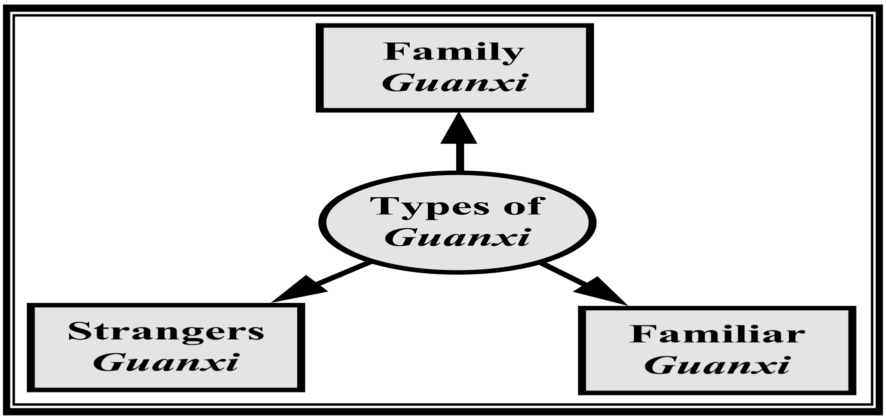
Studies	*Guanxi* Types	*Guanxi* Scope	*Guanxi* Key Features	Downside of the Classification
Hwang (1987)	Expressive Tie	Members of primary groups such as family members, close friends and congenial groups.	Permanent and stable relationship based on obligation.	This type considers the tie or relationship as being emotion-orientated only, which is not accurate. Actually it's mixed between emotion-orientated and reciprocal (Zhang and Zhang, 2006).
	Instrumental Tie	Purely strangers.	Unstable and temporary relationship.	This type considers the relationship between buyer and seller as a *guanxi* relationship while it is not a *guanxi* (Zhang and Zhang, 2006). Hwang did not demonstrate the role of intermediaries.
	Mixed Tie	Among neighbours, classmates, colleagues, teachers and students.	It does not necessarily exist forever, but the mixed tie can last as long as both parties see each other frequently.	
Yang (1995)	*Jiaren Guanxi* (Family Relationship)	Family members.	Principle of interactions responsibility while there is low reciprocity and unconditional trust and feeling of love. Obeying the obligation rule.	
	Shuren Guanxi (Familiar Relationship)	Familiar persons such as friends, neighbours, colleagues, classmates, etc.	Principle of interpersonal favour and moderate reciprocity. Emphasizing more reciprocity than obligation.	
	Shengren Guanxi (Strangers Relationship)	Strangers	Principle of gain and loss, high reciprocity Obeying the instrumentality rules	Did not consider intermediaries during initiation of relationship with strangers where, they define strangers as those whom the person meets for the first time and with whom there is no common identity or intermediaries
Tsang (1998)	Blood *Guanxi*	Family members, relatives, members of the same clan.	Trust and mutually depended.	
	Social *Guanxi*	Members in the same organisation.	Generally social interaction.	

Studies	*Guanxi* Types	*Guanxi* Scope	*Guanxi* Key Features	Downside of the Classification
Su and Littlefield (2001)	Favouring-Seeking *Guanxi*	Family members, clan relatives and friends.	Culturally rooted.	
	Rent-Seeking *Guanxi*	Strangers.	Institutionally defined.	Did not consider intermediaries during initiation of relationship with strangers. They define strangers as those whom the person meets for the first time and with whom there is no common identity or intermediaries.
Fan (2002a,2002b)	Family *Guanxi*		Emotional and instrumental.	
	Helper *Guanxi*		Instrumental or utilitarian.	
	Business *Guanxi*		Purely utilitarian.	
Chen and Chen (2004)	Family *Guanxi*	Family members, relative kinship.		
	Familiar *Guanxi*	Former classmates, colleagues, etc.		
	Stranger *Guanxi*	Strangers, people with or without common demographic attributes.		
Zhang and Zhang (2006)	Obligatory *Guanxi* (*Quinging Guanxi*)	Family members and relatives.	Psychological identification, responsibility and obligation, trust, longest, blood and marriage.	
	Reciprocal *Guanxi* (*Renqing Guanxi*)	Fellow countrymen, classmates or alumni and colleagues.	Favourable exchange, reciprocity, trust and reputation, longer, common background or experience.	
	Utilitarian *Guanxi* (*Jiaoyi Guanxi*)	Mere acquaintances.	Rent exchanges, utilitarianism, less trust, common background an intermediary	

Source: *Adapted from Zhang and Zhang (2006, pp. 380-381).*

As Figure 2.4 depicts, generally, *guanxi* tends to be viewed as having three broad types: family *guanxi*, familiar *guanxi* and strangers' *guanxi* (Chen and Chen, 2004; Fan, 2002a, 2002b; Luo, 2007; Yang, 1995). These "three categories of *guanxi* have completely different social and psychological meanings to the parties involved, and are governed by different sets of interpersonal rules" (Luo, 2007, p. 8).

Figure 2-4: Types of *guanxi*



Source: *Adapted from Chen and Chen (2004), Fan (2002a, 2002b), Hwang (1987), Su and Littlefield (2001), Tsang (1998), Yang (1995) and Zhang and Zhang (2006).*

Family *guanxi* is based on birth or blood, like the relationship with family members, clan relatives and members of the same kinship group. This type involves comparatively permanent, strong and constant relationships, and has an affective component which implies that part of one's responsibility is for others' well-being, although little or no return may be expected in the future (Fan 2002a, 2002b; Luo, 2007). Further, Tsang (1998) views family *guanxi* as the most important type of *guanxi*, on the premise that blood is thicker than water.

In contrast, strangers' *guanxi* includes all who are not inside the family and with whom a significant relationship has yet to be established. This type of *guanxi* includes acquaintances and common identity or intermediaries (Fan, 2002b). Interactions with strangers are shallow and impermanent and do not involve affection, unlike those which take place within the family (Luo, 2007).

Finally, familiar *guanxi* involves the relationship among parties who know each other and keep a positive expressive component in their relationship, such as the relationship with friends, neighbours, colleagues, classmates, alumni and members in the same organisation. This type has a social base with mixture of both expressive and utilitarian forms (Chen and Chen, 2004; Fan, 2002a, 2002b; Luo, 2007; Yang, 1995). Also, Hwang (1987) adds that this type of *guanxi* cannot end as long as both sides often see each other.

There are many scholars who support the notion of those three types of *guanxi*; for instance, family *guanxi*, strangers *guanxi* and familiar *guanxi* are considered similar to what Hwang (1987, p. 949) termed “expressive ties”, “instrumental ties” and “mixed ties” respectively. Yang (1995, p. 28) also introduced the concept of *guanxi* that is divided into three types: “*jeered guanxi*” (which resembles family *guanxi*), “*shoran guanxi*” (which resembles familiar *guanxi*) and “*shengren guanxi*” (which resembles strangers’ *guanxi*). In support of Hwang (1987) and Yang (1995), Fan (2002a, p. 372) classified *guanxi* into three classes: “family,” “helper,” and “business.” However, Fan defines business *guanxi* as a “process of finding business solutions through personal connections” (Fan, 2002a, p. 373). In addition, Chen and Chen (2004), when developing their process model for *guanxi*, agreed with the former to divide *guanxi* into family, familiar and strangers types. Finally, and after reviewing the main studies about *guanxi*, a recent study by Zhang and Zhang (2006, p. 379) classified *guanxi* into: “obligatory *guanxi*”, “reciprocal *guanxi*” and “utilitarian *guanxi*”, which are the same classes of *guanxi* proposed by Fan (2002a, 2002b) and Chen and Chen (2004), but named according to the nature of the exchange.

Although all scholars are in general agreement about those three major types of *guanxi*, there are some key differences in the fine details among the studies. For instance, there is a dispute over a need for an intermediary. Su and Littlefield (2001) and Yang (1995, p. 28) argue that the relationship with strangers “*shengren guanxi*” can be formed without using an intermediary. Fan (2002a, 2002b) and Zhang and Zhang (2006) indicate that a common person or intermediary is necessary to start the *guanxi* relationship with strangers, as *guanxi* without a base or common person (intermediary) means confusion in the concept of *guanxi* (Zhang and Zhang, 2006).

In addition, Chen and Chen (2004); Hwang (1987); Lee *et al*. (2001); Su and Littlefield (2001) propose that instrumental or strangers’ *guanxi* includes the relationship between buyer and seller. This point of view has been criticised by Zhang and Zhang (2006) who argue that the *guanxi* relationship goes before the market relationship (buyer-seller), although they believe that *guanxi* and the buyer-seller relationship are certainly interrelated and complete each other. Zhang and Zhang state that *guanxi* is an “informal interpersonal relationship implying mutual trust which cannot be stated directly and explicitly by the legal system” while the buyer-seller relationship is a “formal legal contract relationship defined and protected by the institutional framework” (Zhang and Zhang, 2006, p. 379).

Furthermore, in many published articles, *guanxi* is regarded as being only reciprocal or utilitarian rather than emotional (Ang and Leong, 2000; Fan, 2002a; Leung, Wong & Wong, 1996; Millington, Eberhardt & Wilkinson, 2005; Su, Sirgy & Littlefield, 2003). On the contrary, Chen and Chen (2004) demonstrate another point of view, that all types of *guanxi* whatever its base; involve both the exchange of emotion and utilitarian motive, even though the extent to which a given type of exchange applies may vary depending on the type of *guanxi*.

To sum up, according to the *guanxi* basis, interpersonal relationships can be classified as belonging to one of three types of *guanxi*, which are very complicated, elastic, dynamic, intertwined and have no specific borderline between them (Fan, 2002a, 2002b). Depending on changes in the “intensity,” “importance,” “frequency” and the basis of the relationship, it is not impossible for the *guanxi* between two parties gradually to shift from one type to another. For instance, *guanxi* network members may have different types of relationships with different parties and treat them differently (Fan, 2002a, p. 374). Moreover, within each category, the relationship can differ in the degree of intimacy and strength. For example, the relationship with a colleague who was a classmate will be stronger than the relationship with other colleague who was not a classmate (Luo, 2007).

Finally, after reviewing the existing literature on *guanxi*, it could be concluded that much emphasis has been given to the classification of *guanxi*, its types and how such types and various relationship principles interact. However, less emphasis has been give to the function, objectives and measurement of these types of *guanxi* (Chen and Chen, 2004).

2.6. Advantages and disadvantages of *guanxi*

After reviewing the relevant literature, it is clear that there is a debate regarding the impact of *guanxi* on business effectiveness and its outcomes. While some scholars and practitioners suggest that *guanxi* leads to many benefits for organisations (e.g. Davies, Leung, Luk and Wong, 1995; Dunfee and Warren, 2001; Leung and Yeung, 1995; Luo and Chen, 1997; Tsang, 1998), others have written about the disadvantages of *guanxi* and its negative impact on the business (Chen, 1995; Davies *et al*., 1995; Fock and Woo, 1998; Yi and Ellis, 2000). Table 2.3 shows the advantages and disadvantages of *guanxi* presented by the main studies.

Table 2-3: Advantages and disadvantages of *guanxi* in the main studies

Guanxi Advantages	Main Studies								
	Davies *et al.*, (1995)	Leung & Yeung (1995)	Yeung & Tung, (1996)	Luo & Chen (1997)	Luo (1997)	Fock & Woo (1998)	Tsang (1998)	Yi & Ellis (2000)	Dunfee & Warren (2001)
Source of information	√							√	
Providing information about the market trends	√								
Providing information about the government policies	√								
Providing information about import regulations and restrictions	√								
Providing information about business opportunities	√								
Source of resources	√		√					√	
Facilitate import license applications	√								
Facilitate approval of advertisement	√								
Facilitate approval of applications to provincial government	√								√
Facilitate approval of applications to central government	√								√
Help in recruitment and selection of labour and job search	√								√
Securing electricity for joint ventures	√								
Securing land for joint ventures	√								
Securing row materials for joint ventures	√								
Building up the company's reputation/image	√							√	
Smooth transportation arrangements	√							√	
Smooth collection of payment	√							√	
Increase prospecting of customers								√	√
Increase sales revenue						√		√	√
Enhance negotiation		√				√		√	
Gain new business						√		√	

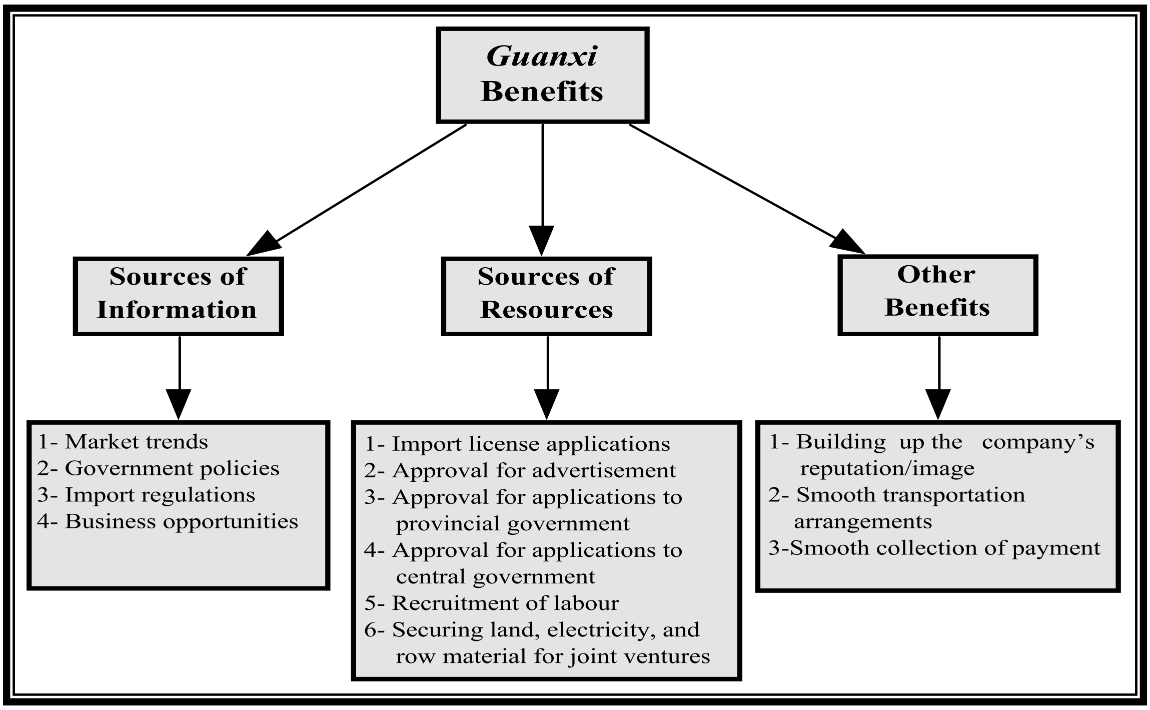
Guanxi Advantages	Main Studies								
	Davies *et al.*, (1995)	**Leung & Yeung (1995)**	**Yeung & Tung, (1996)**	**Luo & Chen (1997)**	**Luo (1997)**	**Fock & Woo (1998)**	**Tsang (1998)**	**Yi & Ellis (2000)**	**Dunfee & Warren (2001)**
Eliminate competition						√		√	
Facilitate daily and future transaction or business operations						√		√	√
Enhance efficiency and effectiveness of firm performance (profitability, asset turnover, and domestic sales growth)				√	√				
Source of sustainable competitive advantage	√						√		
Keep existing clients									√
Avoid bureaucracy procedures government investigations									√
Substitute for the direct contacts with state and party personnel									√
Secure long-term survival and growth			√						
Enhance chance of success	√					√			
Increase business introductions						√			
Secure relationships						√			

Guanxi Disadvantages	Main Studies				
	Chen (1995)	**Davies *et al.*(1995)**	**Leung *et al.* (1996)**	**Fock & Woo (1998)**	**Yi & Ellis (2000)**
Expensive	√	√	√	√	√
Time consuming	√	√	√	√	√
Perceived as being Corrupt				√	√

Source: *Adapted from Chen (1995), Davies et al. (1995), Dunfee and Warren (2001), Fock and Woo (1998), Leung et al. (1996), Luo (1997), Luo and Chen (1997), Leung and Yeung (1995), Tsang (1998), Yeung and Tung (1996) and Yi and Ellis (2000).*

The benefits of *guanxi* in doing business have recently become of interest to many researchers. Davies *et al*. (1995) identified a series of *guanxi* benefits, which help to improve of the companies' competitive advantage. Davies, with his co-authors, reached these benefits from the results of a survey (questionnaire) directed to Hong Kong Chinese managers. The results showed that *guanxi* benefits was divided into three general categories under which were listed the more particular *guanxi* benefits, as shown in Figure 2.5. The *first* category identified as "sources of information". The *second* category recognized as "source of resources". The *third* category of *guanxi* benefits were defined as "other benefits" as they did not fall into either of the other categories (Davies *et al*., 1995, pp. 210-211).

Figure 2-5: *Guanxi* benefits according to Davies *et al*., 1995



Source: *Adapted from Davies et al. (1995, p. 211).*

Moreover, based on the mean score for each benefit the results provide ranking for *guanxi* benefits, as depicted in Table 2.4. In support of Davies *et al.* (1995), Yeung and Tung (1996) argue that using *guanxi* networks in the long-term, with principles of reciprocity and face, will secure the resources for long-term survival and growth.

The results of Davies *et al.*'s (1995) study are also criticized by Fock and Woo (1998) as being too general, since *guanxi* "performs different roles and has different effects for different business managers...thus, *guanxi* should not be regarded as a marketing tool with the same attributes for everyone and the different applications of *guanxi* should be distinguished for executives at different levels" (Fock and Woo, 1998, p.34).

Table 2-4: Ranking of *guanxi* benefits according to Davies *et al*. (1995)

Score Rank	*Guanxi* Benefits	Mean Score
1	Smooth collection of payment	4.70
2	Provide information on import regulations	4.56
3	Provide information on government policies	4.53
3	Smooth transportation arrangements	4.53
4	Provide information on business opportunities	4.51
5	Facilitate approval of applications to provincial government	4.47
6	Facilitate approval of applications to central government	4.39
7	Facilitate import license applications	4.38
8	Building up the company's reputation/image	4.30
9	Provide information on market trends	4.14
10	Securing electricity for joint ventures	3.81
11	Securing land for joint ventures	3.60
12	Securing row materials for joint ventures	3.45
13	Facilitate recruitment of labour	3.25
14	Facilitate approval of advertisement	3.07

Source: *Adapted from Davies et al. (1995, p. 211).*

Later, in 1998, Fock and Woo conducted a survey based on responses from 128 Hong Kong business managers who fell into two groups according to experience with the Chinese market. The larger group contained experienced executives while younger and less-experienced executives were in the second group. The respondents were asked to give a comparative significance to the benefits of *guanxi* on a scale of 1 to 5, (5 = high, 3 = mid-point), which defined what the respondents thought about the benefits of *guanxi*.

As illustrated in Table 2.5, the overall scores of *guanxi* across various benefits show that, in general, respondents did not think that *guanxi* was of great benefit to them. Overall, there were considerable variations between the two groups of executives. Respondents in the first group generally held more positive views of all *guanxi* benefits than did those in the second group.

Table 2-5: Ranking of *guanxi* benefits according to Fock and Woo (1998)

Score Rank	*Guanxi* Benefits	Mean Score		
		All Respondents	Group (1)	Group (2)
1	Enhance chance of success	3.63	4.14	2.93
2	Gain new business	3.56	4.19	2.70
3	Facilitate future transactions	3.41	3.91	2.74
4	Simplify business process	3.33	3.76	2.74
5	Increase sales revenue	3.31	3.22	3.44
6	Secure relationships	3.30	3.68	2.78
7	Increase business introductions	3.19	3.54	2.70
8	Improve negotiations	3.00	3.32	2.56
9	Eliminate the competition	2.63	2.95	2.19

Source: *Fock and Woo (1998, p. 38).*

Building on the studies of Davies *et al.* (1995) and Fock and Woo (1998), Yi and Ellis (2000) conducted research in which they investigated the perceptions of Mainland Chinese executives regarding the advantages and disadvantages of *guanxi* and made a comparison their findings with data gathered from a sample of Chinese executives from Hong Kong

As shown in Table 2.6, both groups of respondents gave less importance to the role of *guanxi* in making the collection of payments due easier and to its role in building corporate image. Further, both groups rated the "elimination of competition" as being the least likely advantage. However, the Hong Kong respondents were more likely to agree that *guanxi* offers "no benefits" (Yi and Ellis, 2000, p. 5).

Table 2-6: Ranking of *guanxi* benefits according to Yi and Ellis (2000)

Score Rank	*Guanxi* Benefits	Mean Score	
		Hong Kong group	Chinese group
1	Increase prospecting of customers	4.21	4.13
2	Gain new business	4.02	4.00
3	Facilitate future transactions	3.84	4.03
4	Increase sales revenue	3.97	3.73
5	Source of resources	3.87	4.13
6	Source of information	3.84	4.13
7	Enhance negotiation	3.66	3.70
8	Facilitate logistics and payment collection	3.37	3.03
9	Build company image	3.32	3.63
10	Eliminate competition	3.21	2.50
11	No benefits	2.37	1.70

Source: *Adapted from Yi and Ellis (2000, p. 28).*

Likewise, Leung and Yeung (1995) conducted a questionnaire survey among Hong Kong entrepreneurs. The study aimed to examine the reasons for negotiation success or failure and determine the critical success/failure factors for business negotiation with small businesses in China. According to the results, only one item, *guanxi* or "good personal relationship" scored a "high importance to the success of business negotiations" in small business in China. However, the item "use of old friends approach in negotiations" (which is part of *guanxi*) had a moderate importance rating (Leung and Yeung, 1995, p. 72-74)

In respect to the influence of *guanxi* on the performance of firms or ventures in China, a study by Luo and Chen (1997) empirically examined the influence of *guanxi* on the performance of firms operating in China. The study included both Chinese domestic firms (CDFs) and foreign-invested enterprises (FIEs). The findings indicated that *guanxi* has a positive effect on the effectiveness of companies working in China (Luo and Chen, 1997).

In the same year, Luo did quite similar research to examine empirically the relationship between *guanxi* and the performance of, only, foreign-invested enterprises (FIE) operating in China. The moderating effect of features of FIE was also examined (Luo, 1997). The findings suggested that *guanxi* had a positive effect on their accounting and market performance (Luo, 1997). According to the positive impact of *guanxi* on firms' performance, success and competitive advantage, managers in China have been advised to gain an understanding of the important role of *guanxi*, to consider *guanxi* as a strategic resource and to learn ways of developing and preserving *guanxi* networks (Leung *et al*., 1996; Luo and Chen, 1997; Tsang, 1998).

Finally, Dunfee and Warren (2001) argue that managers can use *guanxi* to retain current customers, facilitate access to new clients, avoid bureaucracy procedures and government enquiries, avoid time-consuming approval procedures on a new product, thus bringing the product to the market more quickly, and sell goods to relatives which otherwise could not be sold. Other managers are offering the new jobs to people from their personal network (e.g. previous classmates). Moreover, *guanxi* may be employed as way of filtering job candidates, as it is a requirement in some organisations that potential new recruits be able to demonstrate that they have a strong network of business relationships (Dunfee and Warren, 2001).

However, despite the positive functions and benefits of *guanxi*, empirical studies also show the dark side of *guanxi*, arguing that developing and retaining *guanxi* is a time-consuming, expensive and perceived as being corrupt (Fock and Woo, 1998; Yi and Ellis, 2000). Concerning the cost of *guanxi*, in some cases, companies rely strongly on *guanxi* to the point where the development and continuance of the *guanxi* network occupies a great deal of the company's resources, and the risks and costs of *guanxi* may be greater than any potential advantages that could be gained. In this situation, *guanxi* becomes an unbearable burden which firms try very hard to get rid of. This situation is called *guanxi* evasion (Chen, 1995). Accordingly, Tsang (1998) advises organisations to conduct a cost-benefit analysis before deciding whether or not to establish *guanxi*, as time, money, and effort are required for creating and maintaining *guanxi*.

In respect to corrupt behaviours such as favouritism and nepotism, it is predicted that this disadvantage of *guanxi* can be reduced with further development of the open economy, stronger government control and more stringently enforced anti-corruption laws (Arias, 1998; Davies *et al*., 1995).

Finally, although *guanxi* is considered an important factor for doing business and is believed to be a necessary condition for achieving business success, it will not be sufficient alone, as *guanxi* alone according to Tsang (1998), will not make customers buy a company's products. This point of view drives the need for this study, which seeks to involve *guanxi* within the marketing process. The findings of this study will provide insights into how SMEs can link *guanxi* with relationship marketing and use both of them to retain customers. Moreover, it is clear that much of the work and understanding of *guanxi* in the literature focuses on the Chinese perspective, while there is hardly any work which has been done in the Middle East, specifically the Egyptian context, which is another motive behind conducting this study.

2.7. Models of *guanxi*

This section provides an insight into the key models of *guanxi* through reviewing the *guanxi* literature. There was no comprehensive *guanxi* model in the literature until Wong (1998) proposed his conceptual model of *guanxi* and its interaction with relationship performance.

Consequently, a number of models followed Wong's model (e.g. Buttery and Wong, 1999; Gu, Hung and Tse, 2008; Lee *et al*., 2001; Su, Mitchell and Sirgy, 2007; Wong *et al*., 2007). Some of these models are empirically tested (e.g. Gu *et al*., 2008; Lee *et al*., 2001; Wong, 1998) and others are just constructive or conceptual frameworks with some propositions (e.g. Buttery and Wong, 1999; Su *et al*., 2007; Wong *et al*., 2007). Moreover, in some of these models, *guanxi* is considered as a uni-dimensional construct (e.g. Gu *et al*., 2008; Lee *et al*., 2001; Su *et al*., 2007) while in others *guanxi* is presented as a multi-dimensional construct (e.g. Buttery and Wong, 1999; Wong, 1998; Wong *et al*., 2007). Generally, there is no consensus in the *guanxi* literature about what constitute *guanxi* variables. Moreover, the variables differed among the models; some used *guanxi* antecedents as constructs (Wong, 1998), and others divided *guanxi* into types then built variables for each type (Wong *et al*., 2007). In the remainder of this section, the researcher reviews the key models of *guanxi*.

In 1998, Wong attempted to contextualize *guanxi* by operationalising *guanxi* variables and investigating the effects of these variables on relationship performance. Wong (1998) introduced a conceptual model of *guanxi* and its interaction with relationship performance. This model contains two major components: A) *guanxi* constructs (trust, adaptation, favour and dependence); and B) *guanxi* performance indicators (relationship quality, sales performance, termination costs and formalization). Regarding the results of this model there are two major conclusions: (1) Trust and adaptation are positively correlated to overall relationship quality but the correlation between adaptation and relationship termination costs is negative. (2) Adaptation is an important construct, as indicated by positive correlations with future sales perception.

Later, in 2001, Lee *et al*. developed and tested a conceptual model of ***antecedents and consequences of guanxi*** to study the business relationships between Hong Kong and Chinese business people in the Chinese market. They proposed "decision making uncertainty", "opportunism", and "perceived similarity" as antecedents to "*guanxi"*, which has a positive impact on "relationship performance" mediated by "relationship quality" and "interdependence" (Lee et al., 2000, p. 52). The findings of Lee *et al*.'s (2001) study showed that "opportunism" has a negative impact on *guanxi*, and both "perceived similarity" and firm's "decision-making uncertainty" have a positive impact on *guanxi*. Moreover, "relationship quality" and "interdependence" are successfully mediating the relationship between "*guanxi"* and "business performance" (Lee et al., 2000, p. 63).

After introducing the conceptual model of antecedents and consequences of *guanxi*, Wong *et al*. (2007) proposed their conceptual framework of *guanxi* building. The aim of the proposed framework is to examine ways in which *guanxi* can be developed and sustained in a Chinese environment. The findings indicate that commitment is a main condition for establishing quality business relationships (*guanxi*), and such relationships have a positive effect on company performance (Wong *et al*., 2007).

In the same year, Su *et al*. (2007) developed a model for effective *guanxi*. They define effective *guanxi* to be "a trust-commitment/power-dependence relationship among firm stakeholders that is dynamic (cumulative, utilitarian, and long-term), yields socioeconomic benefits (positive work morale, group harmony, and enhanced effectiveness), and is substantively distinct from bribery" (Su *et al*., 2007, p. 310). In the model, *guanxi* is divided into two groups; "internal *guanxi"* and "external *guanxi*". "Internal *guanxi*" comprises the different functional departments and all the associations inside the company, while "external *guanxi*" comprises all the groups of stakeholders outside the company (Su *et al*., 2007, p. 310).

Consequently, the authors developed eight testable propositions aim to identify necessary *guanxi* partners (important *guanxi* and less important *guanxi* participants). Su *et al*. (2007) intended propositions to serve as a basis for further study. Further, Su *et al*.'s (2007) model of *guanxi* has three aims. The ***first*** is the identification of all the *guanxi* relationships required to conduct business in China. The ***second*** is the classification of these relationships into "core", "major", and "peripheral" *guanxi*. The ***third*** is to show how each department in the company can react effectively to various *guanxi* stakeholders (Su *et al*., 2007, p. 309).

Recently, Gu *et al*. (2008, p. 12) proposed an integrative framework that separates the risks and advantages of *guanxi* and depicts the organisational procedures to embed *guanxi* as a key corporate competence. The proposed model aims to answer the following questions: (1) 'Does *guanxi* still matter?' (2) 'How does *guanxi* affect firm performance?' And (3) 'when does *guanxi* exhibit negative impacts?' (Gu *et al*., 2008, p. 13). The results indicate that *guanxi* through its variables (information, trust, and control) affects positively the firm "market performance". Moreover, *guanxi* has a significant influence on "sales growth" and "market share", which supports the notion that *guanxi* has a positive effect on "market performance". In addition, the results illustrate that *guanxi* is positively related to "firm capability", which in turn has a significant effect on "sales growth" and "market share" (Gu *et al*., 2008, pp. 23-24)

2.8. Summary and knowledge gaps

This part of the chapter sought to provide a theoretical foundation for the current research by extensively reviewing the extant *guanxi* literature. Specifically, this part has presented and critically discussed the definition of the *guanxi* concept, the first theme of this thesis, analysed its characteristics, identified its variables, and reviewed its types. In addition, the part has discussed the advantages and disadvantages of *guanxi* and critically introduced a summary of *guanxi* models.

Although the previous researches are rich in details, this does not mean that they are not without gaps and problems. Based upon extensive review and critical discussion of major themes of *guanxi*, several knowledge gaps in the *guanxi* literature have been highlighted and concluded, some of them are relevant and drive the need for this study. There is no agreement about the variables of *guanxi*. Also there is no study which has investigated all *guanxi* variables together and investigated which variables are key. In addition, there is no agreement about whether *guanxi* is a uni-dimensional (e.g. Gu *et* *al*., 2008; Lee *et al*., 2001; Su *et al*., 2007) or multi-dimensional construct (e.g. Buttery and Wong, 1999; Wong, 1998; Wong *et al*., 2007). Also, there are few empirical *guanxi* models (e.g. Gu *et al*., 2008; Lee *et al*., 2001; Wong, 1998), those few models need to be validated in different contexts. In addition, although a few studies theoretically addressed connections between *guanxi* and firms' success and competitive advantages (Ambler, 1994; Luo, 1997; Tsang, 1998), they failed to specify how and in what ways *guanxi* can be viewed as a necessity leading to and underpinning firm success and competitiveness. Furthermore, no model linking *guanxi* and relationship marketing has been cited in the literature, although many scholars suggest the importance of this link (Bjorkman and Kock, 1995; Geddie *et al*., 2002, 2005). Moreover, much of the work and understanding of *guanxi*-type relationships to date focuses on the Chinese perspective while little work spotlights the Western perspective. Further, there is hardly any work undertaken in the Middle East and developing countries, especially Egypt, which, like any country, has its unique political, cultural, social and economic settings. In other words, knowledge gaps exist, and *guanxi* is still a concept, which has yet to acquire a full understanding. This section has conveyed the deficiencies of extant literature, and provided not only a theoretical foundation but also a rationale for the current research.

The next section reviews the concept of relationship marketing, the second theme of this thesis, in order to provide a better understanding of this concept and explore any gaps in the relationship marketing literature.

Part Two: Relationship Marketing

2.9. Origins of relationship marketing theory

The concept of relationship marketing has emerged from the field of services marketing and business-to-business marketing to challenge the traditional marketing approach, which was based completely on transactions and the notion of the marketing mix (Berry, 1983; Jackson, 1985; Gummesson, 1987; Christopher *et al.*, 1991; Grönroos, 1994). Grönroos (1994) views relationship marketing as an alternative to the traditional marketing approach that is capable of absorbing the dynamics and interactions in firms' relationships with business-to-business customers as well as final consumers. Moreover, according to Gummesson (1999, p. 252) a new approach or paradigm means that "a science or discipline is given a new foundation, with new values, new assumptions, or new methods. The accepted and established must be set aside."

Bruhn (2003) and De Burca *et al*. (1995) claim that the traditional marketing approach is full of problems and unable to absorb the growth in marketing, especially in the area of services. In addition, they described the traditional marketing approach as a deficient and manipulative paradigm, which does not consider important aspects such as relationships and interactions in its mix, as the relationships and interactions do not play a big role in this paradigm.

2.10. Relationship marketing vs. transaction marketing

Baker, Buttery and Richter-Buttery (1998) argue that relationship marketing should be understood as an extension of traditional marketing rather than a new definition of the marketing. This point of view becomes clear when comparing the distinctive features of transaction marketing versus those of relationship marketing. Table 2.7 begins this process by summarising the differences between relationship marketing and transactional marketing as they appear in the literature.

Table 2-7: Comparison of relationship marketing with transactional marketing

Criterion	Relationship Marketing	Transactional Marketing
Dominant marketing function	Interactive marketing (supported by marketing mix activities)	Marketing mix
Primary object	Relationships and customers retention	Transactions
General approach	Interaction-Related	Action-Related
Perspective	Evolutionary-Dynamic	Static
Basic Orientation	Orientation to customer value (Implementation-Oriented)	Orientation on product features and 4Ps (Decision-Oriented)
Production focus	Mass customization	Mass production
Time perspective	Long-Term focus	Short-Term focus
Fundamental strategy	Maintenance of existing relationship	Acquisition of new customers
Focus in decision process	All phases focus on post-sales decision and action	Pre-Sale activities
Market bound	Market is relatively bound by networks and alliances	Market is bound by countries and regions
Alliances and networks	Business alliances and networks are essential	Alliances and relationships not essential
Cost	High cost advertising and high cost relationship building and keeping	Too high cost advertising
Price Elasticity	Customers tend to be less sensitive to price	Customers tend to be more sensitive to price
Intensity of contact with customers	High	Low or moderate
Degree of mutual dependence	Generally high	Generally low
Measurement of customer satisfaction	Managing the customer base (Direct Approach)	Monitoring market share (Indirect Approach)
Customers information system	Real-Time customer feedback system	Ad Hoc customer satisfaction surveys
Focus on customer service	High customer service emphasis	Little emphasis on customer service
Dominant quality dimension	Quality of interaction is dominant (Functional Quality Dimension)	Quality of output is dominant (Technical Quality Dimension)
Production of quality	Quality is the concern of all	Quality is primarily concern of production
Role of internal marketing	Substantial strategic importance to success	No or limited importance to success
Importance of employees for business success	High	Low
Differentiation	Creativity is important for differentiation. long-term and close relationships, adaptation, putting customer at the centre of the organisation is a source of differentiation	Quality product is important for differentiation. Marketing mix can be used for differentiation

Source: *Adapted from Grönroos (1994), Henning-Thurau and Hansen (2000, p. 5) and Zineldin (2000).*

First, transaction marketing has a short-term perspective, which focuses on beginning individual transactions with clients, whereas the key feature of relationship marketing is a long-term orientation (Dwyer and Schurr, 1987; Webster, 1992; Bruhn, 2003). Relationship marketing focuses on managing and controlling relationships with customers through assessing customer lifetime value and starting relationships according to the value of such relationships over a number of years (Bruhn, 2003; Little and Marandi, 2003). Furthermore, companies evaluate the success of relationships in terms of "how long a customer is kept in the relationship and the share of customer wallet" (Little and Marandi, 2003, p. 28). In addition, Gummesson (1999, p. 9) argues that long-term orientation entails viewing customers, suppliers and others as partners rather than conflicting parties. This view creates collaboration and promotion of mutual values. Relationship marketing should abandon the 'win-lose' situation created by traditional marketing approach and brings about a 'win-win' situation.

Second, the important point of transaction marketing activities is selling products and services, while the decisive point of relationship marketing is both customers and products or services (Dwyer *et al.*, 1987; Webster, 1992; Gummesson, 1999; Bruhn, 2003). Little and Marandi (2003, p. 29) claim that relationship marketing moves the marketers' focus from just acquiring the market share to keeping customers' share and gaining a bigger share of their 'wallet' by selling more and more products and services.

Third, in the case of traditional marketing approach the 4Ps, segmentation, and branding are very important (Little and Marandi, 2003). Moreover, there are no relationships between the seller and the customer; the supplier plays the 'active part' while the consumer is the 'passive part' (Grönroos, 1994, p. 9). In contrary, relationships and interactions are the key concepts in relationship marketing (Little and Marandi, 2003, p. 28).

Grönroos (1994, p. 14) argues that "the four Ps were never applicable to all markets and to all types of marketing situations [thus there is a need to develop] alternative marketing theories" to fit better the reality of industrial and services marketing. In addition, De Burca *et al*. (1995) add that introduction of the relationship marketing approach does not imply that the traditional marketing approach is not essential; it is still important but will be taken in the context of the management of customer relationships. Similarity, Grönroos (1994) adds that the marketing mix and other concepts will not be less important than before. For instance, segmentation, promotion, branding and other concepts in the old paradigm will still be vital but under the umbrella of the new paradigm. In summary, since the 1950s, the marketing mix has been considered the dominant paradigm and believed to be a universal truth. Nowadays, new perspectives, paradigms, and approaches are needed in the market place, which take the customer as a focal point, in addition to being more market-oriented and less manipulative. One of these paradigms is supposed to be relationship marketing (Grönroos, 1994).

Fourth, for relationship marketing, the marketing strategy strives to attain a dialogue with the customer in order to align products and services with customer needs while the strategy for the traditional marketing approach is presenting the product (Bruhn, 2003). Moreover, Ndubisi (2003) argues that the only real strategy to grow business is through a mutual relationship with customers, which allows a business to understand their needs more and more as well as to generate and deliver greater value.

Fifth, the promotion strategy differs according to the type of interaction. The promotion strategy in relationship marketing is achieved through a personal interaction (Bruhn, 2003) such as direct mail, tangible rewards, interpersonal communication, preferential treatment and membership (Tseng, 2007), while transaction marketing uses a non-personal promotion strategy (Bruhn, 2003).

Sixth, in the case of the relationship marketing paradigm, "customer-specific indicators" such as customer value and customer's profit contribution are added to classic economic profit and control parameters, i.e. profit, profit margin contribution, sales and costs (Bruhn, 2003, p.13).

Seventh, the goal of transaction marketing activities is only gaining new consumers, in contrast to relationship marketing, which focuses mainly on customer retention and recovery before gaining new consumers (Bruhn, 2003).

2.11. Definition of relationship marketing

Several researchers including Grönroos (1994); De Burca *et al*. (1995); Gummesson (1996) and Egan (2001) have noted that the definition of relationship marketing varies widely and there is lack of a common definition among academics.

However, by reviewing the literature, Berry (1983, p. 25; 2002, p. 61) defines relationship marketing as "attracting, maintaining and enhancing customer relationships." This definition, which introduces relationship marketing as a marketing paradigm with a strategic viewpoint, "focuses on the significance of attracting new customers as a first step in marketing activities" (Bruhn, 2003, p. 10) and also stresses the importance of maintaining or retaining customers (Berry, 2002; De Burca *et al*.,1995).

Grönroos (1990) expanded Berry's ideas, stating that, relationship marketing aims to find, maintain, and enhance relationships with customers and other partners so that the objectives of the company and customers and all partners will be achieved by mutual exchange and implementation of promises. In respect to the promises, Calonius (1988) argues that suppliers make promises concerning products, services, information, social responsibilities, and a variety of commitments. On the other side, the consumers make promises relating to their commitment in the relationship with suppliers. These promises should be respected by both the supplier and the customer for their benefit. Moreover, Reichheld and Sasser (1990) added that fulfilling these promises that have been given is very important to achieve customer satisfaction and long-term profitability

Shani and Chalasani (1992, p. 34) also added that "relationship marketing is an integrated effort to identify, maintain and build up a network with individual consumers and to continuously strengthen the network for the mutual benefit of both sides, through interactive, individualised and value-added contacts over a long period of time". Moreover, Gummesson (1994, p. 5) described relationship marketing as "relationships, networks, and interaction". He argued that in order to have relationships, first, at least two parties are involved with each other. Second, when there are more than two (many complex relationships), networks are produced. These complex networks, parties interact with each other, with exchange of values and supporting mutual activities as the centre of these interactions. This definition suggests a more holistic perspective and leads to a broader domain for relationship marketing, and it is the only definition that includes the concepts of networks and interactions.

Finally, Morgan and Hunt (1994, p. 22) focused on the process of relationship marketing and offered broad definitions by stressing win-win and long-term orientation by stating that "relationship marketing refers to all marketing activities directed towards establishing, developing and maintaining successful relational exchanges". This definition is a more inclusive definition of relationship marketing. It includes ten separate types of relationship marketing which are divided into four groups: the first group is "buyer partnerships" which include "intermediate customers" and "ultimate customers." The second group is "supplier partnerships", including "goods suppliers" and "services suppliers". The third group is "internal partnerships," which contains "functional departments," "employees" and "business units." The last group is "lateral partnerships" which consists of "competitors," "non-profit organisations" and "government." However, even if marketing activities apply to different groups, customers represent the core of these groups. In addition, customer relationships are the focal factor for corporate success, and their quality, in turn, is dependent on the company's relationships with the remaining groups (Gummesson, 1994; Morgan and Hunt, 1994; Bruhn, 2003). Therefore, this research will focus mainly on customer relationships and how to attract customers, maintain them and build a long-term relationship (customer retention)

From the preceding discussion, it is clear that understandings of relationship marketing differ somewhat and there is no single definition of relationship marketing which is "universally accepted" but there is a high degree of commonality among the definitions (De Burca *et al.*, 1995). These diverse definitions support Buttle's (1996) suggestion that relationship marketing is a term that has yet to acquire uncontested meaning. To date this lack of consensus still exists.

2.12. Key variables of relationship marketing

Based upon reviewing an abundance of relationship marketing models widely cited in the literature, a number of the key variables for relationship marketing have been revealed, as shown in Figure 2.6. Trust is cited in Adamson *et al*. (2003), Gruen (1995), Hunt *et al*. (2006), Morgan and Hunt (1994), Ndubisi (2004), Ndubisi and Wah (2005), Samiee and Walters (2003), Sin *et al*. (2002), Sin *et al*. (2005), Smith and Barcley (1997), Sividas and Dwyer (2000), Van Zyl and Mathur-Helm (2007), Wong and Sohal (2002) and Yau *et al*. (2000). Commitment is cited in Adamson *et al*. (2003), Grossman (1998), Morgan and Hunt (1994), Ndubisi and Wah (2005), Samiee and Walters (2003) and Wong and Sohal (2002). Dwyer et al. (1987), Ndubisi and Wah (2005) and Samiee and Walters (2003) consider conflict handling. Communication is cited by Morgan and Hunt (1994), Ndubisi and Wah (2005), Sin *et al*. (2002), Sin *et al*. (2005) and Van Zyl and Mathur-Helm (2007). Empathy is supported by Hunt *et al*. (2006), Ndubisi (2004), Ndubisi and Wah (2005), Sin *et al*. (2002), Sin *et al*. (2005) and Van Zyl and Mathur-Helm (2007). Shared values is supported by Morgan and Hunt (1994), Hunt *et al*. (2006), Sin *et al*. (2002), Sin *et al*. (2005) and Yilmaz and Hunt (2001). Reciprocity is supported by Ndubisi (2003), Samiee and Walters (2003), Sin *et al*. (2002), Sin *et al*. (2005), Van Zyl and Mathur-Helm (2007) and Yau *et al*. (2000). Finally, Equity is supported by Ndubisi (2003, 2004).

Figure 2-6: Key variables of relationship marketing

Source: *Adapted from Dwyer et al. (1987), Grossman (1998), Morgan and Hunt (1994), Ndubisi (2003), Ndubisi and Wah (2005), Sin et al. (2002) and Wong and Sohal (2002).*

Based upon reviewing an abundance of relationship marketing research papers widely cited in the literature (Appendix I), most studies in the literature of relationship marketing have viewed trust and commitment as main variables of relationship marketing, while a few of them included the rest of the variables, which made authors such as Ndubisi (2006) consider variables such as empathy, shared values, reciprocity, and equity as 'less common'. Furthermore, there is hardly any empirical study, which has employed all these variables together in one study. The following discussion will provide an overview of all the variables of relationship marketing, which have been cited in the literature.

2.12.1 Trust

Trust is a basic factor in relationship marketing (Morgan and Hunt, 1994) since the level of trust between exchange partners is a significant measure of the strength of relationship marketing (Wong and Sohal, 2002). Trust has been defined in different ways in the literature of relationship marketing. Moorman, Zaltman and Deshpande (1992) and Moorman, Deshpande and Zaltman (1993) defined trust as the ability to depend on an exchange partner on whom one has self-confidence. Sin *et al*. (2002) consider trust as a element which controls the extent to which each partner can depend on the promises offered by the other partner, given that satisfying promises plays an important role in achieving customer satisfaction and protecting long-term profitability (Reichheld and Sasser, 1990). Calonius (1988, p. 90) argues that the 'promise concept' is a key variable in building trust marketing relationships. He explains that marketing responsibilities comprise both making promises and convincing customers to keep promises, which helps to maintain and improve the relationship between buyer and seller

The literature reveals that trust is the central variable in relationship marketing. For example, Berry (1983) argues that trust is very important in building satisfaction and loyalty. In addition Berry and Parasuraman (1991) and Morgan and Hunt (1994) believe that trust is a requirement for relationships between the company and the customers, and is the cornerstone of building these relationships and making customers more satisfied and loyal, which reflected in their retention. Moreover, Sin *et al*. (2002) claim that an increase in the level of trust between the customer and the supplier raises the possibility of building satisfaction and a long-term relationship between them.

Morgan and Hunt (1994, p. 22) added that among features that help the success or not of relationship marketing, trust is 'key' because it encourages marketers to "work at preserving relationship investments by cooperating with exchange partners, resist attractive short-term alternatives in favour of the expected long-term benefits of staying with existing partners, and view potentially high-risk actions as being prudent because of the belief that their partners will not act opportunistically."

To sum up, trust is considered a key variable leads to satisfaction, cooperative behaviours among parties, long-term relationship and success of relationship marketing (Morgan and Hunt, 1994; Sin *et al*., 2002).

2.12.2. Commitment

Commitment is another important variable for the relationship marketing concept and a useful factor for measuring the probability of customer retention and predicting future purchase rate (Dwyer *et al*., 1987; Gundlach, Achrol and Mentzer, 1995; Morgan and Hunt, 1994). Commitment is considered one of the most important variables used in buyer-seller relationship studies (Wilson, 1995).

In the field of marketing, commitment is defined as a continuing desire to maintain a good relationship (Moorman *et al*., 1992). Moreover, Dwyer *et al*. (1987) suggest that commitment means a motivation to make short-term sacrifices to catch long-term rewards. It is argued that customers become more committed to an organisation when they believe that more value will be gained from this organisation, which consequently affects those customers and makes them more willing to give back effort in return for the rewards they obtained previously. At the same time, organisations will still benefit from the mutual exchange relationship with their committed customers (Mowday, Steers and Porter, 1979). This has some important implications. For instance, in the field of retail marketing, when a customer establishes a relationship with a salesperson, the customer intention is likely to be related with store loyalty as long as the salesperson remains at that store (Macintosh and Lockshin, 1997). Although this might be a sign of a positive relation between commitment to the salesperson and loyalty, however, it might also lead to customer and purchase loss if the salesperson leaves the store (Beatty, Mayer, Coleman, Reynolds and Lee, 1996).

2.12.3. Conflict handling

Conflict handling is defined as the firm's ability to minimize the negative results of observable and possible conflicts by avoiding and solving conflicts before they create problems, as well as discussing solutions in honestly when problems occur, since the way that firms deal with conflicts will influence customers' satisfaction and loyalty (Dwyer *et al*., 1987). Rusbult, Farrell, Rogers and Mainous (1988) argue that three factors could determine why customers might engage in conflict handling behaviours: the level of previous satisfaction with the relationship, the degree of the person's investment in the relationship and an evaluation of the alternatives.

2.12.4. Communication

Communication is the capability to offer valuable information at a suitable time (Ndubisi, 2007). Today, there are new ways of interaction and communication between suppliers and consumers during all stages of the marketing process, including mobile phone and e-mail (Ndubisi and Wah, 2005). Communication is considered the "glue that holds together a channel of distribution" (Mohr and Nevin, 1990, p. 36). Many reasons have been cited in the literature of relationship marketing for the growing importance of communication. Communication allows the company to be in touch with its customers, provide them with reliable information about products and services at the appropriate time, inform them of any changes in products and services, provide them with information on quality problems and enable the company to respond proactively if a delivery problem occurs (Sin *et al*., 2002; Ndubisi and Wah, 2005). Furthermore, communications play a vital role in solving any problems and making customers more satisfied through telling customers what the organisation is actually doing for them, correcting any misunderstanding, and clearing all causes of dissatisfaction.

In addition, effective communication may lead to a better relationship between both the sellers and the buyers or companies and customers, which in turn lead to more satisfied and loyal customers (Morgan and Hunt, 1994; Sin *et al*., 2002; Ndubisi, 2007).

Moreover, communications help in creating customer awareness toward the suppliers' products and services, build up and shape consumer preference, and encourage customers to buy (Ndubisi, 2007).

2.12.5. Empathy

Empathy is defined as the ability to understand the desires and goals of the other side and allows for both relationship parties to understand each other's viewpoint (Parasuraman, Zeithaml, Berry, 1988; Sin *et al*., 2002). Ndubisi (2004, p.75) adds that empathy "refers to compassion or benevolence, which denotes kindness or goodwill on the part of both partners." Moreover, Ndubisi (2004) clarifies the importance of empathy for both parties in terms of its role in growing up a relationship, increasing and implementing the goodwill and kindness. This is supporting Buttle's (1996) view that relationship marketing should have a benevolent aspect and claims that empathy has an ethical consideration in relationship marketing, as partners who would like to be treated empathically are more likely to treat others in the same way. Few empirical studies have addressed issues relating to empathy and relationship marketing, despite the importance of empathy in building such relations (e.g. Sin *et al*., 2002; Sin *et al*., 2005).

2.12.6. Shared values

Shared values are defined as common beliefs between partners, usually about what behaviours, aims, and rules are fundamental or not, suitable or unsuitable, and correct or incorrect (Morgan and Hunt, 1994). Shared values are considered an important variable of relationship marketing. They are a cornerstone of each definition of relationship marketing. For instance, Evans and Laskin (1994) define relationship marketing as a process where the companies construct a long-term rapport with both current and potential customers whereby, both consumer and supplier work to establish a common set of specific aims, policies and values. Further, Levy and Zaltman (1975, p. 27) mentioned in their definition that in relationship marketing, people or groups are engaged in reaching shared values and generate "patterned relationships with one another". Consequently, it can be argued that when both partners have common aims or values, they will be satisfied and try to enhance their relationships.

2.12.7. Reciprocity

Reciprocity is the aspect of a business relationship that makes one of the parties able to give something (help, support or payment) to the other party in exchange for a comparable thing (help, support or payment) to be taken or received later (Sin *et al*., 2002). Sin *et al*. (2002, 2005) argue that relationship marketing includes reciprocity, interaction and commitment.

2.12.8. Equity

Equity is a significant variable of relationship marketing (Ndubisi, 2004). It provides fairness in the relationship between the customer and the company. To achieve mutual goals for both customers and sellers, in a successful and efficient way, equity is needed, which involves balanced sharing of information, threats and any other factors (Lewis, 1996). Equity permits firms to regard clients as assets to the firm that generate profit but need an outlay to obtain and keep (Anderson, Fornell and Lehmann, 1994). Both companies and customers are more willing to create and grow equity as it ensures balanced gains, where sellers provide customers with satisfactory goods and services in a good environment and on the other side, customers pay money in the form of prices. If this condition is missing, then equity is absent which might lead to dissatisfaction and end of the relationship between the company and customer (Ndubisi, 2003). Despite the identified importance of equity as a construct for relationship marketing, it is rarely addressed in the literature (Ndubisi, 2004).

2.13. Relationship marketing investment programmes.

Relationship marketing investment programmes are also called relational bonding. Liljander and Strandivik (1995) and Wilson and Mummalaneni (1986) argue that a variety of relationship investment programmes are needed in order to strengthen the relationship with customers.

Relationship marketing investment refers to the sellers' extra effort; adoption of policies; and small favours or considerations, such as meals, gifts, or personalized notes, to generate customer gratitude, which leads to reciprocal behaviours and customer retention (Palmatier, Jarvis, Bechkoff and Kardes, 2009). Generally, relationship marketing investment tends to be viewed as having three types of programmes: financial (economic), social, and structural (Berry, 1995). In support, several authors such as Hsieh, Chiu and Chiang (2005), Lin, Weng and Hsieh (2003), Peltier and Westfall (2000) and Wang, Liang and Wu (2006) recommend that companies can build a good relationship with customers by developing one or more types of relationship programmes.

Firms applying relationship marketing investment programmes as a type of inducement or customer relationship investment. Such programmes try to encourage the customers to purchase again from the company, further linking the customer to the overall company. Webster (1992) indicates that repeat transactions lead to relationship formation. Both Doney and Cannon (1997) and Palmatier, Gopalakrishna and Houston (2006) demonstrate that relationship marketing programmes help build relationships with customers and/or other organisations. Palmatier *et al*. (2009, p. 13) also demonstrate that relationship marketing programmes positively affect customers' "feelings of gratitude," which in turn lead to greater customer purchase intentions. The three types of programmes are considered in this thesis as separate variables, in order to investigate the impact of each one on relationship quality and customer retention. Therefore, they are discussed more fully below.

2.13.1. Financial investment programmes

Financial investment programmes include free products, discounts, membership, or other financial incentives that encourage customers to re-purchase. In certain situations, financial programmes can provide sufficient returns (Bolton, Kannan and Bramlett, 2000). Financial relationship marketing programmes are generally known as retention or frequency marketing, where the sellers use financial programmes to enhance customer retention (Berry, 1995; Berry and Parsuraman, 1991; Hsieh *et al*., 2005). For instance, airlines companies often have frequent flyer programmes wherein regular passengers on that airline collect points each time they fly and can then exchange them for discounts or other benefits (Lin *et al*., 2003). As another example, hotels frequently have loyalty programmes which offer such benefits as discounts on standard hotel rates or free airport transfers (Berry and Parsuraman, 1991).

Day and Wensley (1988) argue that the advantages of applying financial programmes cannot be maintained as it is easy for rivals to imitate the programmes. Berry (1995) and Berry and Parsuraman (1991) considered financial programmes as the first and weakest stage in constructing relationship with customers. Hsieh *et al*. (2005); Liang and Wang (2005) and Smith (1998) argue that financial programmes should be used in conjunction with other types of programmes (social and structural programmes). This study used financial programmes as a significant component in the model linking *guanxi* and relationship marketing in the SMEs sector in Egypt.

2.13.2. Social investment programmes

Ling and Wang (2005) define social programmes as personal connections or links that hold a buyer and seller together during interaction at work. Hsieh *et al*. (2005) and Lin *et al*. (2003) offer a more comprehensive perspective in their definition of social programmes as personal links relating to the buyer-seller relationship that offer interpersonal interactions, friendship, and identification. This perspective comprises all elements of personal treatment that clients may require from the firm.

Berry (1995) and Berry and Parasuraman (1991) indicate that social programmes are considered the second step in maintaining customer satisfied. These types of programmes go beyond the financial benefits and build a social bridge with customers, and clients who receive personal treatment have stronger motives not to change to a different company. Moreover, Liang and Wang (2005) highlight that social programmes enhance relationship quality. However, Berry and Parasuraman (1991) assert that deficiencies in service or significant differences in price will not be compensated for social programmes. Moreover, Liang and Wang (2005, p. 68) argue that "although social programmes cannot replace price attraction, social programmes provide customised services that develop independent relationships, allow the customers to trust and be satisfied with the retailers' service, and assist understanding and learning about the customer's needs and expectations."

From a broader perspective, social programmes include friendship, keeping in touch, social support and any interpersonal contact (Price and Arnold, 1999). VIP treatment, entertainment and visits to restaurants may also be included in social relationship marketing programmes and are held to have a powerful effect on relationships and to be difficult to copy. Because of social programmes, clients are likely to recommend the company to others, re-purchase form the company and pay little attention to offers from rivals (De Wulf, Odekerken-Schroder and Iacobucci, 2001; Palmatier *et al*., 2006).

2.13.3. Structural investment programmes

Previous related literature proved that when companies applying structural investment programmes, after financial and social programmes, customer retention usually increase (Peltier and Westfall, 2000). Smith (1998, p. 79) defines structural programmes as "ties relating to the structure, governance, and institutionalization of norms in a relationship. The rules, policies, procedures, or agreements that provide formal structure to a relationship; the norms or routines that informally govern interaction; and organisational systems and technologies, such as electronic mail or electronic data interchange, that enable or facilitate interaction can provide psychological, legal, and physical ties that bind parties to a relationship and make it difficult to consider other exchange partners".

Moreover, Berry (1995) and Palmatier *et al*. (2006) add that structural relationship marketing programmes involve tailored order processing systems, specific staff members, and customised packaging, which enhance efficiency and/or productivity for clients, who therefore hesitate to change suppliers or to use more than one supplier. Structural programmes necessitate a considerable effort to establish in order to provide clients with customers unique advantages, but such programmes can lead to powerful competitive advantages as clients keep their business with the organisation in order to benefit fully from these services that are difficult for rivals to emulate (Berry, 1995; Berry and Parasuraman, 1991). In addition, it would be both costly and difficult for clients to provide such services for themselves (Berry and Parasuraman, 1991). Further, Berry, (1995) and Berry and Parasuraman (1991) consider structural programmes to be the peak of relationship marketing as they permit organisations to reinforce their relationships with clients through the addition of structural links to social and financial programmes

Generally, all three types of relationship marketing programmes are expected to have a different positive effect on customer (Palmatier *et al.*, 2006). The previous sections reviewed the literature related to the three types of relationship marketing investment programmes which were employed in the theoretical model proposed in this research. These programmes have been discussed with regard to their definitions in the literature, their development in the relationship process, and their division into financial, social and structural types.

2.14. Advantages and disadvantages of relationship marketing

Various factors have been cited in the literature (Buttle, 1996; Peppers and Rogers, 1995) as having made a contribution to advancing the concept of relationship marketing and reflecting its importance. For instance, almost all products and services have been influenced by technological progress and the strongly competitive nature of worldwide markets, which results in homogeneity of products and fragmentation of traditional marketing segments, which occurred also as customers, became more demanding and sophisticated, with rapidly changing buying patterns. In order to manage these challenges, relationship marketing is argued to help organisations offer exemplary customer service, provide superior product/service benefits, pursue long-term vision, engender customer commitment, focus on customer retention and ensure that quality is the concern of all (Christopher *et al*., 1991).

Accordingly, adopting relationship marketing, from the company perspective, leads to increased purchases, customer and employee retention, as well as free advertisement through word-of-mouth (Zeithaml and Bitner, 1996). In support, Bejou, Ennew and Palmer (1998), Little and Marandi (2003) and Mittal and Lassar (1998) explain that customers acquired through relationship marketing will be more inclined to respond positively to cross-selling activities, allowing companies to obtain a larger of customers' expenditure. Reichheld (1996) further asserts that this kind of customers take less of a company's time in personal selling, are less price sensitive, bring the benefit of word of mouth advertising and have no acquisition or set-up costs. Accordingly, all these benefits will be reflected on the company profitability.

From the customer perspective, Sheth and Parvatiyar (1995b, p. 256) demonstrate that engaging in relationship marketing helps customers to achieve "greater efficiency" and "cognitive consistency" in their decision making, reduces the task of information processing, reduces their anxiety and perceived risks associated with future purchase choices, provides them with high quality service or customized products and makes them feel valued.

Regarding the disadvantages of relationship marketing, Håkansson and Snehota (1995) argue that applying relationship marketing requires time, cost and effort from each of the parties involved in the relationship, which should be weighed against the expected gains.

2.15. Relationship development process

Relationships develop through stages, which evolve through a process over time (Wetzels, De Ruyter and Van Birgelen, 1998). In general, the building and formation of a relationship is seen as a series of exchanges that lead to increasing interdependence, cooperation, and commitment. Several authors have introduced models explaining the stages of the relationship development process, as shown in Table 2.8.

Table 2-8: Relationship development

Dwyer *et al*. (1987)	Ford (1980)	Wilson (1995)	Levitt (1983)
Awareness	Pre-relationship stage	Search and selection	Meeting
Exploration	Early stage	Defining purpose	Going out
Expansion	Development stage	Boundary definition	Going Steady (courting)
Commitment	Long-term stage	Creating relationship value	Marriage
Dissolution	Final stage	Hybrid stability	Divorce

Source: *Tynan (1997, p. 697).*

The most widely cited model is the one introduced by Dwyer *et al.* (1987), which described five phases for the development process of the relationship (seen in Table 2.8). A transition in how the parties perceive each other occurs in each of these phases. In the "***awareness***" ***stage***, parties in the relationship identify each other as viable exchange partners. The "***exploration***" ***stage*** is a testing period for the relationship, as it is at this stage that the commitments, advantages, disadvantages and the possibility of exchange are considered. In the ***expansion stage,*** the exchange parties continue to benefit and to gain further advantages from their exchange, either implicitly or explicitly. The ***commitment stage*** refers to the pledge of the exchange partners to continue their relationship either implicitly or explicitly. Finally, the ***dissolution stage*** refers to relationship termination.

As evident from Table 2.8, the model of Dwyer *et al* (1987) corresponds in some ways to Ford's (1980), Wilson's (1995) and Levitt's (1983) models. For example, the awareness stage is similar to the pre-relationship stage in Ford's model and the meeting stage of Levitt's model, as well as similar to the search and selection phase proposed by Wilson. Consequently, although different authors used different expressions, it is obvious that these models describe the same process of relationship development, in which communications between parties are involved in different stages of relationship development. This thesis will utilise the notion of relationship development stages in developing and building the proposed research model.

2.16. Consequences of relationship marketing

2.16.1 Relationship quality

Relationship quality is one of the important consequences of relationship marketing success and has been considered an area of interest in the relationship marketing literature (Crosby, Kenneth and Cowles, 1990; De Wulf *et al*., 2003; Dorsch, Swanson and Kelly, 1998; Hennig-Thurau and Klee, 1997; Hennig-Thurau, Gwinner and Gremler, 2002; Kim and Cha, 2002; Kumar, Shcheer and Steenkamp, 1995; Morgan and Hunt, 1994; Roberts, Varki and Brodie, 2003; Wang *et al*., 2006). Therefore, in the proposed research model, relationship quality is considered as one of the relationship marketing consequences.

Smith (1998, p.78) defines relationship quality as "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". In other words, relationship quality refers to the extent to which the relationship with the company meets the perceptions, needs, and goals of the customers (Wong and Sohal, 2002). Moreover, Roberts *et al*. (2003, p. 190) add that "firms should be able to monitor the quality of their consumers' relationship with them, as well as the effectiveness of their relationship programmes aimed at building relationship quality, since relationship quality provides a metric for such assessment." Moreover, relationship quality is considered as a condition for long-term relationships and customer retention (Bejou *et al*., 1996; Crosby *et al*., 1990).

On a different note, Ndubisi (2004), Ndubisi, Wah and Ndubisi (2007), Ndubisi, Khoo-Lattimore, Yang and Capel (2011) and Wong and Sohal (2002) consider relationship marketing as an antecedent of relationship quality, but to "date the need to examine a comprehensive list of key relationship marketing [variables] as antecedents of relationship quality and their level of contribution remains" (Ndubisi, 2007, p. 830).

2.16.2. Customer retention

Customer retention is defined as "customers' state continuation of a business relationship with the firm" (Keiningham, Cooil, Aksoy, Andreassen and Weiner, 2007, p. 364). Gupta and Zeithaml (2006) also refer to customer retention as the willingness of the customer to re-purchase from the company in the future. Customer retention is an outcome of a successful relationship between a customer and an organisation and helps to reduce profitable customers switching to competitors (Reichheld, 1996; Farquhar, 2005).

It is argued that customer retention 'fits well' within the main objective of marketing actions; it is considered one of the most important consequences of relationship marketing and has been shown to be the primary goal of relationship marketing (Grönroos, 1990). Thus, relationship marketing focuses mainly on customers' retention and recovery before gaining new consumers (Bruhn, 2003), since customer acquisition is considered between five and ten times more expensive than customer retention

(Gummesson, 1999). Also, customer retention is perceived as offering significant direct and indirect advantages (Bruhn, 2003; Zeithaml, Berry and Parasuraman, 1996). Regarding the ***direct impact of customer retention***, it is claimed that ***customer retention*** enhances economic performance in terms of ***turnover*** and ***costs*** (Zeithaml *et al.,* 1996). From a ***turnover*** perspective, it has been proved that customer retention has a positive impact on both turnover and prices, which in turn enhance the company's overall revenues. Moreover, customer retention is supposed to increase purchasing frequency as well as permit cross selling, which might lead to more sales. Also, customer retention has been observed to increase customer willingness to pay a premium price to reduce purchasing risk. Thus, it can be said that customer retention is capable of generating high sales for a company (Bruhn, 2003). From a ***cost*** perspective, Ndubisi (2007) argues the effect of experience will create additional cost saving. First, serving retained customers can result in lower costs than serving newly acquired customers. Also, that the cost of attracting and handling one new customer is five to six times more than the cost of handling one retained customer (Ndubisi, 2007). Second, customers can increase the efficiency of providing goods by applying their experience with the supplier in numerous sectors (Bruhn, 2003).

Finally, there is an ***indirect impact of customer retention*** on other customers. Boulding *et al.* (1993) argue that retained customers might encourage their friends and relatives to buy from the company by recommending it to them, and never discourage current or potential clients away from the supplier. This is viewed as word-of-mouth communication, which has been proved to have an indirect impact on profits. Thus, word-of-mouth can lead to gaining new customers while retaining current ones, without any direct action from the product provider (Boulding, Kalra and Zeithaml, 1993).

2.17. Summary and knowledge gaps

The second part of this chapter has added to the theoretical foundation of the current research by an extensive review of the relationship marketing literature. It has revealed the origins of relationship marketing and identified the increasing recognition, in the marketing literature, of the transactional marketing paradigm's limitations and incompatibility with the contemporary marketing environment. It reviewed the increasing role and contribution of relationship marketing in comparison with the role of transactional marketing in the marketing process, and highlighted the importance of people in commercial relationships, which leads to increasing the importance of personal contact and customized service. This part also stresses the importance of interaction between organisations and emphasises the importance of building, developing and keeping trust, commitment, reciprocity, communication, equity, shared values and empathy between parties. Relationship marketing investment programmes were reviewed; further linking the customer to the overall company has been discussed. Finally, attention was drawn to the importance and consequences of relationship marketing in the current marketing environment.

It is evident from the preceding presentation and discussion that although a few authors from services marketing (Crosby *et al*., 1990; Berry and Parasuraman, 1991) emphasise the importance of personal contact in business relationships, inter-organisational rather than interpersonal relationships are stressed in relationship marketing. Personal social networks, which often play a role in determining business networks, have not been given sufficient theoretical and empirical attention in relationship marketing. Therefore, whereas at this stage of research there is evidence to suggest that much is known about the characteristics of relationship marketing, whether these principles can be adopted in the Egyptian context should be taken into careful consideration. While Westerners accept either form of inter-organisational relationships, Egyptian SME managers tend to prefer long-term personalized relationships, i.e. *guanxi*-type relationships (Al-Omari, 2003, 2009; Barakat, 1993), and through this type of relationships, to work with others whom they trust and with whom they already have relationships (Abramson and Ai, 1997). According to Geddie *et al*. (2005) and Yau *et al*. (2000), people in Asian and Arab countries prefer to deal with those they already know and to establish a relationship before starting a business transaction.

Therefore, it can be argued that the extant relationship marketing literature provides an incomplete picture of how Arab and Egyptian managers develop various connections and undertake relationship marketing, and how these connections underpin and support a company performance and success. Therefore, more extensive research is needed in order to consolidate and contextualize this paradigm, where relationship marketing is very important in both Western and non-Western contexts. It must however cope with local changes influenced by non-Western forms and concepts of relationships; and contextual background of generating relationships with customers (Gilbert and Tsao, 2000, Flambard-Ruaud, 2005). Moreover, much of the work and understanding of relationship marketing to date focuses on the Western markets perspective (Ndubisi and Wah, 2005; Flambard-Ruaud, 2005). There are few published papers on relationship marketing relating to the Arab or Egyptian context - the focus of this research (Arafa, 1999; Alalak, 2002; Hassan, 2003). Egyptian studies on relationship marketing are needed as many implications can be discovered, that will help academics conceptualise the linkage between the Eastern type of relationships and relationship marketing, and marketing practitioners in designing effective programmes to develop their customers' retention.

Moreover, there is a debate among scholars regarding the relationship marketing variables. For instance, Morgan and Hunt (1994) propose that trust and commitment are both commonly regarded as the key relationship marketing variables that lead to cooperative behaviours, which are conducive to relationship marketing success. Others suggest that either trust or commitment alone is enough to build a relationship and generate retention (Anderson and Weitz, 1992; Doney and Cannon, 1997; Gruen *et al*., 2000; Jap and Ganesan, 2000; Sirdeshmukh *et al*., 2002). In addition, although there is an abundance of research, which has studied these variables, there is no study, which has investigated all these variables together and investigated which are more suitable for building such relationships in the Arab world.

Based upon the review of *guanxi* and relationship marketing literature, a comparison between *guanxi* and relationship marketing, which theoretically explores their inherent connections and differences between them, will be put forward in the next section. This comparison will help in identifying possible ways to link the concepts and provide the foundation upon which the theoretical framework of this thesis can be developed.

Part Three: Comparison of *Guanxi* and Relationship Marketing

2.18. The Comparison between *guanxi* and relationship marketing

Guanxi and relationship marketing have fundamental differences (Fan, 2002a; Wang, 2007), but they also have certain commonalities (Flambard-Ruaud, 2005; Wang, 2007). Several scholars (Arias, 1998; Flambard-Ruaud, 2005; Geddie *et al*., 2005; Wang, 2007; Yau *et al*., 2000) consider, in a fragmented manner, the similarities and differences between *guanxi* and relationship marketing and analyse them from various perspectives. However, from a literature review, no comprehensive analysis of the similarities and differences between *guanxi* and relationship marketing exists. Table 2.9 begins this process by summarising the comparison of *guanxi* and relationship marketing as it appears in the literature. To understand fully the possible links between them and to provide the foundation on which a theoretical framework can be developed, the study critically reviews the major similarities and differences between *guanxi* and relationship marketing.

Table 2-9: Comparison of *guanxi* and relationship marketing

Criteria	*Guanxi*	Relationship Marketing
Network type	Social network	Business network
Network nature	Particularistic	Universalistic
Network foundation	China and less capitalist economies (Asia, Africa and Middle-East)	In strongly capitalist economies (Western societies)
Network level of working	Individual level	Organisational level
Relationship nature	Personal relationship	Impersonal or organisational relationship
Relationship established	By people only	By organisations' people, symbols, images and brands
Consequence of relationship and transaction	Personal relationship leads to transaction	Satisfactory transaction leads to relationship
Orientation	Tactical	Strategic
Exchange type	Members exchange both favour and affection	Members exchange economic goods, services, etc.
Exchange partners' role expectations	Implicit role expectations	Explicit role expectations
Commitment type	Affective commitment	Calculative commitment
Guiding principles	Morality and social norms	Legality and rules
Relational behaviours	Care and favour	Cooperation
Motives for reciprocal behaviours	Face-saving	Mutuality
Promises type	Promises are often implicit	Promises are often explicit
Deadline for fulfilling promises	No deadlines or time frames exist for fulfilling promises	A well-defined deadline exists for fulfilling promises
Customer position	Company and customer become one cooperative unit adapting to each other	Customer is viewed as more of a subset than a merged partner
Measure of customer expectations and satisfaction	It is difficult to measure customers' expectations and levels of satisfaction for most of the promises given	Customers' expectations and satisfaction for most of the promises given can be measured
Importance of trust development	Relatively more important in *guanxi* than in relationship marketing	Relatively less important in relationship marketing than *guanxi*

Source: *Adapted from Ambler (1994), Arias (1998), Björkman and Kock (1995), Davies et al. (1995), Geddie et al. (2005), Gummesson (1996), Flambard-Ruaud (2005) and Yau et al. (2000).*

2.18.1. Similarities between *guanxi* and relationship marketing

Guanxi and relationship marketing have several similarities. First, both involve the notion of relationship or connection, or two or more parties forming a bond (Alston, 1989; Arias, 1998; Flambard-Ruaud, 2005; Xin and Pearce, 1996). Second, they have the same goal, namely, maintaining long-term relationships with partners rather than building relationships on the basis of a single transaction (Flambard-Ruaud, 2005). Wang (2007, p. 82) refers to this goal as "long-term orientation," in which the exchange partners focus on the relationship itself, thus minimizing conflict and creating a harmonious environment to achieve permanent cooperation (Alston, 1989; Arias, 1998; Xin and Pearce, 1996). Third, as Wang (2007) indicates, *guanxi* and relationship marketing both value mutual understanding and cooperative behaviour. Despite these similarities, fundamental differences also exist between the concepts.

2.18.2 Differences between *guanxi* and relationship marketing

Several scholars, e.g. Arias (1998); Bjorkman and Kock (1995); Geddie *et al*. (2005); Flambard-Ruaud (2005); Wang (2007); and Yau *et al*. (2000) have discussed the differences between *guanxi* and relationship marketing, analysed them from various perspectives, and addressed certain points. The next sections provide an overview of the major differences between the two concepts.

2.18.2.1. Strategic versus tactical orientation

Relationship marketing and *guanxi* are both concerned with long-term relationships (inter-organisational and inter-personal), but their focus differs. Relationship marketing has a strategic vision, whereas *guanxi* focuses more on tactical issues (Arias, 1998). Prior research (Arias, 1998; Bruhn, 2003; Dwyer *et al*., 1987; Webster, 1992) views long-term or strategic vision as the key feature of relationship marketing because it covers the whole marketing process. According to Arias (1998, p. 152), relationship marketing "involves redefining the business as a provider of services or solutions for the customer, and rethinking the whole process of delivering the service from an integrated process management perspective."

In contrast, *guanxi* reflects the long-term relationship between people as well but also mostly focuses on tactical issues. As such, firms tend to use *guanxi* only to solve current problems (Arias, 1998), such as acquiring information on current market trends, business opportunities, import regulations, and government policies (Davies *et al*., 1995).

2.18.2.2. Organisational versus individual orientation

Relationship marketing refers to all types of firms' external and internal relationships (Morgan and Hunt, 1994). Thus, relationship marketing is impersonal and mainly works at the organisational level (Wang, 2007). Furthermore, "exchanging parties in Western societies tend to have economic and impersonal involvement in networking, and relational networking is mainly associated with commercial goals" (Wang, 2007, p. 82).

In contrast, with *guanxi*, partners are typically concerned with personal relationships at the individual level (Wang, 2007). By definition, *guanxi* means a private, personal relationship and represents the social capital owned by an individual as personal property (Fan, 2002a). In addition, *guanxi* is characterised by affection, which is considered an important factor in maintaining and enhancing personal relationships and in making impersonal business relationships more personal (Wang, 2007). From a business perspective, people who have affection care about and treat each other more as friends than as business partners (Wang, 2007).

Arias (1998, p. 150) supports the notion of the impersonality of relationship marketing and the personality of *guanxi*, arguing that with the relationship marketing perspective, firms can create relationships through "*symbols*", "*images*", and "*brands*". However, with *guanxi*, in partners' relationship development, "family names act as brand names, they do not possess an independent personality distinguishable from the personality of the members of the same family, as product and service brands do" (Arias, 1998, p. 150).

2.18.2.3. Calculative versus affective commitment

Flambard-Ruaud (2005, p. 59) argues that the exchange partners in relationship marketing are economically and impersonally involved in the relationship, which results in "calculative commitment", or a commitment based on costs and benefits. Customers are more committed to an organisation when they believe that more value can be gained from that organisation (Mowday *et al*., 1979). Therefore, exchange partners in relationship marketing tend to have more explicit role expectations than they do in *guanxi* (Flambard-Ruaud, 2005).

In contrast, exchange partners in *guanxi* have emotional and individual involvement which leads to affective commitment (Geyskens, Steenkamp, Scheer, and Kumar, 1996). Additionally, exchange partners in *guanxi* have a more implicit role than in relationship marketing, which encompasses reciprocal exchange of favours, mutual protection, and enrichment of social status (Flambard-Ruaud, 2005).

2.18.2.4. Principles based on legality versus morality

The relational behaviours guiding the principles of *guanxi* are morality and social norms (Arias, 1998; Flambard-Ruaud, 2005), whereas those of relationship marketing are legality and rules (Flambard-Ruaud, 2005). In addition, the motive for reciprocal behaviour in *guanxi* is to save face, whereas that in relationship marketing is to create mutuality in relationships (Flambard-Ruaud, 2005).

2.18.2.5. Open versus closed system

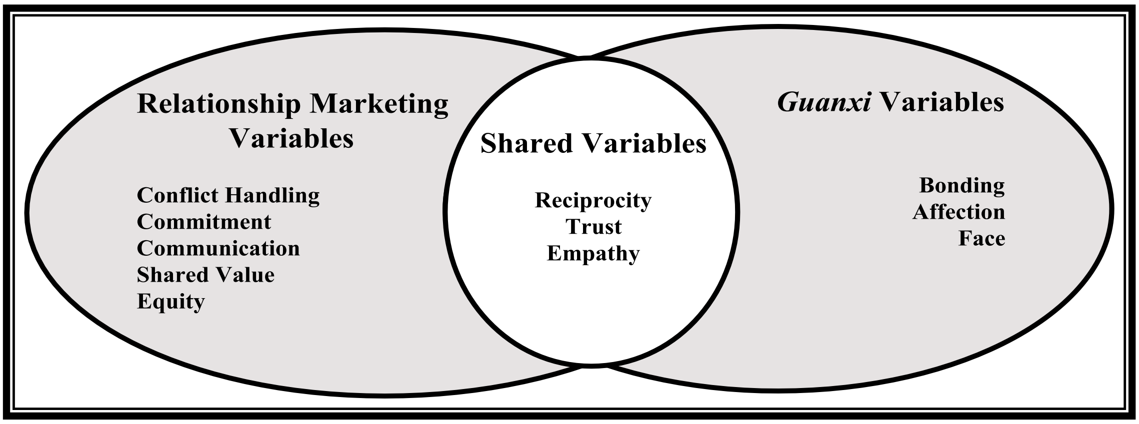
Wang (2007, p. 83) asserts that "relationship marketing has a universalistic nature, in which the network is relatively open to any exchange partners as long as one plays by the rules of the game." Western societies, where relationship marketing emerged, are characterised by high trust, as people tend to trust each other although they are not family members or relatives (Fukuyama, 1995). In contrast, *guanxi* is a network of social relationships (Ambler, 1994; Björkman and Kock, 1995; Davies *et al*., 1995) limited to those who have a common background, such as studying together, coming from the same locality, working together, or having family ties (Björkman and Kock, 1995). Chinese society is a low-trust culture in which people extend trust only to family and relatives and experience a lack of trust of those outside the family (Atuahene-Gima and Li, 2002; Fukuyama, 1995).

In addition, Chinese culture tends to divide people into different levels of categories and treat them according to in-group and out-group boundaries (Triandis, 1989). By developing *guanxi*, firms can undergo the gradual move from outsider to insider status so that long-term, close relationships can be built (Haley, Tan, and Haley, 1998). Thus, *guanxi* is highly network specific, with an exclusive circle of members, and does not open to anyone (Haley *et al*., 1998).

2.18.2.6. Relationship marketing constructs versus *guanxi* constructs

Academic literature reveals several relationship marketing variables, including trust (Morgan and Hunt, 1994; Ndubisi and Wah, 2005; Wong and Sohal, 2002), commitment (Grossman, 1998; Wong and Sohal, 2002), conflict handling (Dwyer *et al*., 1987; Ndubisi and Wah, 2005), communication (Morgan and Hunt, 1994; Ndubisi and Wah, 2005; Sin *et al*., 2002), empathy (Sin *et al*., 2002), shared values (Sin *et al*., 2002), reciprocity and equity (Ndubisi, 2003). Studies also discuss and illustrate *guanxi* in terms of bonding, empathy (renqing), reciprocity (bao), personal trust (xinyong), face (mianzi), and affection (ganqing), all of which are considered components of *guanxi* (Chen and Godkin, 2001; Geddie *et al.*, 2002, 2005; Hwang, 1987; Kiong and Kee, 1998; Tsang, 1998; Wang, 2007; Yang, 1994; Yau *et al.*, 2000).

Figure 2-7: The variables of *guanxi* and relationship marketing



Source: *Adapted from Yau et al. (2000, p. 20).*

Accordingly, in this study, empathy, reciprocity, and trust are considered key variables that *guanxi* and relationship marketing share, which is in agreement with Geddie *et al*. (2005) and Yau *et al*. (2000). However, despite sharing these variables, *guanxi* and relationship marketing still differ, because the contents of the variables are "fundamentally different" (Yau *et al*., 2000). Table 2.10 provides a comparison between the three dimensions.

Table 2-10: Comparison of the shared variables of *guanxi* and relationship marketing.

Constructs	*Guanxi*	Relationship Marketing
Reciprocity	• Value returned at time both giver and recipients benefit • No specific intention • Increased value	• Expect value to be returned in short- term • With specific intention • Converged value
Trust	• Kinship or in-group members • Based more on personal contacts • Build trust first, transaction may follow	• People with promised integrity • Based more on the system • Build transaction first, relationship may follow
Empathy	• Receiver-centered communication	• Sender-centered communication

Source: *Yau et al. (2000, p. 20)*

Regarding the importance of trust development, which is an important aspect, Arias (1998) illustrated that it is relatively higher in *guanxi* networks than in relationship marketing due to cultural reasons. Trust supplements contractual arrangements, and may even replace them as the preferred form governing business transactions (Ambler, 1994; Palmer, 1995). In China, "rule by man" prevails over the "rule by law" (Jacob, Guopei and Herbig, 1995, p. 31). Yau (1988, p.54) argues that "once a relation is established, it can hardly be broken" and that the opposite is also true.

2.18.2.7. Relationship marketing promises versus *guanxi* promises

Promises are relevant in the concept and practice of both Western relationship marketing and Chinese *guanxi* (Arias, 1998), but the content of promises differs. In relationship marketing, the "promise" concept is a key variable in building marketing relationships, and the marketing responsibility consists of both giving promises and convincing customers to keep promises, which in turn leads to maintaining and improving the relationship between the buyer and the seller (Calonius, 1988). Accordingly, in relationship marketing, promises are often explicit and possess an economic nature related to goods, services, material, financial solutions, exchange of information, and future commitments (Grönroos, 1990). Suppliers provide promises regarding products, services, information, social responsibilities, and various other commitments, and consumers provide promises related to their commitment to the relationship with suppliers (Calonius, 1988).

However, promises in *guanxi* are often implicit. Geddie *et al*. (2005) suggest that *guanxi* is initialised with the tacit promise of limitless exchanges of favours and sustained in the long term by a similarly tacit loyalty to others in the network, which means unwritten codes of reciprocity and promises. Promises in *guanxi* often include more than economic promises, such as reciprocal personal favours and mutual protection of reputation and social status (Arias, 1998). According to Yau *et al*. (2000, pp. 18–19), "Chinese frequently return the reciprocation with greater value than what they received before in order to maintain their reputation and also sustain the future relationship."

Finally, the time frame for fulfilling the promises differs between *guanxi* and relationship marketing. Promises in relationship marketing typically have a well-defined deadline for fulfilment (Calonius, 1988). Conversely, with *guanxi* no deadline or time frame exists; rather, favours are banked and thus create an obligation (promise) of reciprocity (Geddie *et al*., 2005). According to Hsu (2007), Chinese people usually return the favours at the right and appropriate time, even after a long time.

2.18.2.8. Transactional versus relational basis of relationship development

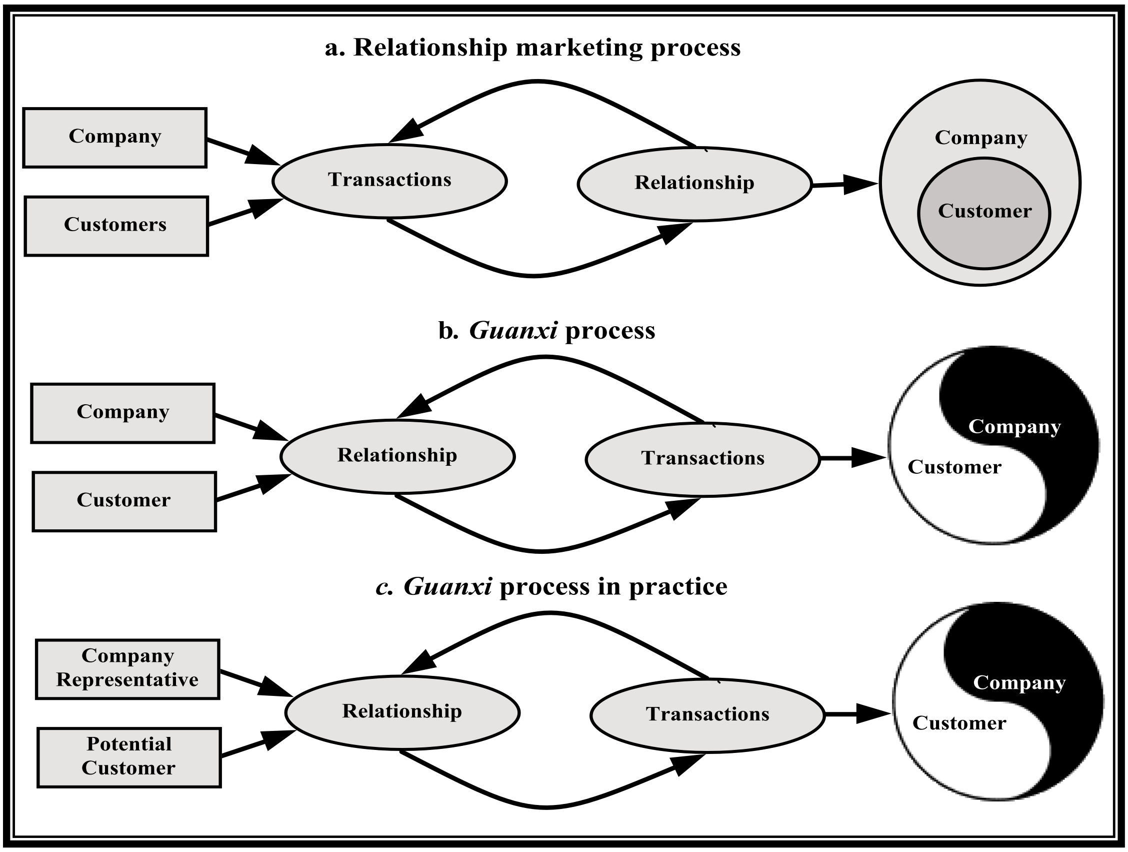
Barton (1999) claims that in relationship marketing, the relationship between customer and company develops in stages after the first transaction, with no prior relationship. In the same vein, relationship marketing is seen by Garbarino and Johnson (1999) as ranging from transactional to highly relational approach and they emphasise the growth of satisfaction, confidence, and commitment in the establishment of the customers' future intentions. In contrast, with *guanxi*, a relationship already exists before the transaction (Flambard-Ruaud, 2005; Geddie *et al*., 2002, 2005).

Figure 2.8a and b illustrates the development processes of both relationship marketing and *guanxi*. In both systems, a good transaction strengthens the relationship in a cyclical manner. Geddie *et al*. (2005) further explain that in relationship marketing, firms view their customers as more of a subset than a merged partner. As such, firms often try to help their customers adapt by educating them about how to use the product to obtain maximum benefits (Bulger, 1999). With *guanxi*, the company and the customers become one cooperative unit adapting to each other (Geddie *et al*., 2005). Furthermore, in reality, because a company is a collection of individuals, *guanxi* before transaction is not between the company and the customer but rather between the company representative and the potential customer (Figure 2.8c). Thus, the relationship between them is personal, even though the transaction has not yet been completed.

The relationship between the company representative and the potential customer can be a pitfall of *guanxi* (Arias, 1998). If an employee who possesses *guanxi* leaves the organisation, the organisation could lose its connection with that employee's customers because the employee leaves with his or her personal *guanxi* connection (Arias, 1998; Wang, 2007). For example, in the field of retail marketing, when a customer establishes a personal relationship with a salesperson, the customer might maintain loyalty to the store as long as the salesperson remains (Macintosh and Lockshin, 1997). Commitment and loyalty to the salesperson might be signs of a positive relationship, but they also might lead to customer (and sales) loss if the salesperson leaves (Beatty *et al*., 1996).

In support of this view, Flambard-Ruaud (2005) claims that in strongly capitalist economies such as Western societies, transaction creates and develops the relationship (transaction is the centre of the exchange) whereas in the less capitalist economies such as Asia, Africa and Middle East, relationship creates and develops the transaction. In these societies, successful business transactions are subject to successful established relationships.

Figure 2-8: Comparison the process of relationship marketing and *guanxi*



Source: *Adapted from Geddie et al. (2005, p. 628).*

2.19. Summary

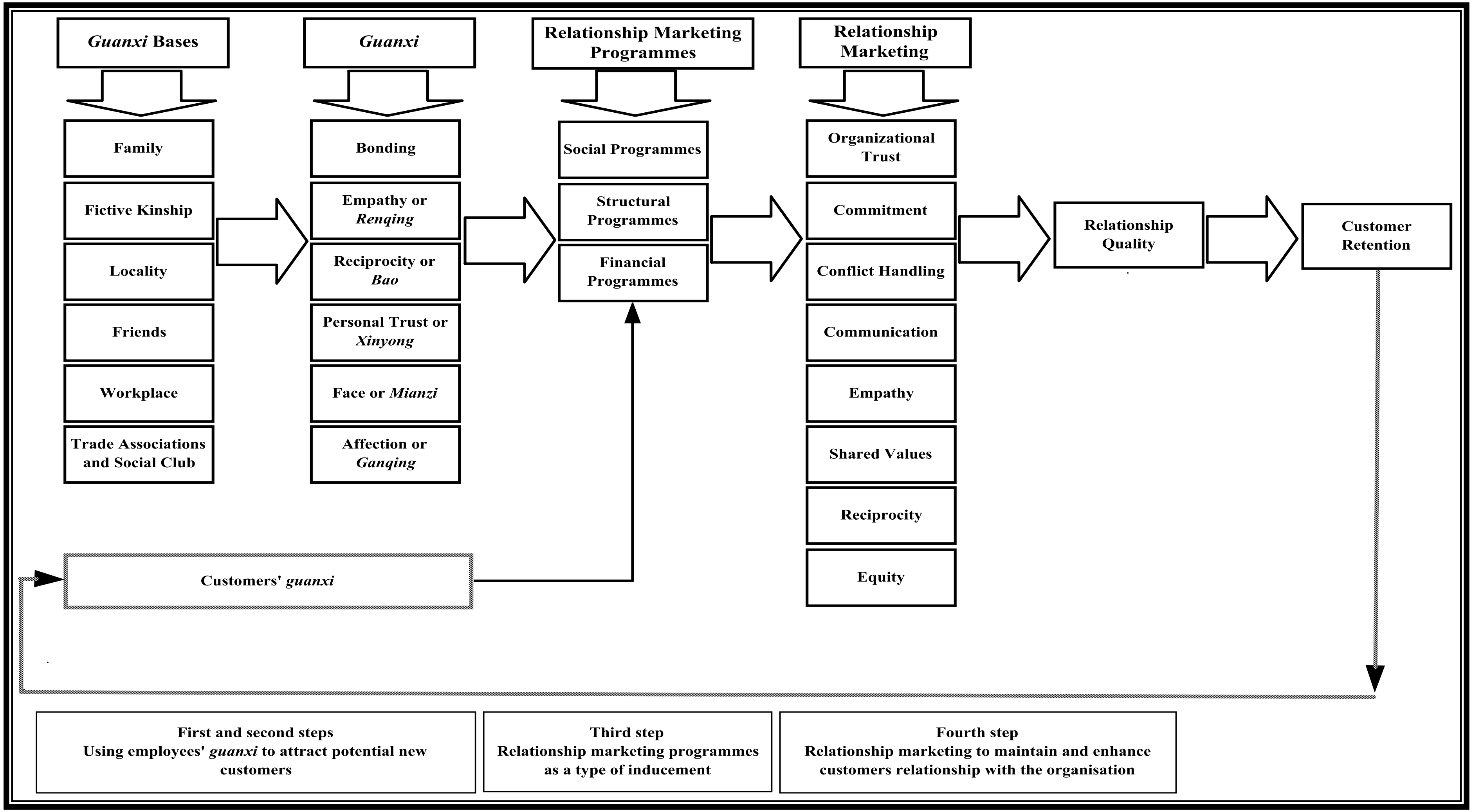
Guanxi and relationship marketing are not the same (Fan, 2002a); rather, they are distinct approaches to building relationships (Geddie *et al*., 2005). *Guanxi*-type relationships possess distinguishable characteristics in non-Western relational exchanges, whereas relationship marketing occurs in primarily Western-type relational exchanges (Fan, 2002a; Lee *et al*., 2001; Tsang, 1998). Relationship marketing can be an essential business concept in both Western and non-Western contexts but, as a Western concept, must cope with the local changes influenced by Eastern forms of relationships and the contextual background of generating relationships with customers (Flambard-Ruaud, 2005; Gilbert and Tsao, 2000).

Part Four: Research Model and Hypotheses

2.20. Theoretical model linking *guanxi* and relationship marketing

The previous discussion reveals that *guanxi* and relationship marketing are different concepts, each of which has its own unique characteristics, benefits, and pitfalls (Geddie *et al*., 2005; Lee *et al*., 2001; Tsang, 1998); however, the opportunity to link the two concepts remains (Flambard-Ruaud, 2005; Geddie *et al*., 2002, 2005; Tsang, 1998). Relationship marketing is a formal and official agreement, defined and protected by the legal organisational framework; in contrast, *guanxi* is an informal inter-personal relationship that involves implicit mutual trust not stated explicitly in the official contracts (Zhang and Zhang, 2006). Although some prior research infers an association between *guanxi* and relationship marketing, suggests the importance of the link between them, and advises that managers can use the linkages between the approaches to improve customer recruitment and retention (Björkman and Kock, 1995; Geddie *et al*., 2002, 2005). Others recommend the importance of transferring *guanxi*-type relationships from the inter-personal level to the organisational level (Flambard-Ruaud, 2005; Zhang and Zhang, 2006). However, to date, no studies have sought to link the two concepts, and therefore no model exists to theoretically and/or practically link these concepts. Also there are no studies which have sought to consider how to transfer *guanxi*-type relationships from the uninstitutionalized and interpersonal level to the institutionalized or organisational level. Accordingly, Figure 2.9 illustrates the proposed novel model, which links *guanxi* and relationship marketing and their impact on customer retention.

Figure 2-9: The proposed theoretical model linking *guanxi* and relationship marketing



By utilising the notion of the relationship development stages, the model presented here is based on the precept that the purpose of relationship marketing, by definition, is to attract, maintain, and enhance customer relationships (Berry, 2002), and acknowledging that relationship marketing goes beyond the scope of *guanxi* (Zhang and Zhang, 2006). Initially, the model assumes that firms encourage all their employees (not just sales staff) to use their personal *guanxi* networks (e.g. family, friends, classmates, colleagues) for organisational purposes (generating business) by rewarding and promoting them through either commissions or bonuses (Luo, 1997). In support of this assumption, Dunfee and Warren (2001) argue that managers can use *guanxi* to gain access to new customers. Hutchings and Weir (2006a) also indicate that in Asian and Arab countries, people prefer to deal with those they already know and to establish a relationship before starting a business transaction.

The relationship between a potential customer and a firm's representative (employee) typically develops before a transaction occurs (Yau *et al*., 2000). Flambard-Ruaud (2005) argues that relationships help create and develop transactions in societies in Asia, Africa, and the Middle East. In these societies, successful business transactions are largely subject to past successful established relationships. This finding confirms that relationships are established before transactions take place (Geddie *et al*., 2005; Yau *et al*., 2000).

Thus, as first and second steps in the proposed model, firms use various bases of employees' *guanxi* (e.g. family, friends, locality, fictive kinship) to attract potential new customers to the organisation; incorporating *guanxi* into their relationship marketing processes is a novel means to attract new customers with little cost. Firms can employ the components of *guanxi* to attract customers, including bonding, empathy, reciprocity, personal trust, face, and affection. After new customers engage in a first transaction, in the third step of the proposed model, firms begin applying relationship marketing programmes (structural, financial, and social programmes) as a type of inducement or customer relationship investment. Such programmes try to encourage the customers to purchase again from the company, further linking the customer to the overall company. Webster (1992) indicates that repeat transactions lead to relationship formation. Doney and Cannon (1997) and Palmatier *et al*. (2006) demonstrate that relationship marketing programmes help build relationships with customers and/or other organisations. Palmatier *et al*. (2009, p. 13) also demonstrate that relationship marketing programmes positively affect customers' "feelings of gratitude," which in turn lead to greater customer purchase intentions.

In the fourth step, after the customer repeats purchases, the company applies relationship marketing, which "goes beyond inducements and repeat purchase behaviour" (Sheth and Parvatiyar, 1995b, p. 256). Here, the goal of relationship marketing is to transfer the personal relationship between the customer and the company representative to an organisational relationship between the customer and the organisation. Such a transfer aims to maintain and enhance the relationship with the customer over the long run. Doing so enables firms to avoid the potential pitfalls of applying *guanxi* solely and to reduce the problem of losing the connection with the customers when the employee who brought *guanxi*-based business leaves the organisation (Arias, 1998).

The final hypothesized outcome of this model is improved relationship quality with customers and, thus, customer retention. After requesting use of personal *guanxi* to recruit customers, firms promote relationship marketing mainly to increase customer retention and recovery by using various bonding tactics to stay connected with the current customers (Bruhn, 2003; Parvatiyar and Sheth, 2001). Prior research also reveals that relationship marketing plays a key role in retaining customers by building trust, affection (Tang *et al.*, 2008), and commitment with them (Palmatier *et al.*, 2009). Tseng (2007) notes that the central purpose of relationship marketing is to gain the maximum value from customers and retain them, thus contributing to the firm's long-term profits. Smith and Barclay (1997) argue that the main purpose of investing in relationships with customers is to create strong programmes and retain valuable customers. Finally Sheth and Parvatiyar (1995a, p. 398) note that when the company and the consumer deal with each other directly, greater potential exists "for emotional bonding that transcends economic exchange. Parties can understand and appreciate each others' needs and constraints better, are more inclined to cooperate with one another, and thus, become more relationship oriented." Because gaining one new customer is five to ten times more expensive than retaining one loyal customer (Gummesson, 1999) and because relationship marketing focuses mainly on increasing customer retention and recovery before attracting new customers (Bruhn, 2003), as mentioned, the final result of the linkage between *guanxi* and relationship marketing is improved customer retention.

Once customer retention is achieved, the firm will encourage the customers to use their own personal *guanxi* to attract new customers. Next, the firm will repeat the process of applying relationship marketing programmes and relationship marketing again with the new customers.

2.21. The theoretical contributions of the proposed model

The theoretically derived linkage between relationship marketing and *guanxi* offers new and valuable insights and benefits for both Western firms, which currently use relationship marketing only, and non-Western firms, which only apply *guanxi*-type relationships (Flambard-Ruaud, 2005; Geddie *et al*., 2005). Relationship marketing could become an extension of *guanxi* and, as such, avoid some of the pitfalls of *guanxi* (Geddie *et al*., 2005). Firms applying relationship marketing after *guanxi* can help transfer the personal type of relationship involved in *guanxi* to the organisational type of relationship involved in relationship marketing (Zhang and Zhang, 2006), thus increasing both relationship quality and customer retention (Palmatier *et al*., 2009; Tang *et al*., 2008; Tseng, 2007). In addition, applying *guanxi* before relationship marketing should make relationship marketing more applicable to the emerging market economies and adaptable to non-Western cultural characteristics and problems (e.g., lack of trust) (Flambard-Ruaud, 2005; Gilbert and Tsao, 2000). For example, Asian firms tend to prefer dealing with people and other organisations they know and trust (Flambard-Ruaud, 2005), and before engaging in business with other counterparts, firms in both Asian and Arab cultures tend to prefer acquiring knowledge of and building a trusting relationship with others (Hutchings and Weir, 2006a).

Many potential benefits could ensue from the combination of the *guanxi* and relationship marketing concepts. *Guanxi* offers insights into the means to implement relationship marketing (Geddie *et al*., 2002, 2005) and might play a vital role in the process of relationship marketing by attracting new customers (business customers or consumers) to the organisation with little cost (Dunfee and Warren, 2001). The proposed model explicitly derives the key variables of relationship marketing and *guanxi* from a thorough review and synthesis of prior literature in these two largely separate domains.

2.22. The managerial implications of the proposed model

This study presents and examines literature on relationship marketing and *guanxi* to provide a deeper understanding of the two concepts and to help managers jointly apply the concepts in their organisations by encouraging their employees to use their personal *guanxi* for organisational purposes. First, firms could use *guanxi* as a novel means to attract potential new customers to the organisation, incorporating *guanxi* into the process of relationship marketing. Second, after attracting new customers, managers would begin applying relationship marketing programmes as a type of inducement to encourage customers to purchase again from the company. After this the firm applies relationship marketing to build organisational relationships with the customer and to transfer the personal *guanxi* relationship between the customer and the employee to an organisational relationship between the customer and the firm, thus maintaining and enhancing the customer relationship over the long run. This step might help organisations avoid the pitfall of solely applying *guanxi* (e.g., losing connections with customers when employees leave; Arias, 1998).

In addition, the proposed model tries to improve both relationship quality and customer retention, which would offer significant advantages to companies (Bruhn, 2003; Zeithaml *et al*., 1996). Boulding *et al*. (1993) argue that retained customers promote and recommend the company to all their relatives and friends. Such word-of-mouth communication has positive indirect impact on company profits.

Finally, managers should train employees on how to create programmes and build trusting relationships with their customers and how to show empathy when handling customers' problems because doing so helps strengthen organisational relationships. Such an approach should also help increase customer bonding with the company (Geddie *et al*., 2005).

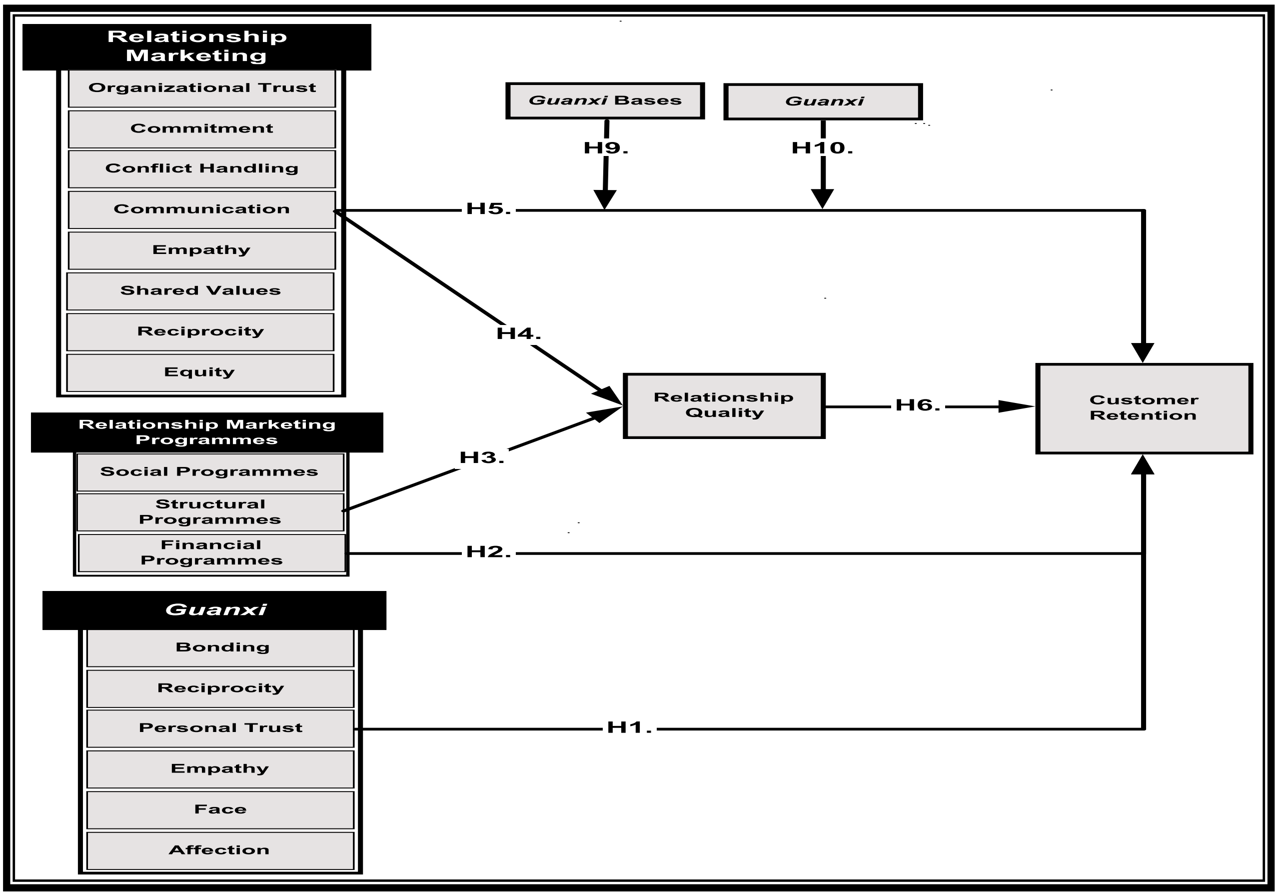
2.23. Research hypotheses

To answer the research questions of the second phase the theoretical model should be transformed from just a theoretical process model to empirical model/s, which can be statistically tested. To do so, based upon the previous literature review, empirical testable models have been developed from the theoretical model, accompanied by research hypotheses.

Consequently, the theoretical research model has been translated into the below empirical models as shown below in Figures 2.10a and b. Figure 2.10a shows all the direct relationships (hypotheses from 1 to 6) and interaction relationships (hypotheses 9 and 10) among the research variables. Figure 2.10b shows all the intervening (indirect) relationships (hypotheses 7 and 8). Moreover, all the ten research hypotheses are shown in Table 2.11.

Figure 2-10: The research empirical models

A: The research empirical model (direct and interaction relationships)



B: The research empirical model (indirect effect)

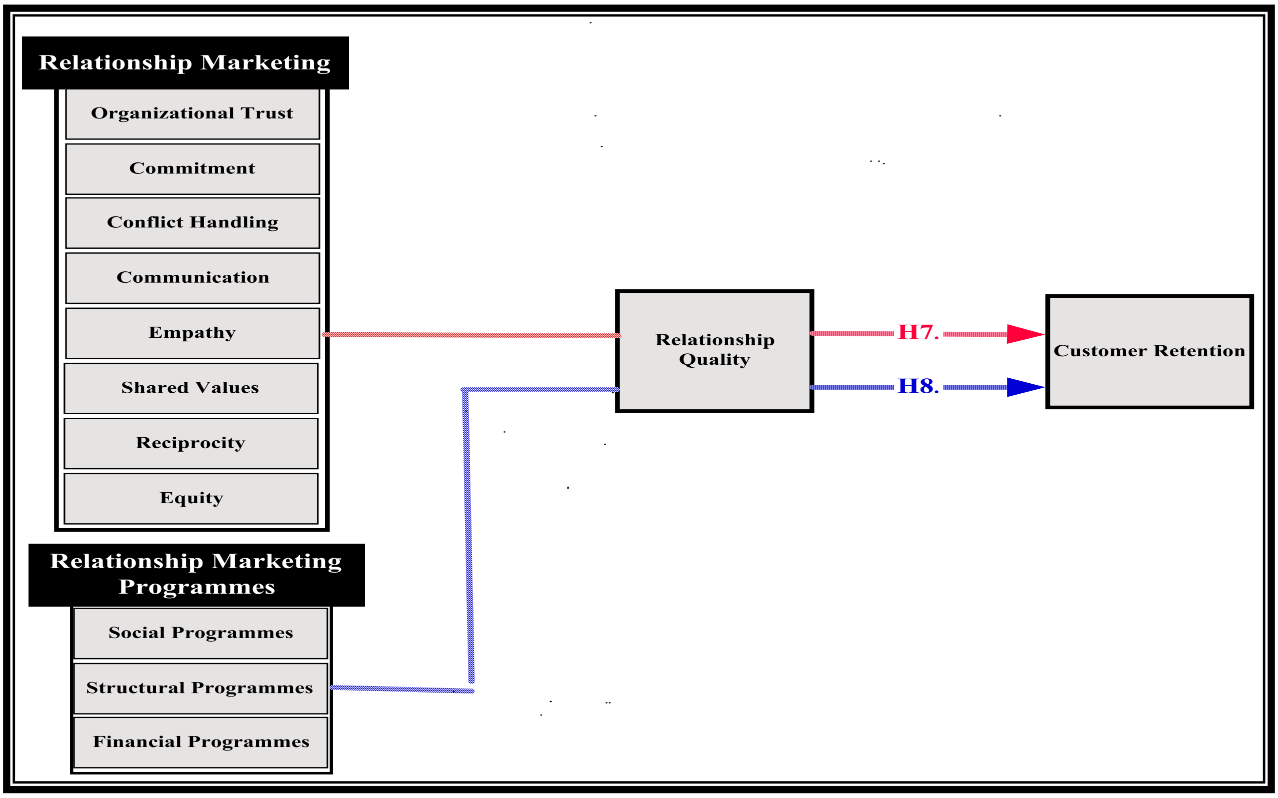


Table 2-11: The research hypotheses based on the literature

Hypotheses For The Direct Relationships – Figure (2.10a)
H1. There is a significant positive relationship between *guanxi*-type relationships in Egypt and customer retention. **H1a.** There are significant positive relationships of bonding, empathy, reciprocity, personal trust, face and affection with customer retention.
H2. There is a significant positive relationship between relationship investment programmes and customer retention. **H2a.** There are significant positive relationships of relationship investment social programmes, structural programmes and financial programmes with customer retention.
H3. There is a significant positive relationship between relationship investment programmes and relationship quality. **H3a.** There are significant positive relationships of relationship investment social programmes, structural programmes and financial programmes with relationship quality.
H4. There is a significant positive relationship between relationship marketing and relationship quality. **H4a.** There are significant positive relationships of organisational trust, commitment, conflict handling, communication, empathy, shared values, reciprocity, and equity with relationship quality.
H5. There is a significant positive relationship between relationship marketing and customer retention. **H5a.** There are significant positive relationships of organisational trust, commitment, conflict handling, communication, empathy, shared values, reciprocity, and equity with customer retention.
H6. There is a significant positive relationship between relationship quality and customer retention.
Hypotheses For The Intervening Relationships (Mediators) – Figure (2.10b)
H7. Relationship quality mediates the relationship between relationship marketing and customer retention.
H8. Relationship quality mediates the relationship between relationship investment programmes and customer retention.
Hypotheses For The Interaction Relationships (Moderators) – Figure (2.10a)
H9. There is a significant difference in the impact of relationship marketing on customer retention between the different bases of *guanxi*-type relationships in Egypt.
H10. There is a significant difference in the impact of relationship marketing on customer retention according to the strength of *guanxi*-type relationships in Egypt

2.24. Summary

This chapter reviews a broad range of relevant literature in respect to *guanxi* and relationship marketing, the main strands of this thesis, and proposes a unified model linking between them, which consequently leads to enhanced customer retention. By doing this, the chapter aims to clarify this thesis' interpretation of key conceptual terms, and explicate the gap in the current literature. This is done in four parts, where the chapter is being structured as follows. ***The first part*** defines the concept of *guanxi*, the first theme of this thesis, analyses its characteristics, identifies its variables, reviews its types, and discusses the advantages and disadvantages, and models of *guanxi*. ***Next, the second part*** provides an insight into to the relationship marketing area by presenting the origins, definitions, variables, programmes, advantages and disadvantages, process, and consequences of relationship marketing. This is followed by the ***penultimate part,*** which provides a comprehensive analysis of the similarities and differences between *guanxi* and relationship marketing, as a foundation upon which the theoretical framework can be developed. Finally, ***part four*** presents the theoretical model that links *guanxi* and relationship marketing and their association with customer retention, as well as develops the theoretical and managerial implications of such a linkage and the research hypotheses. Moreover, in each part the concluding section comprises a review of key points made during each part and highlights how the literature reviewed forms a theoretical grounding for the theoretical model provided in this study.

The next chapter outlines the methodology used in order to address the research objectives for the two phases of this thesis. The chapter explains the ontological and epistemological assumptions of the researcher, the adopted paradigm, approaches, strategies, methods used to collect the data, in addition to the data analysis techniques used in the two phases of the research. Issues of sampling, reliability and validity have been addressed as well as justification for the approach and strategy used.

Chapter Three: Research Design and Methodology

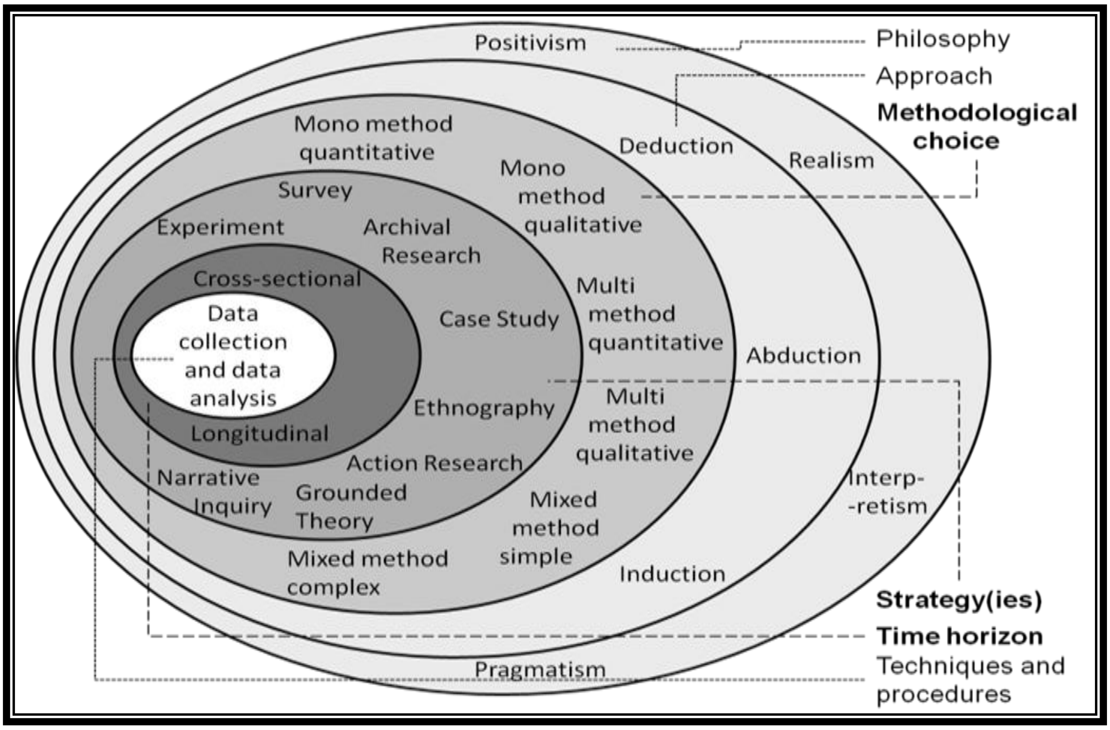
Table 3-1: Thesis map

Chapter One: Introduction and Research Background
Chapter Two: Literature Review
Chapter Three: Research Design and Methodology
Chapter Four: Qualitative Data Analysis and Findings
Chapter Five: Quantitative Data Analysis and Findings
Chapter Six: Discussion of the Key Findings
Chapter Seven: Conclusion

3.1. Introduction

This chapter outlines, in detail, the research methods and design adopted in order to address the research objectives of the two phases of this research. The research design and methods answer a sequence of questions concerning the research philosophies, research approaches, research strategies, time horizon, and techniques and procedures of data collection (Saunders, Lewis, and Adrian, 2012). This is discussed in the light of "the research process onion" proposed by Saunders *et al*. (2012, p. 160) (Figure 3.1),

Figure 3-1: The Research process onion



Source: Saunders *et al.* (2012, p. 160).

Accordingly, this chapter is being structured in three parts as follows: ***The first part*** defines the research paradigms and discusses the ontological and epistemological assumptions of this study. This is followed by an explanation of the research approach and strategy, with a full description of the mixed methods that were adopted in this research. ***Next, the second part*** discusses in detail the research design of the qualitative phase, which includes the sample techniques, the procedures followed in collecting qualitative data, the qualitative data analysis techniques and the trustworthiness of the qualitative findings. Finally, ***part three*** presents the research design of the quantitative phase. Discussion in this part involves the process of sample selection, the quantitative data collection method and the quantitative data analysis techniques. Also the reliability and validity issues are discussed. Finally, ethical considerations followed during the research process highlights at the end of this chapter.

Part One: Research Methodology

3.2. Research philosophy/paradigm

The terms 'philosophy' and 'paradigm' are used interchangeably in research (Burrell and Morgan, 1979; Collis and Hussey, 2003). Researchers should operate within a scientific philosophy or paradigm which provides an "overall conceptual framework within which a researcher may work" (Perry, Riege and Brown, 1999, p. 16), that is, "a basic belief system that guides the [researcher]" (Guba and Lincoln, 1994, p. 105). According to Collis and Hussey (2003, p. 46) research philosophy is defined as "the progress of scientific practice based on people's philosophies and assumptions about the world and the nature of knowledge." Saunders, Lewis, and Adrian (2009, p. 107) explain that "research philosophy is an over-arching term relates to the development of knowledge and the nature of that knowledge".

Collis and Hussey (2003, p. 47) argue that there are two main research philosophies, called "*positivism*" and "*phenomenological*" or "*interpretivism.*" They explain that these two paradigms represent two extremes on a continuum; when moving along the continuum, the features and assumptions of one paradigm are gradually relaxed and replaced by those of the other paradigm. In support, Saunders *et al.,* (2012) determine four main research philosophies or paradigms: *positivism, realism, interpretivism* and *pragmatism*.

In each paradigm there is a different set of suppositions regarding the nature of the world (Maxwell, 2005). The first of these, known as ontology, concerns "the researcher's view of the nature of reality or being" (Saunders *et al*., 2012, p. 140). The second assumption, epistemology, concerns the researcher's view as to what forms acceptable knowledge that can be obtained through different methods of inquiry (Bryman and Bell, 2007; Saunders *et al*., 2012). A third assumption, known as axiology, concerns the researcher's perception of the part played by values in research (Saunders *et al*., 2012). Each assumption has an influence on the research process (Ryan, Tähtinen, Vanharanta and Mainela, 2012; Saunders *et al.*, 2009). The following presents a table comparing the main four research paradigms (Table 3.2) (positivism, realism, interpretivism and pragmatism) and their ontological, epistemological and axiological assumptions along with a discussion of the three paradigms related to this study.

Table 3-2: Comparison of research philosophies and their assumptions

Assumption	Positivism	Realism	Pragmatism	Interpretivism
Ontology: the researcher's view of the nature of reality	Reality is objective and singular, apart from the researcher	Reality is objective. Exist independently of human thoughts and beliefs of their existence, but is interpreted through social conditioning	Reality is external, multiple view chosen to best enable answering of research question.	Reality is socially constructed, subjective, may change and multiple as seen by participants in a study
Epistemological: the researcher's view regarding what constitutes acceptable knowledge	Only observable phenomena can provide credible data, facts. Focus on causality and law like generalisations.	Observable phenomena provide credible data, facts. Insufficient data means inaccuracies in sensations. Alternatively, phenomena create sensations which are open to misinterpretation. Focus on explaining within a context or contexts	Either or both observable phenomena and subjective meanings can provide acceptable knowledge dependent upon the research question. Focus on practical applied research, integrating different perspectives to help interpret the data	Subjective meaning and social phenomena. Focus upon the details of situation, a reality behind these details, subjective meaning motivating actions.
Axiological: the researcher's view of the role of values in research	Research is undertaken in a value-free way; the researcher is independent of the data and maintains an objective stance.	Research is value laden; the researcher is biased by worldviews, cultural experiences and upbringing. These will impact on the research.	Values play a large role in interpreting result, the researcher adopting both objective and subjective points of view.	Research is value bound, the researcher is part of what is being researched, cannot be separated and so will be subjective.
Data collection techniques most often used	Highly structured, large samples, measurement, quantitative, deductive process, generalisations leading to prediction, explanation and understanding.	Methods chosen must fit the subject, matter, quantitative or qualitative	Mixed or multiple method designs, quantitative and qualitative.	Small samples, in-depth investigations, qualitative, inductive process.

Source*: Adapted from Saunders et al., (2009, p. 119) and Collis and Hussey (2003, p. 49).*

Positivist paradigm

The positivist paradigm attempts to offer an explanation for observable phenomena or the human behaviour through cause and effect, in a similar way to the approach taken in the natural sciences (Collis and Hussey, 2003). Therefore, the positivist paradigm is generally associated with measurement (Collis and Hussey, 2003; Saunders *et al*., 2009).

In addition, within the positivist paradigm, reality is objective and independent of the researcher and exists regardless of whether the researcher is aware of it or not (Collis and Hussey, 2003; Guba and Lincoln, 1994). Thus, “the researcher is independent of the data and maintains an objective stance” (Saunders *et al*., 2012, p. 140), neither influences nor is influenced by the subject of the research (Remenyi, Williams, Money, and Swartz, 1998, p. 33). Therefore, the act of investigating reality does not affect that reality and scant attention is given to the individual’s subjective state (Collis and Hussey, 2003). This leads to research which is ostensibly value-free and unbiased (Gephart, 2004; Saunders *et al*., 2009).

Interpretivist paradigm

The interpretivist paradigm involves “understanding human behaviour from the participant's own frame of reference” rather than the measurement of social phenomena (Collis and Hussey, 2003, p. 53). In the interpretivist paradigm, researchers suppose reality to be plural, subjective, socially constructed and subject to change (Saunders *et al*., 2012). Thus, “considerable regard is paid to the subjective state of the individual” and “the act of investigating reality has an effect on that reality” (Collis and Hussey, 2003, p. 53). According to Creswell (1994, p. 10), the interpretivist paradigm is employed when “the research problem needs to be explored because little information exists on the topic and the variables are largely unknown”.

Pragmatic paradigm

The debate about choice, either the positivist or the interpretivist paradigms, is unavoidable (Saunders *et al*., 2009). Guba and Lincoln (1994) argue that choosing one position is somewhat unrealistic in practice and the researcher who has the same point of view would be taking the stance of the pragmatist. It is assumed by the pragmatist the most important determinant of the research philosophy adopted is the research question. Accordingly, one approach may be more suitable than the other to answer specific questions. If it is not clearly suggested by the research question whether the adoption of a positivist or an interpretivist philosophy would be preferable, then it is possible for the pragmatic view to function with both philosophies and variations of ontology, epistemology, and axiology (Saunders *et al*., 2009).

The pragmatic paradigm assumes reality as "external world independent of our minds" (Cherryholmes, 1992). Thus, the pragmatism agrees with the positivist on the existence of external reality (Tashakkori and Teddlie, 1998), but denies that truth can be determined once and for all (Cherryholmes, 1992; Tashakkori and Teddlie, 1998). Moreover, according to Tashakkori and Teddlie (1998, p. 25), it is more apt for the researcher to conceive of the philosophy employed as a "continuum" rather than "opposite" stances. They note that "at some points the knower and the known must be interactive, while at others, one may more easily stand apart from what one is studying" (Tashakkori and Teddlie, 1998, p. 26). Furthermore, pragmatism assumes that "values play a large role in conducting research and in drawing conclusions from their studies" (Tashakkori and Teddlie, 1998, p. 26).

Based on the above, paradigm decisions were made in relation to the research questions and objectives to be attained in each phase of empirical research, as follows:

In the first phase, the research aimed to explore the nature and meaning of *guanxi*-type relationships in the Egyptian context. Also it sought to determine the variables of *guanxi*-type relationships and relationship marketing in the Egyptian SME sector, the relationship between these two strands and how organisations can transform personal relationships into organisational relationships to retain their customers. This phase was the foundation for the second phase, where the aim was to develop a unified model, which links *guanxi* and relationship marketing, as well as their association with customer retention, and to empirically test the model. Also, it was intended to look for empirical evidence for the transfer of the personal type of relationship involved in *guanxi* to the organisational type involved in relationship marketing through applying relationship investment programmes and relationship marketing, consequently enhancing customer retention, as well as to verify the key variables of both *guanxi* and relationship marketing in the Egyptian context.

Accordingly, the ***interpretivist paradigm*** was considered the appropriate research paradigm to use in the first phase of the research for the following reasons:

First, the first phase of the research was exploratory in nature, aiming to provide a better understanding of the *guanxi*-type relationships and relationship marketing in the Egyptian context, and few studies concerning these two strands have been undertaken within Arab countries generally and Egypt specifically. Patton (1990, p. 44) emphasises that the interpretivist paradigm "is particularly oriented towards exploration, discovery and inductive logic".

Second, *guanxi*-type relationships are a cultural and social phenomenon (Fan, 2002a, p. 374). Gaining insights into such phenomena is facilitated by an interpretivist stance, since it encourages researchers to reflect on people's perceptions (e.g. those of academics and managers) in order to understand their culture and social context (Hussey and Hussey, 1997, p. 20).

In this phase, the researcher assumed that knowledge about the meaning of the concepts under investigation, *guanxi*-type relationships and relationship marketing should consider how these concepts are perceived and experienced by participants (e.g. academics, experts and managers working in Egyptian SMEs). This implies that reality is socially constructed, multiple and subjective, which fits the ontological assumptions of the interpretivist paradigm.

Third, adopting the positivist paradigm is considered inappropriate since understanding of phenomena from participants' perceptions and its particular social context is largely lost when using the positivist paradigm, as asserted by Kaplan and Maxwell (1994). This is due to the fact that positivism treats people as being separate from their social contexts (Hussey and Hussey, 1997). In addition, research within the positivist paradigm is highly structured and tends to focus on numbers, whereas, this phase was intended to explore participants' perspectives and interpret their 'words' when investigating the research concepts (Collis and Hussey, 2003).

Regarding the second phase of this study, the ***positivist paradigm*** was deemed appropriate for the following reasons:

First, the second phase of the research was descriptive; it aimed to develop and empirically test a model linking *guanxi*-type relationships with relationship marketing. This involved formulating and testing hypotheses and using statistical analysis to arrive at valid and reliable results. These aims were consistent with the positivist paradigm (Saunders *et al*., 2009).

Second, based on the findings of the first phase of the research, and supported by the relevant literature, clear variables for the proposed model were indentified. Moreover, the second phase was based on existing theories, i.e. relationship marketing theory, and networking theory, which are widely studied. It was necessary to have a highly organised methodology in order to attain the aims of the second phase and to "facilitate replication" and "ensure reliability" (Saunders, Lewis, and Adrian, 2007, p. 118). Hence, the positivist paradigm was considered appropriate in the light of Creswell's (1994, p, 10) explanation that the positivist paradigm is suitable appropriate when the theory is available and sufficient as well as the constructs are easy to identify and the research is "highly structured."

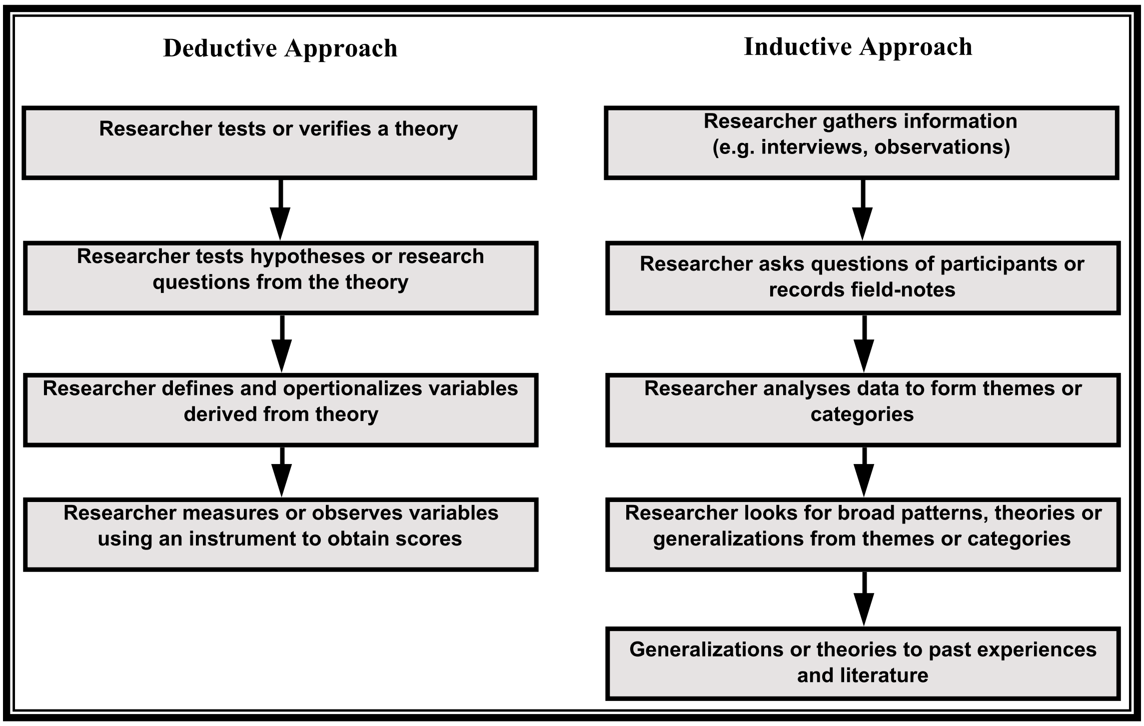
Accordingly, ***pragmatic paradigm*** is deemed appropriate in this study, since the researcher adopted different stances throughout the research process, interpritivist in the first phase of the research and positivist in the second phase of the research. Pragmatism rejects the either/or choices associated with the paradigm, offering a logical and practical alternative which gives the researcher the freedom to select the mixture of methods that are most likely to permit the answering of the research questions (Johnson and Onwuegbuzie, 2004). Thus, the researcher assumes that reality is external, multiple and views chosen to best enable the answering of the research questions (Saunders *et al*., 2009). In addition, the reality can be captured but to a limited degree; and that a full understanding of a studied phenomenon can never be obtained. However, to a certain extent, the world can be studied, and to some degree, generalisations can be made (Hollis, 1994). Further, the researcher's epistemology is that both "observable phenomena and subjective meanings can provide acceptable knowledge dependent upon the research question. Focus on integrating different perspectives to help interpret the data" (Saunders *et al*., 2012, p. 140). Moreover, values play a role in conducting research and in drawing conclusions, where the researcher adopting both objective and subjective points of view (Cherryholmes, 1992; Tashakkori and Teddlie, 1998).

3.3. Research approach

The research approach refers to how "the research project will involve the use of theory. The theory may or may not be made explicit in the design of the research" (Saunders *et al*., 2007, p. 117). Finn and Elliott-white, (2000, p. 14) state that "research needs theory as a framework for analysis and interpretation, and theory needs research to constantly review/modified/challenge theoretical details". In this respect, researchers should choose the best fit of different methodological approaches to their research aims. From broader perspective, there are two research approaches, deductive and inductive (Saunders *et al*., 2009), which are explained as follows:

The deductive approach is "a study in which a conceptual and theoretical structure is developed and then tested by empirical observation; thus particular instances are deduced from general inferences" (Collis and Hussey, 2003, p. 15), as shown in Figure 3.2. ***The inductive approach*** is "a study in which theory is developed from the observation of empirical reality; thus general inferences are induced from particular instances" (Collis and Hussey, 2003, p. 15), as shown in Figure 3.2.

Figure 3-2: Deductive and inductive approaches



Source: *Creswell (2003, pp. 125-132).*

De Vaus (2001) highlights the major difference between deductive and inductive approaches to research, focusing attention on the process of building theory, in which the deductive approach goes from theory to data, while the inductive approach goes from data to theory. Moreover, Saunders *et al*. (2009, p. 127) summarise the main differences between the inductive and deductive approaches as shown in Table 3.3.

Table 3-3: Major differences between deductive and inductive approaches

Deduction Emphasis	Induction Emphasis
▪ Scientific principles ▪ Moving from theory to data ▪ The need to explain causal relationships between variables. ▪ The collection of quantitative data ▪ The application of controls to ensure validity of data ▪ The operationalisation of concepts to ensure clarity of definition ▪ A highly structured approach. ▪ A researcher independence of what is being researched ▪ The necessity to select samples of sufficient size in order to generalise conclusions	▪ Gaining an understanding of the meanings humans attach to events ▪ A close understanding of the research context ▪ The collection of qualitative data ▪ A more flexible structure to permit changes of research emphasis as the research progresses ▪ A realisation that the researcher is part of the research process ▪ Less concern with the need to generalise.

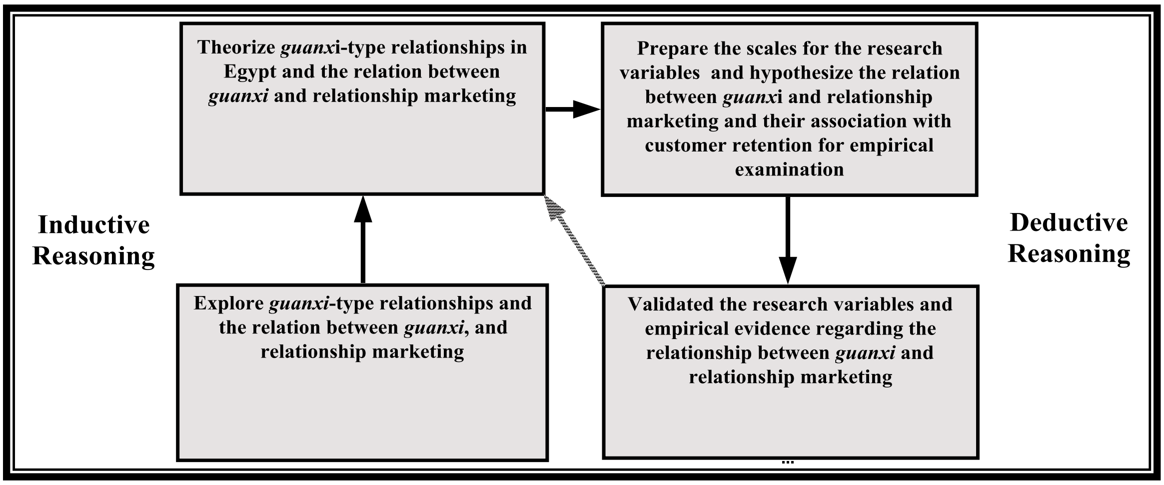
Source: *Saunders et al. (2009, p. 127).*

In light of Table 3.3, this research employed an inductive approach in the first phase, which sought to explore the nature and meaning of *guanxi*-type relationships as well as its relationship with relationship marketing in the Egyptian SME sector. Further, the inductive approach is consistent with the interpretivist paradigm (Saunders *et al*., 2007) which was selected as the research philosophy for the first phase of the research. It is worth to mention that using inductive approach does not mean ignore or exclude the previous literature (Patton, 2002), but it is very useful for qualitative research to "generating concepts or variables from theory or previous studies, especially at the inception of data analysis" (Zhang and Wildemuth, 2009, p. 309).

In contrast, the second phase of the research employed a deductive approach in order to build a model linking *guanxi*-type relationships with relationship marketing based on theory, develop hypotheses and collect quantitative data from an adequate sample to test these hypotheses, generate results and generalise the findings. These steps fit the deductive approach, which was assumed to be appropriate to the nature and aims of the research in this phase (Saunders *et al*. 2012).

Hence, this thesis follows both an inductive and deductive logic, in a sequential manner. The following Figure 3.3 summarises the research cycle followed in this thesis.

Figure 3-3: The research cycle adopted in this thesis



Source: *Adapted from: Tashakkori and Teddlie (1998, p. 25).*

As depicted in Figure 3.3, the research cycle progressed from "grounded results" (facts and observations regarding the nature, meaning and variables of *guanxi*-type relationships and their link with relationship marketing) "through inductive logic to general inferences (abstract generalisation or theory), then from those general inferences (or theory) through deductive logic to tentative hypotheses or predictions" regarding the link between *guanxi* and relationship marketing and their association with customer retention, which were further empirically tested to generate facts and evidence (Tashakkori and Teddlie, 1998, p. 24). That means this thesis is directed initially towards theory generation followed by theory verification.

3.4. Research strategy

Research strategy is "a plan of how researcher will go about answering her or his research question(s)" (Saunders *et al*., 2012, p. 173). Bryman and Bell (2003, p. 25) define research strategy as a "general orientation to the conduct of business research." They distinguish between two research strategies: qualitative and quantitative. Qualitative research is considered "a research strategy that emphasises words rather than quantification in the collection and analysis of data" and is characterized by: **first,** adopting an "inductive approach to the relationship between theory and research, in which the emphasis is placed on the generation of theories"; **second,** rejecting "the practices and norms of the natural scientific model and of positivism in particular in preference for an emphasis on the ways in which individuals interpret their social world" and **third,** representing "a view of social reality as constantly shifting emergent property of individuals' creation" (Bryman and Bell, 2007, p. 28). In contrast, quantitative research is considered a research strategy that emphasises quantification in the collection and analysis of data and is characterized by: **first,** using a "deductive approach to the relationship between theory and research, in which the accent is placed on testing theories"; **second,** "incorporating the practices and norms of the natural scientific model and of positivism in particular in preference for an emphasis on the ways in which individuals interpret their social world" and **third,** representing a "view of social reality as an external, objective reality" (Bryman and Bell, 2007, p. 28).

In addition, qualitative research aims to understand and interpret social phenomena in their real life context (Mason, 1996), whereas the aim of quantitative research is to identify common patterns in a particular population (Remenyi *et al*., 1998). Table 3.4 shows the differences between the qualitative and quantitative strategies.

Table 3-4: Differences between qualitative and quantitative strategies

Qualitative Research	Quantitative Research
▪ Emphasis on understanding ▪ Focus on understanding from respondent's/ information's point of view ▪ Interpretation and rational approach ▪ Observations and measurements in natural settings ▪ Subjective 'insider view' and closeness to data. ▪ Explorative orientation. ▪ Holistic perspective ▪ Generalization by comparison of properties and context of individual organism.	▪ Emphasis on testing and verification ▪ Focus on facts and/or reasons for social events ▪ Logical and critical approach ▪ Controlled measurement ▪ Objective 'outsider view' distant from data ▪ Hypothetical-deductive; focus on hypothesis testing ▪ Particularistic and analytical ▪ Generalization by population membership

***Source**: Ghauri and Gronhaug (2005, p.110).*

Both quantitative and qualitative research methods are valued by pragmatists and the precise selection depends on the nature of the research. This research utilised the qualitative strategy in the first phase and the quantitative strategy in the second phase. The exploratory nature of the first phase indicated the use of a qualitative approach in order to explore *guanxi*-type relationships in Egypt and its relationship with relationship marketing. On other hand, the empirical nature of the second phase suggested using of the quantitative strategy, where the aim of the second phase is to empirically test a model that links *guanxi*-type relationships and relationship marketing, and their association, with relationship quality and customer retention.

In addition, the use of qualitative strategy in the first phase and the quantitative strategy in the second phase are suitable for the research paradigms and approaches adopted in the first and the second phases respectively (Saunders *et al*., 2007). An applying both qualitative and quantitative research strategies is known as mixed methods (Saunders *et al*., 2012). Using mixed methods permit researchers to make significant findings and contributions, which assist in moderating the deficiencies of using a single method and offer the potential to gather, analyse, and interpret data using a richer approach (Bryman, 2006). Table 3.5 summarises the characteristics of qualitative, quantitative and mixed methods.

Table 3-5: Characteristics of quantitative, qualitative and mixed methods

Quantitative Strategy	Mixed Methods	Qualitative Strategy
Pre-determined	Both pre-determined and emerging strategy	Emerging strategy
Instrument based questions	Both open and closed-ended questions	Open-ended questions
Performance data, attitude data, observational data and census data	Multiple form of data drawing on all possibilities	Interview data, observation data, document data and audio-visual data
Statistical analysis	Statistical and text analysis	Text and image analysis
Statistical interpretation	Across databases interpretation	Themes, patterns interpretation

Source: *Creswell (2009, p. 15)*

Four types of mixed methods research design have been identified by Creswell (1994) and Tashakkori and Teddlie (1998, p. 43) as follows:

- ***Equivalent sequential studies*** (QUAL→QUAN or QUAN→QUAL): in which the researcher first conducts a qualitative phase of study and then a quantitative phase, or vice versa. The two phases are separate and contribute equally to understanding the phenomenon under study.
- ***Equivalent parallel or simultaneous studies*** (QUAN+QUAL or QUAL+ QUAN): in which the researcher conducts the study using both qualitative and quantitative strategies at the same time and both contribute equally to understanding the phenomenon under study.
- ***Dominant-Less dominant sequential studies*** (QUAL→quan or QUAN→qual): in which the researcher first conducts a qualitative phase of study and then a quantitative phase, or vice versa. The two phases are separate but within a single dominant strategy, with a small component of the overall study drawn from the other strategy.
- ***Dominant-Less dominant parallel or simultaneous studies*** (QUAN+qual or QUAL+quan): in which the researcher conducts the study using both qualitative and quantitative strategies at the same time within a single dominant strategy, with a small component of the overall study drawn from the other strategy.

In this thesis, equivalent sequential mixed methods (QUAL→QUAN) were be adopted (Tashakkori, and Teddlie, 1998).

Mixed methods approach is often associated with pragmatism philosophical orientation where pragmatists believe that either method is useful and that decisions regarding the use of either (or both) methods depend on current statement of the research questions and the ongoing phase of the inductive-deductive research cycle (Nastasi, Hitchcock and Brown, 2010; Teddlie and Tashakkori, 2009).

There are two major advantage of using mixed methods: First, mixed methods increase the validity and reliability of the research findings; and second, using mixed methods enables data triangulation to take place (Saunders *et al*., 2007). Data triangulation refers to the "use of two or more independent source of data or data collection methods within one study in order to help ensure that the data are telling [the researchers] what [the researchers] think they are telling them" (Saunders *et al*., 2007, p. 614).

3.5. Time horizon

Determining the time horizon entails deciding whether the research should be a "snapshot (cross-sectional) taken at a particular time" or "more akin to a diary (longitudinal) which is a presentation of events over a given period" (Saunders *et al*., 2007, p. 148). ***Cross-sectional research*** "entails the collection of data [from] more than one case and at a single point in time in order to collect data in connection with two or more variables, which are then examined to detect patterns of association" (Bryman and Bell, 2003, p. 48). ***Longitudinal research*** is used to investigate "variables or group of subjects [over a long period of time]. The aim is to research the dynamics of a problem by investigating the same variable or group of people several times, or continuously, over the period in which the problem runs its course". This can be a period of several years (Collis and Hussey, 2003, pp. 64-65).

This research collected data at one time, using a cross-sectional design, for the following reasons: **First,** the research does not consider changes or developments in the relationship between variables but looks at the association between variables at a single point of time (Bryman and Bell, 2003). **Second,** time constraint is another reason for choosing cross-sectional research. According to Saunders *et al.* (2012), most research projects carried out for academic courses are time constrained. In addition cross-sectional research is usually used with the positivist philosophy and often "employs the survey strategy" which is the case of the second phase of this study (Saunders *et al.*, 2012, p. 190).

3.6. Data collection methods

Data collection technique is affected by the choice of the research strategy (qualitative or quantitative). There are two major sources of data: secondary data and primary data (Saunders *et al*., 2009). ***Secondary data*** is "data that already exists such as books, documents and films" (Collis and Hussey, 2003, p. 355). Frequently, this type of data can be found inside the organisation, in libraries, or online, and can also be bought from specialised companies. It is always quicker and less expansive to collect than primary data (Zikmund, 2000; Saunders *et al*., 2012). ***Primary data*** is "data collected specifically for the research project being undertaken" by the researcher (Saunders *et al*., 2007, p. 607). Generaly, a number of methods can be used to collect primary data (e.g. questionnaire, interviews and observation). This study relies on both primary and secondary data sources, as explained below:

Secondary data

For this research, secondary data were gathered from different sources such as business and marketing academic journals, a wide range of *guanxi* and relationship marketing books and electronic search engines. Use was also made of Egyptian government internet websites, annual reports and journals related to marketing, SME and business, which include both quantitative and qualitative data (Saunders *et al*., 2009).

Primary data

Several methods can be used to collect primary data. These include questionnaire, interviews, observation and focus groups, in accordance with the research philosophy, approach and strategy (Zikmund, 2000). Thus, different data collection methods were used in each phase of the research process according to the research philosophy, approach and strategy adopted. Details about data collection methods in each phase are provided in Sections 3.8 and 3.12 respectively.

Part Two: Research Design of the First (Qualitative) Phase

3.7. Sample selection for the first phase

Selecting the sample can be done in two main ways: probability and non-probability sampling (Remenyi *et al.*, 1998, p. 193). A probability sample is "a sample that has been selected using random selection so that each unit in the population has a known chance of being selected. It is generally assumed that representative sample is more likely to be the outcome when this method of selection from the population is employed" (Bryman and Bell, 2003, p. 93). Probability samples can answer the research question and fulfil objectives that need statistical estimation of the characteristics of the population from the sample (Saunders *et al.*, 2009). Conversely, the non-probability sample is "a sample that has not been selected using random selection method. Essentially, this implies that some units in the population more likely to be selected than others" (Bryman and Bell, 2003, p. 93).

Taking into account the above general discussion and based on the qualitative research strategy employed in the first phase of this study, a non-probability sampling technique was chosen when determining the respondents or the subjects to be interviewed. Perry (1998) and Stake (1978, 1995) support the use of non-probability sampling in qualitative research. Similarly, Eisenhardt (1989, p. 537) argues, "random selection of cases is neither necessary, nor even preferable."

Saunders *et al.*, (2007) identify a range of non-probability sampling techniques, as summarised in Table 3.6.

Table 3-6: Non-probability sampling techniques

Type of non-probability sample	Description
Quota Sampling	This is based on the premise that the sample will represent the population as the variability in the sample for various quota variables is the same as that in the population.
Purposive Sampling	Allows the researcher to use judgement to choose cases that will best enable him or her to answer research question and meet objectives.
Snowball Sampling	This is used when it is difficult to identify members of the desired population.
Self-Selecting Sample	The researcher allows a case, usually an individual, to make known their desire to take part in the research.
Convenience sampling	Involves selecting at random those cases easier to obtain for sampling.

Source: *Saunders et al. (2007, pp. 227-234).*

Taking into account the differences between the various types of non-probability techniques shown above, both snowball sampling and the purposive technique were chosen for use in this thesis. Snowball sampling is used when people who know what cases might be relevant can provide rich information to identify cases of interest. Snowball sampling "begins with one or a few people or cases and spreads out on the basis of links to the initial cases" (Neuman, 2006, p. 223). In this method, a researcher should initially contact one or more participants and they will let him know where others can be found. When those others are found, they will tell the researcher where to find still others, and thus the 'snowball' grows (Patton, 2002). The process started with a small number of people who have solid connections with a researcher, and then expanded into a snowball sample by using referrals (Neuman, 2006). After identifying cases through snowball sampling, a purposive sample was used to select cases that were most relevant to the research problem in the researcher's view. Purposive sampling allowed the use of judgement to choose cases that were more relevant and suitable to the research problem of this study and who had background and experience in and relevant information on the research topic, which assisted in describing and explaining the key themes observed as well as identifying patterns and making inferences. In addition, a purposive sampling was employed to ensure that the sample includes organisations from a range of sectors. In support of such an approach, Denzin and Lincoln (2000, p. 370) state that "many qualitative researchers employ purposive and not random sampling methods. They seek out group, settings and individuals where the processes being studied are most likely to occur." Similarly, Merriam (2002) asserts that in qualitative research, the sample is selected on purpose to give the richest information about the phenomenon of interest.

Other sampling techniques such as self-selection and convenience sampling techniques did not suit the purpose of this study, as the researcher did not wish to choose participants at random or leave the choice to any subject who wished to take part in the interview, as interviewees needed to have background and experience in and relevant information about the research topic.

It is worth noting that trust, a core element in Egypt, greatly affects interpersonal relations and information sharing. Egyptian people will generally not agree to an interview without knowing the interviewer personally, or being introduced by a trusted intermediary. The use of personal relationships to reach potential participants is quite common in Egyptian society and is widely adopted by researchers in Egypt, which was another reason for choosing snowball sampling.

Respondents included three groups: the first group consisted of consultants and experts from the Egyptian public and private sectors; for example, the head of the research and development department of the Egyptian Social Fund for Development (SFD) responsible for the developing the SME sector in Egypt. The second group included academics in marketing, international business and SMEs. The third group contained practitioners such as managers of SMEs in Egypt, who applied relationship marketing and use their and their staff social network in their business; as well as those who had achieved success in their businesses, according to the Egyptian Social Fund for Development (SFD) reports and had their success stories published on the Egyptian Social Fund for Development (SFD) website (http://www.sfdegypt.org/web/sfd/home). Some of those managers had a PhD and thus they were considered preferable. It is believed that the chosen sample was knowledgeable and had the background and experience in and relevant information about the research topic, and so were being able to provide rich information. The details of each interviewee are shown in Table 3.7.

Table 3-7: The details of the interviewees

No.	Interviewee	Type	Position
1	No.1	Consultant and Expert	Consultant and Expert of SMEs' development working with public and private sectors
2	No.2	Consultant and Expert	Consultant and Expert of SMEs' development working with public and private sectors
3	No.3	Consultant and Expert	Head of RD department in the SFD (public sector)
4	No.4	Academic	Lecturer of marketing and SMEs.
5	No.5	Academic	Lecturer of marketing and international business.
6	No.6	Academic	Lecturer of marketing and international business
7	No.7	Practitioner	Manager of small company
8	No.8	Practitioner	Manager of small company
9	No.9	Practitioner	Manager of medium company
10	No.10	Practitioner	Manager of small company
11	No.11	Practitioner	Manager of medium company
12	No.12	Practitioner	Manager of small company
13	No.13	Practitioner	Manager of small company
14	No.14	Practitioner	Manager of small company
15	No.15	Practitioner	Manager of medium company
16	No.16	Practitioner	Manager of medium company
17	No.17	Practitioner	Manager of small company
18	No.18	Practitioner	Manager of small company
19	No.19	Practitioner	Manager of medium company
20	No.20	Practitioner	Manager of medium company
21	No.21	Practitioner	Manager of small company

In terms of the number of the interviews (qualitative sample size), many authors indicate that there is no ideal number of cases for research (Eisenhardt, 1991; Yin, 2008). Patton (1990, p. 185) asserts that "the validity, meaningfulness and insights generated from qualitative inquiry have more to do with the information-richness of the cases selected and the observational/analytical capabilities of the researcher than with sample size". Perry (1998, p. 794) states that "the widest accepted range seems to fall between two to four as the minimum and ten, twelve or fifteen as the maximum". Guest, Bunce and Johnson (2006) argue that 12 interviews should be sufficient, while Yin (2008) asserts that data collection should be continued until data saturation is reached. Data saturation is reached when additional data gathered provides few, if any, new insights (Saunders *et al*., 2009). Similarly, Morgan (1997) stated that data saturation is the point at which additional data gathered ceases to generate new understanding.

Considering all the arguments and suggestions above, in this study, determining the number of interviews was largely dependent on the researcher who decided to cease gathering data when it became easy to predict what would be said next in an interview and data saturation was reached. This point arrived after 21 semi-structured interviews (Table 3.7), which is more than is suggested by the authors mentioned previously. According to the researcher's experience of the interviews, it can be concluded that data saturation is something which is intuited when it is reached rather than anything in any way tangible.

3.8. Data collection method for the first phase

Due to the exploratory nature of the research in the first phase, this study employed interviewing for data collection, in order to gain insights into the nature of *guanxi*-type relationships and expand understanding of the relationship between *guanxi* and relationship marketing, based on viewpoints of academics, experts, and managers of SMEs in Egypt.

Interviewing is one of the most common and effective ways to understand people's lived experience and the meaning they make of that experience (Punch, 1998). There are various types of interview, and the selection of one of them depends on the research aims and questions (Punch, 1998). In terms of the level of formality and structure, interviews are categorised as "structured interviews," "semi-structured interviews" and "unstructured or in-depth interviews" (Saunders *et al*., 2012, p. 374). Moreover, interviews can be carried out on a "one-to-one basis" or "group basis" (focus group) according to the form of interaction between the researcher and the interviewee(s) (Saunders *et al*., 2012, p. 375).

For structured interviews, interviewers use a predetermined set of questions which should be asked in precisely the same order and manner (Saunders *et al*., 2012), and interviewees are given a limited selection of possible answers (Bryman and Bell, 2007). This type of interview provides consistent information, which facilitates the analysis and comparison of data (Bryman and Bell, 2007). However, it does not permit respondents to offer further information or to express themselves in their own words (May, 1997). Hence, structured interviews were not suitable for the aims of the exploratory study in this thesis, as richer and more detailed answers were required in order to discover Egyptian interviewees' perceptions of *guanxi*-type relationships in Egypt and relationship marketing, whether they applied these concepts or not and if so, how they applied them.

In contrast, in unstructured interviews, researchers do not have a list of questions to follow and can participate in the interview by offering their own opinions on the topic (Bryman and Bell, 2007). Respondents are also given the great opportunity to speak freely about events, behaviours and beliefs relative to the topic being discussed (Saunders *et al*., 2012).

In semi-structured interviews, researchers have a "list of themes and questions to be covered. These may vary from interview to interview", meaning that certain questions can be added or omitted to explore the research question and objectives, and the order of questions can also vary (Saunders *et al*., 2007, p. 312). Thus, according to Mason (1996), this type of interview combines structure with flexibility. For this reason, this was the type used in this thesis. Table 3.8 displays a summary of the advantages and disadvantages of semi-structured interviews

Table 3-8: The advantages and disadvantages of semi-structured interviews

Advantages of semi-structured interviews	Disadvantages of semi-structured interviews
▪ Can clarify the questions, clear doubts. ▪ Add new questions. ▪ Interviewer can read non-verbal cues. ▪ Can use visual aids to clarify points ▪ Rich data can be obtained. ▪ Tape or digital records can be used and responses entered in a portable computer afterward.	▪ Respondents may be concerned about confidentiality of information given. ▪ Interviewers need to be skilful and trained. ▪ Can introduce interviewer biases. ▪ Respondents can terminate the interview at any time

Source: *Saunders et al. (2009)*

Semi-structured interviews were employed for data collection in the first phase of the research for the following reasons: semi-structured interviews offered the opportunity and flexibility to collect valuable data from the participants (Carson, Gilmore, Perry and

Gronhaug, 2002) on the meaning of the concept of *guanxi*-type relationships in Egypt, identify their characteristics and names, determine the relationship between *guanxi*-type relationships and relationship marketing and gain key insights into how organisations can transfer personal relationships to organisational relationships in order to retain customers. This was be accomplished by means of the open nature of the questions posed, which allowed respondents to answer more freely without the restrictions imposed by a limited set of alternatives (Maxwell, 2005). In addition, following a pre-determined set of questions in semi-structured interviews allowed the researcher to answer the research questions and make the most efficient use of time. Further, semi structured interviews enabled the researcher to follow predetermined questions, while at the same time asking related questions that were not originally included, and therefore reveal issues that emerged from the interview or previous interviews, which may have been absent from the initial interview schedule (Bryman and Bell, 2007; Collis and Hussey, 2003; Mason, 1996; Saunders *et al*., 2012). The next section discusses the design and contents of the interview schedule used in conducting the semi-structured interviews.

3.8.1. Interview schedule design

An interview schedule was employed to provide a framework of general questions. Designing interview questions is a critical process (Collis and Hussey, 2003). King (2004) identified three resources for issues to be included in an interview schedule: the existing literature, the personal knowledge and experience of the interviewer, and informal pilot work such as discussions with individuals who have experience of the research area. These three sources were used when preparing the interview schedules.

Two interview schedules were designed; one for the academics and consultants and another for the managers of SMEs (Appendix II). The interview schedules were designed according to the topics discussed in the literature review (Chapter 2), the researcher’s background and experience in the research area, and preliminary work with Egyptian academics and experts. The interview questions were reviewed/pre-tested by academics in Hull University (supervisors) and two Egyptian academics working in UK universities. They were subsequently pilot-tested with five participants, comprising two Egyptian academics, two SME managers in Egypt, and one marketing consultant for SMEs in the private sector.

One of the main purposes of the pilot study was to ensure that the interview schedule was appropriate for use with the target participants. Maxwell (2005) advised that the interview schedule be pilot-tested to ascertain that the questions functioned as intended and whether any modifications were necessary to avoid ambiguity or lack of clarity in the questions. Further, pilot interviews allowed the researcher to determine how much time was required for the interview and helped to improve the researcher's ability to manage the interview. Finally, to minimise data errors, it was helpful to verify the validity of the variables of interest, and to test several aspects of conducting interviews prior to the actual data collection. After the pilot test some modifications were made to the interview questions to produce the final versions of the interview schedules.

The themes and issues, which formed the basis of the interviews, are summarised as follows:

1- The origins and meaning (ethical and unethical) of *guanxi*-type relationships in the Egyptian culture.
2- The name(s), main characteristics and variables of *guanxi*-type relationships in Egyptian culture as well as the advantages and disadvantages of *guanxi*-type relationships with respect to Egyptian SME sector
3- The *guanxi*-type relationships' role in attracting new customers to the SMEs in Egypt.
4- The meaning of relationship marketing investment programmes and which of its program/s is/are widely used and suitable for Egyptian SME sector as well as the meaning and key variables of relationship marketing with respect to the Egyptian SME sector.
5- The relationship between *guanxi*-type relationships and relationship marketing; and how the SMEs could transform personal relationships to organisational relationships and the impact of this on avoid the problem of employees taking the customers they brought into the company, when leaving the company.

A cover letter, consent form and glossary (Appendix II) were designed to provide beforehand to participants as discussed in next section (Section 3.8.2). Information about the consent form (designing, preparation, and contents) is given in Section 3.15. In the cover letter, the study and its aims were presented and the respondents were given the assurance of anonymity and confidentiality; the researcher's contact details were also provided. The covering letter is important because it affects and encourages the participant's decision to take part in the study. Moreover, to decrease any confusion, important terms and concepts in both *guanxi*-type relationship and relationship marketing, which were drawn from the literature, were provided in a glossary in order to assist the respondents in interpretation and to decrease any confusion about jargon and technical terms that could lead to confusion.

The interview schedules, cover letter, consent form, and glossary were initially prepared in the English, and subsequently translated into Arabic to be suitable for the potential participants (Appendix II). The translation process applied to the interview schedules, cover letter, consent form, and glossary is the same as the process applied to the questionnaire package (see Section 3.12.1).

3.8.2. Conducting interviews

Before conducting the interviews, initial contact was made with every potential participant to obtain their initial agreement to participate in the study; some of them did not show interest in joining the study, while others did. After carrying out the initial contact and before conducting the interview, a cover letter and consent form were provided in order to provide the respondents with information they might need to make a final decision about whether or not to participate (Oliver, 2010). Also, a glossary was provided in order to assist the respondents in interpretation and to decrease any confusion.

Twenty-one face-to-face semi-structured interviews were carried out in Arabic. At the beginning of each interview, respondents were asked to sign the consent form and whether they were willing to give permission for the interview to be recorded (Saunders *et al*., 2012). The same types of questions were asked as in the interview schedule. However, these questions were more free flowing and in some of the interviews the researcher did not ask all the questions, either because the interviewees did not appear interested in specific issues, or because their responses to previous questions already answered the later questions, as the interviewees were not limited to following the interview framework strictly. The questions were modified according the interviewees' responses.

As mentioned previously, a semi-structured interview approach was used; hence, the questions were designed as open-ended questions using phrases that could assist in exploring the participants' perspectives in detail, and which permitted the interviewer to ask follow-up questions to obtain further information about certain issues by using probes (e.g. 'can you tell me more' or 'what do you think?') (Denscombe, 2010).

Apart from four interviews, where only notes were taken, all the interviews were digitally recorded, with the permission of the participants (Saunders *et al*., 2007). Digital recording has many advantages as it helps to ensure that none of the important points made during the interview process are missed and allows the researcher to focus on the interview rather than being involved in note taking (Saunders *et al*., 2007). The duration of the interviews ranged from around thirty minutes to almost one hour and 10 minutes.

3.9. Qualitative data analysis techniques

In contrast to quantitative data analysis, there are no specific procedures to follow to analyse qualitative data (Punch, 2005). Qualitative studies use a wide range of approaches by which qualitative data can be analysed, depending on the theoretical perspectives and the aim(s) of the study. For this study, data analysis of the first phase of the research was informed by content analysis.

Content analysis is a qualitative research method, which is widely used for the analysis of text data (Cavanagh, 1997) as it offers the researcher a picture of the respondents' concerns, opinions, attitudes, and feelings (Cooper and Schindler, 2003). The purpose of content analysis is to make reliable and valid inferences from data to their context (Krippendorff, 2012) as well as providing knowledge, understanding, insights, and representation of the facts of the phenomenon under study (Downe-Wamboldt, 1992). This leads to a concise and broad description of the phenomenon, and the results of the analysis are concepts or categories describing the phenomenon (Elo and Kyngäs, 2008). The main assumption in content analysis is that analysing texts enables the researcher comprehend the cognitive schemas of others (Huff, 1990; Gephart, 1993). It is therefore possible to apply content analysis to a wide range of organisational phenomena and it is mainly for this reason that it has been frequently employed in the marketing research (Roznowski, 2003; Stockdale and Standing, 2002).

3.9.1. Types of content analysis

Content analysis can take a qualitative or quantitative approach (Stockdale and Standing, 2002). In quantitative content analysis, text data are coded into clear groups and then described by the use of statistics, an approach which is also known as quantitative analysis of qualitative data (Morgan, 1993). In contrast, qualitative content analysis goes beyond simply counting words to a deep examination of language (Cooper and Schindler, 2003). This can be achieved by classifying large amounts of text into categories that represent similar meanings (Weber, 1990). In such a case, qualitative content analysis is described as a "research method for the subjective interpretation of the content of text data through the systematic classification process of coding and identifying themes or patterns" (Hsieh and Shannon, 2005, p. 1278). Table 3.9 compares quantitative and qualitative content analysis to enhance the understanding of this method.

Table 3-9: Comparison between quantitative and qualitative content analysis

	Quantitative content analysis	Qualitative content analysis
Research approach	Deductive	Inductive
Purpose	▪ Test hypotheses or address questions generated from theories or previous empirical research. ▪ Used as a way to count manifest textual elements.	▪ Grounding the examination of topics and themes, as well as the inferences drawn from them, in the data. ▪ Attempts to generate theory ▪ Explore the meanings underlying physical messages.
Sampling	Requires the data to be selected using random sampling or other probabilistic approaches, so as to ensure the validity of statistical inference.	Qualitative content analysis usually consists of purposively selected texts which can inform the research questions being investigated.
Outcomes	The quantitative approach produces numbers that can be manipulated with various statistical methods.	The qualitative approach usually produces descriptions or typologies, along with expressions from subjects reflecting how they view the social world. By this means, the perspectives of the producers of the text can be better understood by the investigator as well as the readers of the study's results.

Source: *Adapted from Zhang and Wildemuth (2009, pp. 308- 309)*

Presenting the nature and types of content analysis, qualitative content analysis was used as a means of qualitative data analysis in this study. This discussion justifies the use of qualitative content analysis in view of the study approach, philosophical underpinning and research objectives of the first phase of the study. Due to the exploratory nature of the first phase of this research, there is insufficient literature on the type of social network in Egypt (*guanxi*-type relationships). This required the application of the inductive approach and the use of purposive sampling in order to answer the research questions and achieve the objectives of this phase (as discussed earlier in sections 3.3. and 3.7.1). In this case, analysis of data should focus on unique themes that illustrate all the aspects of *guanxi*-type relationships and develop a comprehensive framework for all aspects of these relationships, as well as exploring the relationship between *guanxi*-type relationships and relationship marketing. Moreover, this study is more interested in the syntactic and semantic content embedded in the text (qualitative content analysis) rather than in the quantitative analysis of the qualitative data (quantitative content analysis) or the use of statistical descriptions of the occurrence of particular texts or concepts, which is often criticised for missing semantic information (Weber, 1990).

3.9.2. Approaches of qualitative content analysis

Qualitative content analysis can be carried out through three different approaches, "conventional", "directed", and "summative", which differ in the extent of involvement of inductive reasoning (Berg, 2001; Hsieh and Shannon, 2005). These approaches used the content of text data in order to interpret meaning (Hsieh and Shannon, 2005); they differ in coding schemes and origins of codes, as explained below:

The conventional approach to qualitative content analysis is generally suitable when there is a dearth of literature or theory on a phenomenon under research. Researchers do not use the predetermined categories, and, rather, allow the categories and their names to emerge from the raw data (Kondracki and Wellman, 2002). The directed approach of qualitative content analysis begins with the previous literature or theory on a phenomenon under research, to assist in formulates the predetermined categories (Potter and Levine-Donnerstein, 1999). These predetermined categories are likely to change later during the analysis (Potter and Levine-Donnerstein, 1999). The purpose of this approach is generally to extend or validate a current theory (Hsieh and Shannon, 2005). A summative content analysis begins by determine particular keywords frequencies (Kondracki and Wellman, 2002), then extends the analysis to latent meanings and themes (Hsieh and Shannon, 2005). Table 3.10 illustrates the differences between three approaches to qualitative content analysis

Table 3-10: The differences between qualitative content analysis approaches

Type of Content Analysis	Study Starts With	Timing of Defining Codes or Keywords	Source of Codes or Keywords
Conventional	Observation	Codes are defined during data analysis	Codes are derived from data
Directed	Theory	Codes are defined before and during data analysis	Codes are derived from theory or relevant research findings
Summative	Keywords	Keywords are identified before and during data analysis	Keywords are derived from interest of researchers or review of literature

Source: *Hsieh and Shannon* (*2005, p. 1286*).

The choice of approach of qualitative content analysis depends on the nature of the research and the problem being investigated (Weber, 1990). In the light of the above discussion of qualitative content analysis approaches, this study adopted the directed approach, as the analysis beginning with general codes generated from the literature, which were expected to change and be modified during the analysis (Hsieh and Shannon, 2005). Furthermore, the directed approach of qualitative content analysis begins with existing theory or previous research on a phenomenon that is incomplete, which was the case of this study, where there was insufficient or incomplete literature on the type of social network in Egypt (*guanxi*-type relationships) and its relationship with relationship marketing (Potter and Levine-Donnerstein, 1999). The following discussion describes the process of applying qualitative content analysis.

3.9.3. The phases of qualitative content analysis

Qualitative content data analysis generally begins with preparation of the data and finishes when the findings are written up and reported. In particular, qualitative content analysis involves "qualitative data reduction and sense-making effort that takes a volume of qualitative material and attempts to identify core consistencies and meanings" (Patton, 2002, p.453). Qualitative content analysis can be carried out in three phases: preparation, organisation, and reporting (Elo and Kyngäs, 2008), as explained below:

The preparation phase includes acquiring a sense of the data as a whole (Burnard, 1991; Morse, 1994; Tesch, 1990) and choosing the unit of analysis (Cavanagh, 1997; Guthrie, Petty, Yongvanich and Ricceri, 2004). The written material is read through several times in order for the researcher to become immersed in the data (Burnard, 1991). This is considered important as no insights or theories can emerge from the data unless the researcher becomes very familiar with them (Elo and Kyngäs, 2008).

Open coding, creating categories and abstraction comprise the organisation phase. Open coding involves headings and notes being written in the text while it is being read to portray all elements of the content (Burnard, 1991, 1996; Hsieh and Shannon, 2005). These notes and headings are then put on coding sheets (Cole, 1988; Downe-Wamboldt, 1992) and lists of categories are obtained. These lists are then grouped under higher order headings (Burnard, 1991) in order to reduce the number of categories (Burnard, 1991; Dey, 1993). Dey (1993) asserts that the creation of categories involves classifying data as belonging to a specific group, thus necessitating a comparison between them.

The creation of categories offers a way to describe the phenomenon, to gain greater understanding and to produce knowledge (Cavanagh, 1997). Abstraction is the term used for the generation of categories being employed to formulate a general description of the research topic (Burnard, 1996; Robson, 1993). Subsequently, categories are grouped together as principal categories and sub-categories as categories, with each category being named according to the features of its contents, with the procedure continuing until it is not longer feasible (Dey, 1993; Kyngäs and Vanhanen, 1999; Robson 1993).

The reporting phase includes presenting the study results. This is the last phase of content analysis and perhaps the most challenging, as the results are formed through a process consisting of several stages. In order to ensure that they are trustworthy, it is necessary for the analysis procedure and the results to be described in detail in order that readers may have a clear picture of how the analysis was performed as well as of its strengths and limitations (Elo and Kyngäs, 2008).

The use of content analysis in this study is complemented by using Nvivo9 software as a tool to aid the process of analysing and interpreting the data. The next section will shed light on the usage of NVivo9 as a tool to assist in qualitative data analysis in this study.

3.9.4. Using Nvivo

Computer-assisted qualitative data analysis software (CAQDAS) has been growing rapidly in recent years in terms both of the production of programmes that carry out such analysis and the number of people using them (Bryman and Bell, 2007). One of the most widely used software packages is NVivo, which helps in making the analysis process faster and more efficient (Gummesson, 2003). Academics from various disciplines use NVivo for qualitative data analysis. NVivo provides various tools that encourage analysts to consider each document in detail while also making links, comparisons and identifying commonalities. These tools can be used simultaneously (Bazeley and Richards, 2000).

In this study, the use of NVivo9 permitted in-depth exploration of data, including comparisons between the transcripts, to investigate the main categories and sub-categories. The particular value of this is that it supported direct engagement with the data, permitting iterative analysis of the categories that emerged to be merged or separated as appropriate. In addition, the use of NVivo9 in this study encouraged the researcher to examine the transcripts and consider the meaning of each idea or sentence (Strauss and Corbin, 1998). Furthermore, using NVivo9 offered this study many advantages as a tool to assist in analysing the data, such as reducing the time needed to carry out tedious manual tasks, allowing the researcher to deal with large amounts of qualitative data and enhancing the flexibility of data management (Beck, 2003; Creswell, 1998; Silverman, 2000).

It should be noted that NVivo assists qualitative data analysis but does not think on behalf of the researcher (Bryman and Bell, 2007). While quantitative data analysis can be automated, qualitative data analysis needs the involvement of the human mind as data must be revealed, inferred and interpreted within a context, tasks which cannot be carried out by computer software. In this regard, Gummesson (2003, p. 485) stated that "the software can store data in an orderly way, provide structures and hierarchies of data, perform certain analytical tasks and respond to questions that the researcher puts to the data. Software assists, but does not take over interpretation."

In the light of the above discussion in Sections 3.9.1.3 and 3.9.1.4, the analysis of the qualitative phase of the research in this study was guided by content analysis and informed by the set of phases involved in carrying out qualitative content analysis, augmented by using Nvivo9 software. The next section presents the detailed process of analysing the qualitative data applied in this study.

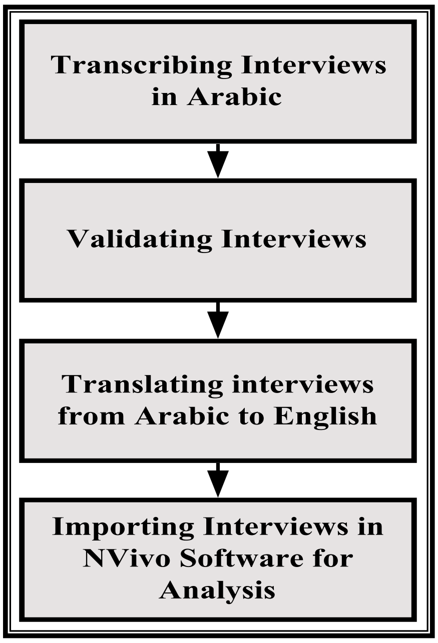
3.9.5. The process of qualitative analysis in the first phase

In order to support valid and reliable inferences, systematic stages were followed through the qualitative data analysis (Tesch, 1990). These included first, preparing the interviews for analysis and second, applying the phases of qualitative content analysis.

First: Preparing interviews for analysis

Preparing the interviews for analysis is an important and considered the first stage of analysis (Creswell, 2003). The process of preparing the interviews for analysis included four steps, as shown in Figure 3.4.

Figure 3-4: The steps of preparing the interviews for analysis



Step one: Transcribing interviews in Arabic

In this study, verbatim interview transcripts in Arabic were prepared. Transcripts serve as the primary sources of data for content analysis (Elo and Kyngäs, 2008). The transcription process is time-consuming and therefore, to save valuable time, the researcher had the interviews transcribed by a professional transcribing service, Next, the researcher compared the transcripts to the recordings of the interviews to verify their accuracy and to familiarise himself with the data; therefore, listening to the interview recordings during the review of the transcripts can be seen as the first step in the analysis process (Maxwell, 2005).

Step two: Validating interviews

After transcribing, the interview transcripts were validated. There are two established validation methods for interview transcripts: respondent validation and peer validation. The former proposes that researchers should return to respondents to verify the transcripts, or even to modify or delete some points that had been raised in the interviews. The aim of respondent validation is to look for correspondence between the researcher's impressions and the perspectives of respondents. Peer validation refers to the checking of transcripts by an independent third party with no links to either the interviewee or the researcher. The aim of this is to make sure that the transcripts correctly reflect what was actually said by the respondents.

The respondent validation method has been criticised for possibly jeopardising the process of validating researchers' accounts, particularly when the respondents are accorded a privileged status *vis-à-vis* the accounts prepared by the researcher. Bryman and Bell (2007) argue that respondent validation may provoke a defensive reaction on the part of the respondents or even censorship. Therefore, the researcher decided to rely on peer validation. It was considered that as third parties, peers are more objective and have no vested interests in interfering with what was actually said in the recorded interviews they are given. Copies of the transcripts together with the tape recordings were given to four volunteers to check.

Step three: Translating interviews from Arabic to English

Translation is defined as a process where "the meaning and expression in one language (source) is tuned with the meaning of another (target) language whether the medium is spoken, written or signed" (Crystal, 1991, p. 346). The goal of data translation is "to achieve equivalence of meanings between two different languages" (Regmi, Naidoo and Pilkington, 2010, p. 20). Data translation is a critical stage in a study and involves "subtle issues of connotation and meaning" (Marshall and Rossman, 2006, p. 111).

Temple and Young (2004) stated that translating data could be done by the researcher or by professional translator. Esposito (2001, p. 570) noted that the translator is "actually an interpreter who processes the vocabulary and grammatical structure of the words while considering the individual situation and the overall culture context." However, because translation involves the construction of meanings, academics such as Marshall and Rossman (2006) and Temple and Young (2004) argue that researchers should do this process by themselves or show how it is to be done. For this study, the translation process was as follows: a professional translator translated the transcripts into English (forward translation). Next, the researcher reviewed these and discussed several points with the translator, in order to arrive at the closest possible meaning (Regmi *et al*., 2010; Twinn, 1998).

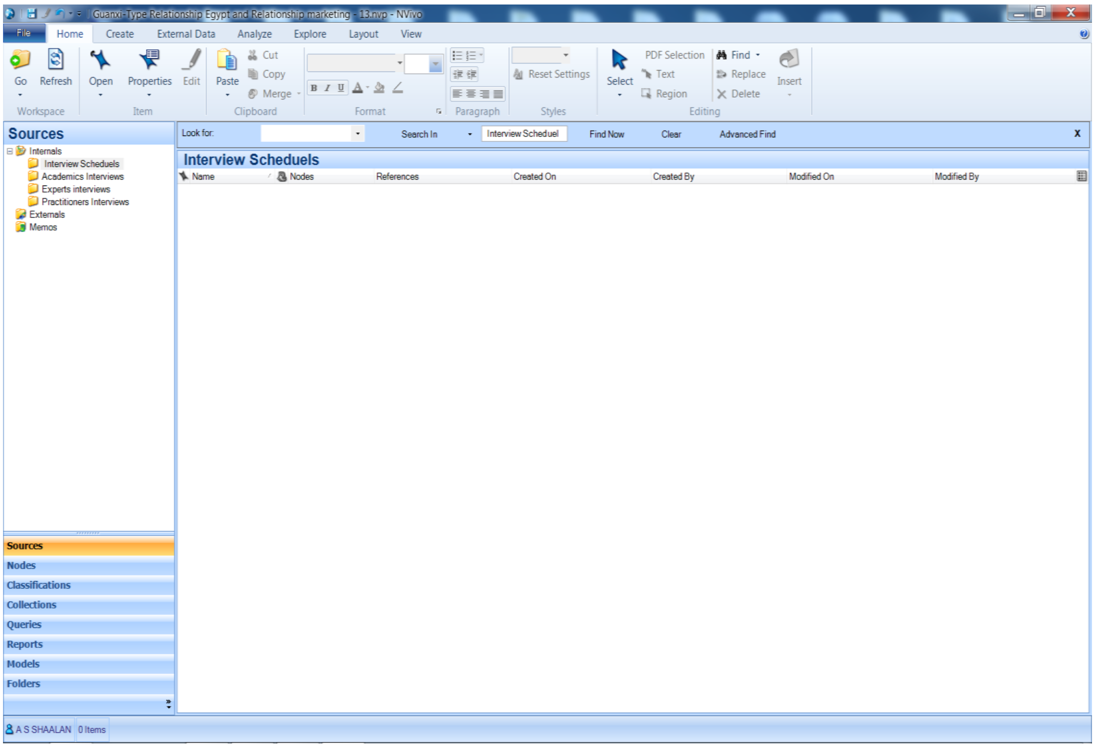
The transcripts then were validated by 'back translation' by a different professional translator, who translated them back into Arabic in order to check that the forward translation had been accurate and omitted nothing. Both the Arabic versions were then compared and it was found that the back translation version was almost identical to the original Arabic version. Writers on methodology such as Brislin, Lonner and Thorndike (1973), Malhotra, Agarwal and Peterson (1996), Mallinckrodt and Wang (2004), Salciuviene, Auruskeviciene and Lydeka (2005) and Temple (1997) maintain that back translation is key to obtaining accurate results.

The literature indicates that researchers may encounter difficulties caused by linguistic and socio-cultural differences between the source and the target languages when translating qualitative data (Temple and Young, 2004; Twinn, 1998; Xian, 2008). In some cases, the literal translation of an expression used in a conversation may not give an accurate sense of it and it may therefore be meaningless to readers who do not understand the speakers' cultural background. To surmount such potential problems in cross-culture translation, the researcher applied the suggestions of researchers such as Marshall and Rossman (2006), Regmi *et al*. (2010), Temple and Young (2004) and Xian (2008). For instance, Xian (2008) suggested a contextualised approach to translation in which the focus is on contextual rather than verbal consistency between languages. In the same vein, Regmi *et al*. (2010) argued that researchers should engage with meanings to arrive at accurate and valid translations instead of using literal translation. That is, the translated data need to be considered according to the underlying meanings in the interviews in order to reflect the views and experiences of respondents, and that is what has been applied in this study.

Step four: Importing interviews in NVivo9 software

After translating the transcripts into English, they were imported into NVivo9 software. To do so, a project for this research was first created in the NVivo9 software. This project served as a container for all the data files used during the project. It became an organised storage file system that assisted the researcher to find material and store it in one place (Creswell, 1998). Interview transcripts were prepared by word processing, and then imported into NVivo9. Next, the transcripts were arranged in a meaningful manner. Four folders were created in the sources section in NVivo9. The first folder contained the interview schedule, the second contained the interviews with academics, the third, held the interviews with experts and the fourth folder comprised the interviews conducted with practitioners (managers of SMEs). Figure (3.5) is an Nvivo9 screenshot, which shows the project created for this research and the folders created and arranged in the sources section in Nvivo9.

Figure 3-5: The created and arranged folders in the Nvivo9 new project

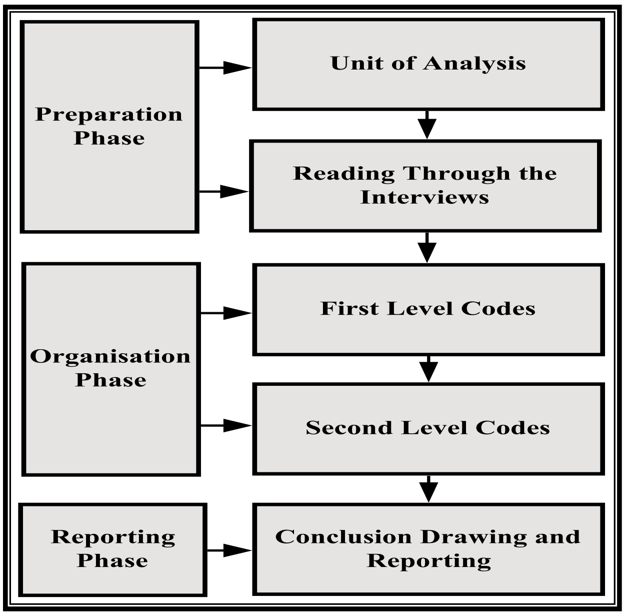


Moreover, each of the interviews was considered as a case and the attributes of each case were identified. Using the classification tool helped the researcher to classify the interviewees according to their type, or according to their gender (male or female).

Second, applying qualitative content analysis phases

After preparing interview for analysis, this stage involves applying the phases of qualitative content analysis: preparation, organisation and reporting. These include defining the unit of analysis, reading through interviews, generating the initial set of codes, developing higher-level codes and drawing the research conclusion and final report. The process of applying the qualitative content analysis includes five steps as shown in Figure 3.6.

Figure 3-6: The steps of applying the qualitative content analysis



Step one: Unit of analysis

The first part of the preparation phase in the qualitative content analysis is to decide the unit of analysis. “The unit of analysis refers to the basic unit of text to be classified during content analysis” (Zhang and Wildemuth, 2009, p. 310). This study takes interviews as the unit of analysis. Elo and Kyngäs (2008, p. 109) “pointed out that the most suitable unit of analysis is whole interviews or observational protocols that are large enough to be considered as a whole and small enough to be kept in mind as a context for meaning unit during the analysis process”. Hence, the analysis of the verbatim interview transcript involved a ‘part-to-whole’ and ‘whole-to-part’ type of interpretation (Thompson, Locander and Pollio, 1989). This was an iterative process in which each interview was considered as a ‘part’ of the ‘whole’ qualitative data, and its interpretation and reinterpretation was carried out in relation to the developing sense of the ‘whole’ (Thompson, Pollio and Locander, 1994)

Step two: Reading through the interviews

The other part of the preparation phase in the qualitative content analysis is to read through the interviews transcripts. “Reading through the interviews is an important step before starting coding and categorising the data in order to obtain a general sense of the information and reflect on its overall meaning” (Bryman and Bell, 2007, p. 594). It assists the researcher to understand “What general ideas are participants saying? What is the general impression of the overall depth, credibility, and use of the information?” (Creswell, 2003, p. 191).

After initial transcript analysis within interviews, an attempt was then made to identify similarities among interviews. In this process, early readings of a text informed later readings; the latter enabled the researcher to explore patterns that had not been noted in the initial analysis (Thompson and Haytko, 1997). It should be mentioned that this process of iteration is required as a holistic understanding of a text should be developed over time (Thompson *et al*., 1994), and the initial understandings of a text can be adjusted and improved as later readings offer a more developed sense of the text as a whole.

Annotation tools of NVivo9 were used while reading the interviews. Annotations are quick to prepare and quick to access (Bazeley and Richards, 2000). They permit the researcher to add one note or more as well as ideas to the transcript. The researcher went through the data several times to familiarise himself with the content, to write the code against each paragraph or sentence, and to add additional notes using annotations. After obtaining an initial sense of the interviews, the coding process using NVivo9 was begun. Coding is necessary to reduce data (Miles and Huberman, 1994).

Step three: First level codes or early level codes

This step is considered part of the organisation phase in qualitative content analysis. Two meanings of coding are found in the literature. Coding is referred to as the initial process in data analysis and the basis for what comes afterwards in this analysis (Bryman and Bell, 2007; Punch, 2005). Alternatively, "coding is analysis" (Miles and Huberman, 1994, p. 56) as it is at the heart of the data analysis. These meanings are both accurate, as coding starts the analysis while also continuing on various levels throughout it (Punch, 2005). Miles and Huberman (1994, p. 56) offer a comprehensive definition for coding by stating that "codes are tags or labels for assigning units of meaning to the descriptive or inferential information compiled during a study. Codes usually are attached to 'chunks' of varying size-words, phases, sentences or whole paragraphs, connected or unconnected to a specific setting."

Further, according to Neuman (2006, p. 460), "coding involves two simultaneous activities: mechanical data reduction and analytic categorisation of data". Mechanical data reduction requires researchers to compress large amounts of raw data into smaller "bundles", thus making the data more manageable. Data categorisation occurs when data are analysed qualitatively by classifying them into categories by concepts, themes, or topics with similar characteristics.

According to the directed approach of qualitative content analysis used in this study the coding process started with a set of general themes (coding categories) constructed from the existing literature (Checkland and Holwell, 1998: Hsieh and Shannon, 2005; Miles and Huberman, 1994). The following list of initial themes emerged from the literature:

1- Meaning of the *guanxi*-type relationships in Egypt.
2- Name of the *guanxi*-type relationships in Egypt.
3- Key characteristics of *guanxi*-type relationships in Egypt.
4- Variables of *guanxi*-type relationships in Egypt.
5- Ethical and non ethical practices of *guanxi*-type relationships in Egypt.
6- Advantages and disadvantages of *guanxi*-type relationships in Egypt.
7- Key variables of relationship marketing.
8- The relationship between *guanxi*-type relationships and relationship marketing.
9- Transforming the personal relationships to organisational relationships.

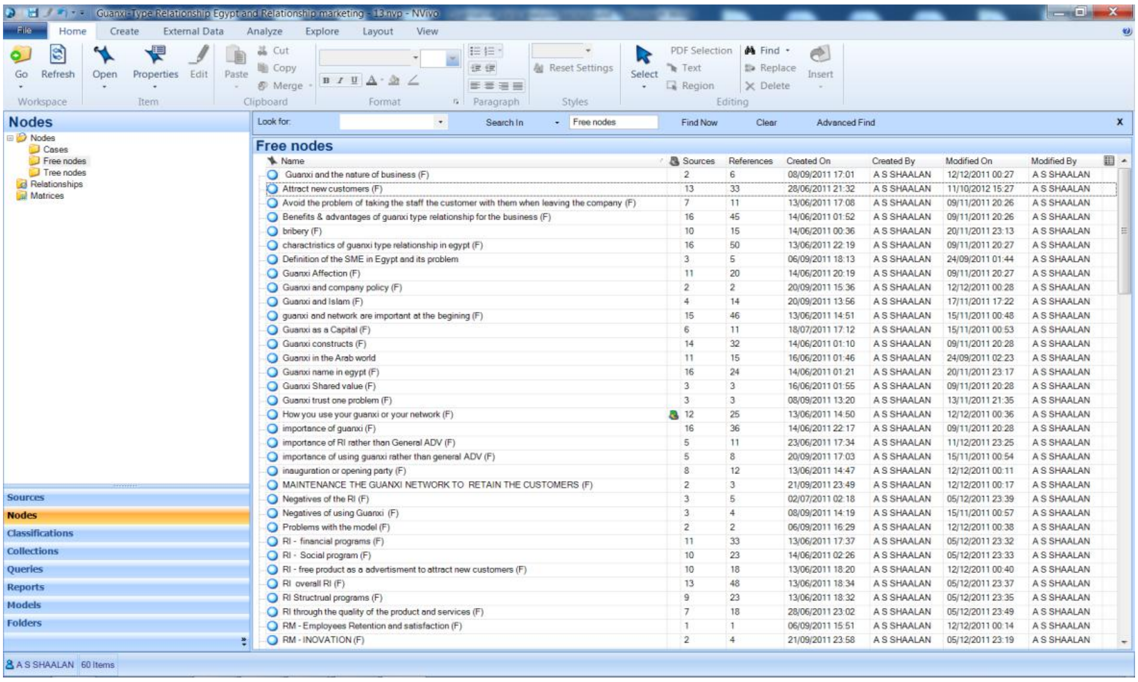
As well as the existing themes (coding categories), other themes, and hence codes, were created inductively from data if this research permitted the addition of new categories. That is, the codes and main themes of this research were identified and constructed from the existing literature and the data, which is consistent with the directed approach of qualitative content analysis.

It should be indicated that it is not easy to create fixed codes at the beginning of the analysis, and to maintain them without changes, Hsieh and Shannon (2005) and Miles and Huberman (1994) note that codes change and develop throughout the analysis. Similarly, Corbin and Strauss (2008) stress that, although researchers bring a considerable background from the literature to the inquiry, “there is always something new to discover; if everything about a topic is known beforehand, there is no need for qualitative study” (Corbin and Strauss, 2008, p. 36).

NVivo9 was used to facilitate the coding process. In NVivo9, “the containers for coding are nodes, and a node is made for each topic or concept to be stored” (Bazeley and Richards, 2000, p. 24). The program allows multiple codes for the same data. It also assists in overcoming the manual labour of coding, rearranging the codes, and accessing them when required (Bazeley and Richards, 2000). However, it does not produce the codes automatically and the researcher must interpret the data, create the codes, and reorganise and retrieve them when required. That is, “CAQDAS does not and cannot help with decisions about how to code qualitative data or how to interpret findings" (Bryman, 2007, p. 621).

Figure 3.7 shows a list of initial or early level of codes developed in the NVivo9 project. Initial codes are named free nodes in the NVivo9 project and the coded text is hyperlinked to its source to facilitate retrieval of the whole interview

Figure 3-7: List of codes in NVivo9



The initial level of coding is basically descriptive and does not need a great deal of inference, if any, beyond the coded data. This level of coding refers to first level codes, which match the use of the free nodes in NVivo. "Free nodes do not assume relationships with other concepts, so they are useful" when starting coding (Bazeley and Richards, 2000, p. 25). At this stage, it is helpful to make full use of free nodes to avoid structuring the data too early. Tree nodes are used when the structure is more apparent (Bazeley and Richards, 2000). These early codes or free nodes include the codes that were identified from the literature and the codes created inductively during the analysis. The early codes are further refined in developing categories.

Step four: Second level codes

This step is considered part of the organisation phase in the qualitative content analysis. The second level of coding (or higher-level coding) is an explanatory pattern coding that requires a higher level of inference and integrates coding that is more descriptive and less abstract (Punch, 2005). The higher level coding is generally referred to as categories in the literature (Miles and Huberman, 1994). This type of code matches with the "tree nodes" created with NVivo9. Tree nodes are used when the analyst finds that it is necessary "to create a node as a subcategory of another" (Bazeley and Richards, 2000, p. 70). Tree nodes can be structured hierarchally to include categories and subcategories (Bazeley and Richards, 2000). In this study, the initial codes (the free nodes) were put into categories (tree nodes) according to concepts, themes, and topics with similar features (Neuman, 2006).

Step five: Conclusion drawing and reporting

This is the final phase of the qualitative content analysis, reporting, whose aim is to integrate what has been achieved into a meaningful and coherent picture of data. It is at this stage that the researcher starts formally to decide on meanings. In addition, the concepts and propositions are presented in the form of research findings (these are discussed in Chapter Four, and further discussion about using previous literature to interpret these findings can be found in Chapter Six). Further, Miles and Huberman (1994) asserted that the trustworthiness of the meanings emerging from the data should be tested. The following section discusses the quality considerations of qualitative data in this study.

3.10. Assessing the trustworthiness of the qualitative phase

Miles and Huberman (1994) asserted that the quality of the meanings emerging from the qualitative data should be tested. Lincoln and Guba (1985) propose trustworthiness as an alternative term for reliability and validity and a way of assessing good qualitative research, and identified four criteria on which the quality of qualitative research can be evaluated instead of by reliability and types of validity. These are summarised in Table 3.11.

Table 3-11: Criteria for judging the quality of qualitative research

Criteria	Description
Credibility	Negotiates that the results of qualitative research are credible or believable from the perspective of the participant in the research.
Transferability/ generalisability	Concerns the degree to which the qualitative research results can be generalized to other contexts.
Dependability	Concerns whether the applicability of obtaining the same findings if the same phenomenon is observed twice.
Confirmability	Concerns the degree to which the results could be confirmed by others.

Source: *Lincoln and Guba (1985).*

This study was guided by these criteria to assess the quality and soundness of qualitative phase of this research, and in order to achieve these criteria, this study utilised some techniques suggested by methodologists, as discussed below,

First: Credibility

Credibility refers to the "validity of setting the research frameworks" (Miyata and Kai 2009, p. 67). The results of qualitative research should be believable from the perspective of the research participants. Several activities that can be used during the research process to produce credible findings and interpretations have been suggested. Among these are prolonged engagement, which involves staying in the field until data saturation occurs, triangulation, and member checking (Lincoln and Guba, 1985; Miyata and Kai, 2009; Riege, 2003). The following are the techniques used in this thesis to enhance the credibility of the qualitative findings:

1. Triangulation: This is an approach that employs multiple data sources, theories and methodologies (Patton, 2002). Multiple sources and of evidence were used in this thesis as it used interviews and surveys to gather data.
2. Referential adequacy: This refers to being able to prove the existence of the evidence that has been gathered, such as audio recordings. In this study, the recorded interviews and their transcripts (in two languages, Arabic and English) are available, although due to space limitations, they are not included in their entirety. Rather, sections of relevant parts (quotations) are included in the presentation of the findings in Chapter Four. The interviews were analysed by NVivo9, and the whole analysis process of the data within NVivo9 is available.
3. Member checking where the researcher summarised the information received from the respondent and then reported back the preliminary findings as suggested by Atkinson and Coffey (2003).

Second: Transferability

Transferability refers to the extent to which the findings can be applied or generalised to other contexts or with other respondents (Lincoln and Guba, 1985) and is the equivalent of generalisability in quantitative research. The following strategies were used in this thesis in order to assure transferability, as suggested by Maxwell (2005), Patton (2002), and Yin (2008). First, purposive selection of participants was used in order to select cases of most relevance to the research problem, and that could provide range of precise and rich information about the research context as broad as possible, as discussed in Section 3.7. Second, reference was made to prior studies in which confirming and disconfirming evidence is offered and applied, and the results of the current study were interpreted by using prior theories as a lens (See Chapter Six).

Third: Dependability

Dependability is the equivalent of reliability in quantitative research, and refers to the likelihood of obtaining the same findings if the same phenomenon is observed twice. However, it is not easy to assume stability in qualitative research (Lincoln and Guba, 1985), as qualitative studies usually rely on events that are less controllable (Miyata and Kai, 2009; Neuman, 2006). This is also because the interactive process between the researcher, setting and methods in qualitative research can give different results. Dependability can be evaluated by the audit trail, which shows how the researcher was able to achieve what is achieved (Lincoln and Guba, 1985). The audit trail includes a complete record of the various stages of the research process, audio recordings, data reduction and analysis products.

Fourth: Confirmability

Confirmability is the equivalent of objectivity in quantitative research and refers to the neutrality of the observations and interventions in qualitative studies (Miyata and Kai, 2009). In the same vein, Lincoln and Guba (1985) argue that confirmability refers to the degree to which the results could be confirmed by others. Furthermore, Lincoln and Guba (1985, p. 243) state that "confirmability is concerned with assuring that data, interpretations, and outcomes of inquiries are rooted in the contexts and persons apart from the evaluator and are not simply figments of the evaluator's imagination."

The most common technique for ensuring confirmability is the confirmability audit. According to Lincoln and Guba (1985), this audit and the dependability audit mentioned above can be performed at the same time. Miles and Huberman (1994) state that this is done by confirming that the findings and interpretations are based on raw data and by explicitly describing the methods and process of the research (e.g., raw data, data reduction and analysis products, and process notes).

This study offered and applied the confirmability audit by explicitly explaining and discussing every step, method and process of the research as discussed in this chapter. Furthermore, the researcher carefully designed the interview schedule, which underwent thorough verification and piloting processes to collect credible information. The interview transcripts were peer validated to ensure accuracy and hence give more credibility to the information provided. Finally, the study as a whole was undertaken in accordance with good practice and conformity to all relevant research ethics suggested by the literature.

Part Three: Research Design of the Second (Quantitative) Phase

3.11. Population, sampling frame and sample selection for the second phase

Population "is the universe of units from which the sample is to be selected" (Bryman and Bell, 2003, p. 93). There are two main approaches to determining the appropriate number of respondents from the population: a census for small populations and a sample for large populations. Israel (1992) revealed that the census approach is attractive for small populations (e.g., fewer than 200). A census has many advantages; such as eliminating sampling error and providing data on all the individuals in the population. Moreover, as the costs of questionnaire design and developing the sampling frame are fixed, that is, they will be the same for small and large samples.

The second approach to determining the number of respondents from the population is to gather information from only certain members of the population (sampling) and to attempt to ensure that their characteristics and responses are representative of the population from which they are drawn. A large and sufficient sample size should be drawn from the population in order to avoid bias, to fulfil the requirements of analytical methods and to ensure that the data gathered will be reliable as a basis for making recommendations and generalising data to the whole population (Field, 2009; Hair, Black, Babin and Anderson, 2010). The decision about sample size is not a straightforward one; as it depends on a number of considerations such as time, cost, and level of confidence that the researcher needs to have in the data, as well as the acceptable margin of error and the type of analysis that will be used (Bryman and Bell, 2003; Saunders *et al*., 2012). Sampling is much cheaper, faster and easier than surveying all members of a group and a common practice in research. There are two broad types of samples: "non-probability" samples (e.g. "convenience" and "purposive"), and "probability" samples (e.g. "simple random", "systematic random", "stratified random" and "cluster random") (Saunders *et al*., 2012, p. 261).

Based on the previous discussion and the nature of the research problem, objectives and according to the research proposed model suggested in Chapter Two of this thesis, this study was concerned with a unique target population, the customers of SMEs in Egypt who were introduced and invited to the company by a member of staff who already had a personal relationship with them. The type of sample used in selection of the customers was a simple random sample, involving a random selection of the respondents among those customers who met the criterion of being customer invited to the company by a member of staff who already had a good personal relationship with them. With regard to the overall number of customers who represent the unit of analysis in this thesis, it was not possible to determine, but a list of the SMEs in the trade sector was available. Therefore, the researcher contacted the SMEs seeking their help by providing contact details of customers who were invited to their companies by any member of staff (customers from the social network of the company's staff). The companies did not agree to provide such personal information on customers. Consequently, the researcher was not able to contact the customers directly, however, companies agreed to distribute the questionnaire through them to customers.

There are 25,230 SMEs working in the trade sector in Egypt according to Social Fund for Development (SFD) database. Only 1,300 companies were returned from the SFD database that fulfilled the following conditions; first, full contact details were available about these companies, particularly their telephone numbers, so they could be contacted to ask if they were interested in participating and if they applied relationship marketing and invited customers through the social network of the staff. Second, companies that have benefited from the marketing programmes provided by SFD in their work, which could be considered as an indicator of applying (even partially) relationship marketing investment programmes and relationship marketing. The reason for imposing these criteria was that some of the SMEs in Egypt do not apply any type of marketing; thus it would not be appropriate to include them in the sample frame. Accordingly, the above criteria were used to refine the sample frame and to include only the SMEs that benefited from the SFD marketing programmes and had full contact details.

The decision was made to contact the full list of 1,300 companies as they were considered to be the sample frame. All of the 1,300 companies were contacted to obtain their initial agreement to participate in the study. In order to encourage the companies to assist in the research, the researcher assured the companies that he would supply them with a managerial tool kit and that the eventual findings of the study would be presented to the company. As a result, 412 of them showed interest in joining the study and gave their initial agreement to participate in this research, while the others did not. Reasons given by other companies for not taking part in the survey were one or more of the following: 1) they do not apply the concept of relationship marketing or relationship marketing programmes; 2) some do not use a social network of staff or managers to attract customers; 3) others were not interested in participating.

Formal letters of invitation were sent together with the questionnaire package to all of the 412 companies, to provide them with information they might need in order to make a final decision about whether or not to participate (see Appendix III). The information given to the companies included a brief explanation of the objective of the study, its importance to them, the purpose for which the data would be used, issues relative to confidentiality, and their role and the voluntary nature of their participation in the research. Accordingly, all the companies confirmed their final agreement.

The 412 companies which agreed to participate were in different locations in Egypt, and the resulting dispersion of the sample assisted in minimising possible geographical bias (Wong, 2004). SMEs managers offered to distribute, on average, five questionnaires. Accordingly, the researcher distributed five questionnaires to each of the 412 companies and asked them to select five respondents randomly from their list of customers who met the criterion (being a customer invited to the company by a member of staff). In order to ensure the random selection of customers, the researcher provided SMEs managers with a website (http://www.random.org/integers/) to be used in the selection process. Therefore, the type of sample used in selection of the customers of the SMEs that took part in the study was a simple random sample. To collect the required data from research targets, a research questionnaire should be designed. The following section addresses the process for developing the questionnaire that was used for data collection in the second phase of this study.

3.12. Data collection method for the second phase

This section outlines the rationale for using the survey method as a data collection technique in this research. According to methodology adopted in the second phase of the research (positivist paradigm, deductive approach and quantitative research method), the experiment and survey are considered to be the most suitable data collection methods (Collis and Hussey, 2003; Saunders *et al*., 2012). Table 3.12 below shows the definitions of both the experiment and survey methods.

Table 3-12: Definition of data collection methods for positivist paradigm

Method	Type of Paradigm	Definition
Experimental Study	Positivist Paradigm	"Is a positivistic strategy, conducted either in laboratory or in natural setting in a systematic way... to allow the researcher to eliminate certain variables or keep some variable constant... it usually permits causal relationships to be identified. The aim is to manipulate the independent variable in order to observe the effect on the dependent variable; problems include confounding variables which the researcher attempts to control" (Collis and Hussey, 2003, pp. 61-62)
Survey	Positivist Paradigm	"Is a positivistic strategy, whereby a sample of subjects is drawn from a population and studied to make inferences about the population" (Collis and Hussey, 2003, p. 356)

Source: *adapted from Collis and Hussey (2003)*

In this study, the survey method was considered suitable in the second phase of the research for the following reasons:

First, this study seeks to fill a gap in the body of knowledge by developing a unified model linking *guanxi*-type relationships and relationship marketing, and empirically testing the relationship between them. This has been achieved using surveys. Saunders *et al*. (2007, p. 138) highlighted that "data collected using a survey strategy can be used to suggest particular relationships between variables and to product models of these relationships."

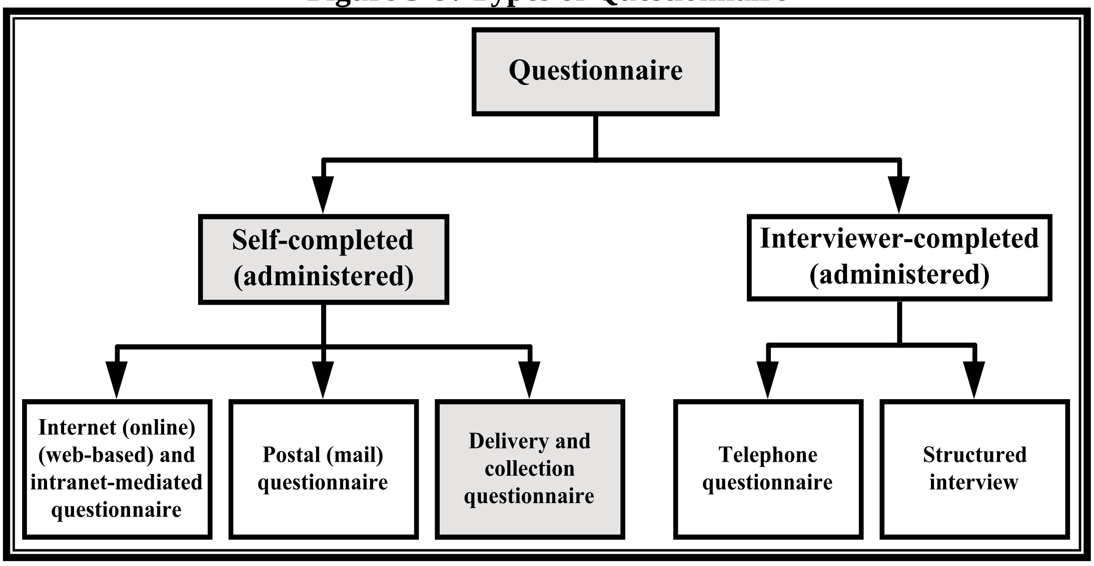
Second, the survey method is a popular and common data collection technique in business and management studies and is generally assumed to be authoritative. Survey allows the collection of a considerable amount of standardised data from a large number of respondents in a relatively short time and at a low cost. In addition, surveying a large number of respondents will enable the results to be generalised (Creswell, 1994; Saunders *et al*., 2012; Sekaran, 2003; Zikmund, 2000).

Third, surveys also allow quantitative data to be collected and analysed quantitatively using statistics (Saunders *et al*., 2012), which suits the research purposes as this study aims to empirically test the unified model which links *guanxi*-type relationships and relationship marketing using statistical analysis.

Fourth, this study does not attempt to eliminate certain variables or keep constant some variables, which the researcher needs to control. Thus, there was no need to conduct an experimental study (Collis and Hussey 2003, p. 62), which does not suit with the aim of the study.

Data collection through the survey can be done in a number of ways: such as questionnaire, structured observation and structured interviews (Saunders *et al*., 2012). Among them questionnaire is the most effective way in collecting data from large samples (McCelland, 1994). Moreover, a questionnaire is the most widely-used method of collecting data in a survey strategy (Clarke, 1999; Saunders *et al*., 2012) and widely used in *guanxi* and relationship marketing literature (e.g., Lee *et al*., 2001; Lee and Dawes, 2005; Ndubisi, 2005; Sin *et al*., 2002; Sin *et al*., 2005; Tseng, 2007; Wong, 1998). All of these considerations made a questionnaire the most appropriate data collection tool for this study. There are many types of questionnaire including self-administered and interviewer-administered questionnaire, as shown in Figure 3.8.

Figure 3-8: Types of Questionnaire



Source: *Adopted from Saunders et al.* (2012, p. 420).

This research utilised self-administered questionnaires, which are also called self-completed questionnaires, and have been defined as "a data collection technique in which the respondent reads the survey questions and records his or her own responses without the presence of a trained interviewer" (Hair, Bush and Ortinau, 2003, p. 265). This study adopted this kind of questionnaire for the following reasons: ***first***, the population consists of a considerable number of respondents; therefore self-completed questionnaires offer a method of surveying them more rapidly and at lower cost than a questionnaire administered by the researcher; ***second,*** the questionnaire can be completed at the respondents' convenience; ***third,*** it is possible to access a geographically widespread sample relatively inexpensively as the researchers' presence is not necessary (Zikmund, 2000); ***fourth,*** it is extensively used in *guanxi* and relationship marketing literature (e.g. Lee *et al*., 2001; Lee and Dawes, 2005; Sin *et al*., 2002; Sin *et al*., 2005).

The type of self-completed questionnaire used in this study is a delivery and collect questionnaire. As the name implies, this method involves the researcher/researcher's helpers travelling to the company location to personally deliver the questionnaires to the company; then the questionnaires are given to respondents by the company. Next, the questionnaires are collected from the company after the company receives the survey from the respondents (Hair *et al*., 2010; Zikmund, 2000).

This method was adopted in this study, as recommended by Ibeh and Brock (2004), for the following reasons: ***first***, the survey was conducted in one of the less-developed countries (Egypt), where the infrastructures of post and e-mail are not sufficiently effective to obtain an acceptable response rate and overcome logistic constraints, thus the delivery and collect method expected to achieve a higher response rate than other methods; ***second***, this method gives the researcher the chance to check the answers quickly and this may help in avoiding any basic problems such as missing values; and ***finally,*** other means of questionnaire data collection cannot be adopted because the companies (SMEs) did not agree to provide such personal information on customers. Consequently, the researcher was not able to contact the customers directly.

3.12.1. Questionnaire design process

The questionnaire is "a reformulated written set of questions to which respondents record their answers, usually within rather closely defined alternatives" (Sekaran, 2000, p.233). In order to obtain the required information from respondents, questionnaire contents should be clear, reliable and valid (Malhotra and Briks, 2003; Neuman, 2006; Punch, 1998). Zikmund (2000) argues that the characteristics of a good questionnaire are relevance and accuracy. Relevance means that the questionnaire only contains the information necessary to solve the research problem. Also, if a questionnaire is accurate, then the data obtained from it will be valid and reliable. Neuman (2006) stated that the researcher should design the survey questions to avoid jargon and technical terms, eliminate ambiguity in questions that may lead to confusion, and avoid leading and overlapping questions. The following discusses the steps followed in this study to design and test of the overall questionnaire, guided by Anderson and Gerbing (1988), Churchill (1979), DeVellis (1991) and Netemeyer, Bearden and Sharma (2003).

First step, **define the research variable:** the first step in questionnaire development is specifying the definition of the research constructs and variables where "the researcher must be exact in delineating what is included in the definition and what is excluded"

(Churchill, 1979, p. 67). In this stage, the researcher must clearly draw the boundaries of the constructs under investigation. Accordingly, based on the extensive literature review in Chapter Two, the definitions of the variables and the key issues used in the present study were specified and boundaries were drawn. Beginning the process of developing the questionnaire by specifying the constructs definition was consistent with Netemeyer *et al*. (2003, p.9), who argue that the “the process of scale development starts with a thorough review of the literature in which a solid theoretical definition of the construct and its domain is delineated and outlined.”

Second step, **generating a pool of items:** after the constructs were specified and boundaries were drawn, a set of items was generated to measure each research variable. In order to generate items for each variable, valid and reliable measures of relevant constructs that had been published and validated in prior literature were modified to suit the context of this research. An intensive review of the literature was undertaken to identify existing measures of related constructs and develop such a pool of items (Appendix IV).

Third step, **selection of scale items**: after the pool of items was developed, the scale items to measure the constructs in this research were selected. To select the most appropriate items to measure these constructs, the following criteria were applied. ***First,*** the items selected for this study were chosen to represent the perceptions of customers, who were the final target of the questionnaire. ***Second,*** in accordance with Churchill (1979) and Peter (1979), multi-item scale used to measure each variable in this research, which is considered important for enhance the validity and reliability of the scale. Anderson and Gerbing (1988, p. 415) argue that multiple items “allow the most unambiguous assignment of measuring to the estimated constructs”.

Accordingly, the measurement items for this study were developed by adapting measures that had been validated in previous studies to fit the context of the research construct (*guanxi*-type relationships in Egypt, relationship investment programmes, relationship marketing, relationship quality and customer retention). Moreover, the qualitative research phase was drawn on in order to generate new items and augment items grounded in the literature, consistent with Churchill’s (1979) paradigm. Indeed, the results of the qualitative phase added to the scales’ contextual relevance, as well as enhancing face validity. As a result, items were ready to go through translation and pre-test.

***Fourth step,* translation of the questionnaire:** the questionnaire was initially prepared in English, and subsequently translated into Arabic to be suitable for the potential respondents. Forward translation was carried out by the researcher himself (Temple and Young, 2004); then the translated questionnaire sent to a professional translator to check the translation and the researcher discussed some points about the translation with the translator in order to arrive at the closest possible meaning (Twinn 1998; Regmi *et al*. 2010). Next, the translated questionnaire was reviewed by two Egyptian academics working in UK universities to clarify the usage of Arabic terminology in the Arabic version of the questionnaire.

Subsequently, the translation processes were validated using 'back translation'. A different professional translator carried out the back translation, whereby the questionnaire was translated back into English, to ensure that the forward translation covered all aspects of the original documents. Both English versions were compared and the versions found to be consistent. No significant differences were discovered between them. Thus, it was concluded that the English and Arabic versions had the same contents and meanings. The theoretical background to the translation process, the difficulties caused by linguistic and socio-cultural differences between the source and the target languages, and how to avoid these have already been presented and discussed in Section 3.9.5, step three, when discussing the translation of interview transcripts. The translation was also applied to the cover letter and the consent form (Appendix III) which were included in the survey package.

***Fifth step,* pre-test of the questionnaire:** pre-testing the questionnaire before conducting the main survey is supported by several scholars and considered one of the important steps of developing a valid and reliable questionnaire (Blair and Presser, 1992; Churchill, 1995; Reynolds and Diamantopoulos, 1998; Zikmund, 2000). Accordingly, after the translation and before the survey could be considered final, pre-tests were conducted (Baker, 2003; Deng and Dart, 1994). It was important for "experts to comment on the representativeness and suitability of the questionnaire questions. [Pre-testing also allowed] suggestions to be made on the structure of the questionnaire, to help establish content validity and enable necessary amendments to be made prior to pilot testing with a group from the final population in the sample" (Saunders *et al*, 2012, p. 451). The objective was to detect any possible shortcoming in the design of the questionnaire and calibrate the research instrument in order to ensure that it has the highest possible degree of reliability and validity (Zikmund, 2000).

The pre-tests were conducted for both English and Arabic versions in order to refine the questionnaire. For the English version, the questionnaire was pre-tested with two academics from the University of Hull, one academic from Monash University in Australia, and one academic from Waikato University in New Zealand. The questionnaire was also given to ten PhD researchers at Hull University Business School, most of whom were studying topics related to relationship marketing and *guanxi*. The Arabic version of the questionnaire was pre-tested with five Egyptian academics (two of them in universities in the UK, and the others working in Egyptian universities), and two practitioners (one the manager of a small company and the other a marketing manager for medium-sized company). All were asked to check the scale indicators for content validity and provided comments that could be used to revise the scales.

The comments from the pre-test were taken into account, and used to adjust the questionnaire in order to improve clarity and relevance of the research instrument. Modifications were made, for example, ambiguous wordings and unclear meanings were clarified, some items were eliminated because of duplication, and some questions were combined in order to give the full significance of some items and to reduce the length of the questionnaire. In addition, leading and/or ambiguous questions were re-worded to prevent confusion and to enhance the understanding of the questionnaire items.

Sixth step**, pilot Study of the questionnaire:** in order to refine the questionnaire and make it more relevant to practices in Egypt, the pilot test was conducted with a group similar to the final population from which the sample was drawn (Saunders *et al.*, 2012). Bell (2010) and Saunders *et al.* (2012, p. 451) advise that the researcher should “give the questionnaire a trial run, as, without a trial run, [there is] no way of knowing whether the questionnaire will succeed”. The main aim of “pilot testing is to refine the questionnaire so that respondents will have no problems in answering the questions and there will be no problems in recording the data”. It also ensures that the instruments are free of ambiguity and are readable and that the layout of the questionnaire is suitable. Furthermore, a pilot testing serves to make an assessment of the validity of the questionnaire scales, and to provide feedback on the content validity, design, length and instructions for completion (Saunders *et al.*, 2012, p. 451).

Accordingly, a pilot survey was carried out with 20 customers of Egyptian SMEs. Dillman (2009) and Saunders *et al.* (2012, p. 451) indicate that for most research questionnaires, “the minimum number for a pilot is 10”, although for large surveys (such as a census) “between 100 and 200 responses” is usual. Based on feedback from the pilot-test, the questionnaire was refined and a revised final questionnaire was developed. The pilot test respondents provided positive feedback on the content validity of the measures. The feedback helped to clarify and improve the questionnaire.

In the piloted version of questionnaire, the background information of the respondents and the questions about the nature of the relationship with the person who invited him/her to be a customer was set out in the last part. After the piloting, it was found that it was preferable to move this part to the first section where it would facilitate the respondents’ understanding of the goal of the questionnaire and help the respondents to become more involved and feel more comfortable in responding to the questionnaire. This part does not have any sensitive questions (e.g. income questions); and thus potential respondents would not be deterred from continuing, which would result in no response (Bourque and Fielder, 2003; Malhotra *et al*., 1996). This study found from the pilot survey that respondents were more willing to respond and were responsive to completing the surveys when the research objectives were explained to them using the cover letter and if they were assured that their information would not be disclosed.

To sum up, the questionnaire was developed with careful consideration through the design process, translation, pre-testing and pilot study. It was expected that the response rate, validity, and reliability of the survey could thus be maximized. Information about the appropriateness of the instrument, namely validity and reliability, was considered and addressed during both the questionnaire testing and data analysis.

3.12.2. Questionnaire structure

In this study, the definitive questionnaire used was divided into a cover letter page and six sections (see Appendix III), as follows.

The cover letter explained the aims of the study and makes the issues of privacy and anonymity clear of the respondents. The cover letter is important because it is claimed that the response rate can be affected by the messages in the cover letter (Churchill, 1995; Saunders *et al*., 2012).

Section one was used to collect basic information including background information on the respondent and general information about his/her relationship with the person who invited/contacted him/her to become a customer of the specific company (see the questionnaire Appendix III).

Section two was mainly concerned with measuring the personal relationship between the respondent and the person who invited/contacted him/her to be a customer of the specific company. In other words, it measured the *guanxi*-type relationships between the respondents and the invited/contacted person. This part of the questionnaire was developed to measure one construct (*shabakat al-alakat*, a *guanxi*-type relationship in Egypt). Based on the literature and the results of the first phase, this construct includes six variables (can be measured using 6 variables); trust (6 items), bonding (6 items), empathy (6 items), face (4 items), affection (5 items), and reciprocity (6 items), giving 33 items in total.

Section three was about the type of relationship investment programmes (privileges) which the respondent usually receives from the specific company. Based on the literature and the first phase results, relationship investment programmes were separated into three types: social programmes (3 items), structural programmes (9 items) and financial programmes (7 items).

Section four was about relationship marketing and aimed to measure the type of organisational relationship between the respondent and the specific company. According to the theoretical foundations for this study, relationship marketing (RM) can be measured through eight dimensions (variables): organisational trust (8 items), commitment (8 items), conflict handling (8 items), communication (10 items), empathy (7 items), shared values (5 items), reciprocity (6 items), and equity (6 items), giving 58 items in total.

Furthermore, section four includes the measures of relationship quality and customer retention. Based on the literature and the results of the first phase, relationship quality could be measured by four items. With respect to customer retention, based on the literature and the results of the first phase, six questionnaire items were used to measure this variable.

The penultimate section (section five) was designed to discover if the company had built a good relationship with the customer and whether the organisation could retain its customers after the member of staff left the organisation and tried to take all his/her network with him/her. In other words, this section aims to discover whether the customers would still want/not want to leave if the introducing person left the company and the reasons for this,

The final section was designed to let the respondents freely provide comments on any part of the questionnaire.

Parts two, three and four of the questionnaire reflected the research constructs, which were operationalised using Likert scales. Likert scales, on which respondents give their responses on a ratings scale, are frequently employed in survey research (Neuman, 2006). More specifically, this study used a five-point Likert scales, for attitudinal items anchored by 1 = "strongly disagree" and 5 = "strongly agree". Five-point Likert scales were selected because it is easy to construct and administer, easy for respondents to understand (Neuman, 2006) particularly as this survey was a survey of customers and not of executives or managers. It takes less time for respondents to answer than other types of Likert scale (e.g. seven- or ten-point scales); thus, the respondents are encouraged to complete the survey (Churchill, 1995; Frazer and Lawley, 2000; McCelland, 1994). It also gives more space in the questionnaire for respondents, which makes them more comfortable in reading the questionnaire and they can concentrate better when answering the questions compared to a seven- or ten-point scale.

Concerning the length of the questionnaire, there are various opinions regarding this. For example, Zikmund (2003, p. 214) suggests that, "a general rule of thumb is that questionnaires should not exceed six pages." In addition, Saunders et al. (2012, p. 446) add that the acceptable length to be between "four to eight A4 pages." The questionnaire and cover letter together took up six pages, thus conforming to the recommended length. The questionnaire was printed in colour on both sides of the paper in the form of a pamphlet to decrease further the impression of its being long, following Dillman's (2000, 2009) recommendations that the questionnaire should be made to look as short and simple as possible. Questions were also well organised, looked very professional and were suitably placed to prevent eye strain. The questionnaire was designed to reflect the aim of the research, following the proposed research model steps, with questions concentrating completely on one topic before going on to the next (Tull and Hawkins, 1990).

3.12.3. Questionnaire administration

After refining the questionnaire design, the definitive questionnaire was administered. The final version of the questionnaire package consisted of the questionnaire, two consent forms; one for the respondent to keep and the other to return to the researcher after signing, and an envelope used to return the completed questionnaire with one consent form. The questionnaire was administered to 412 SMEs that agreed to participate. The questionnaire packages were delivered to and collected from those firms according to the deliver and collect method. Companies were told to leave an interval of a maximum of two weeks -then extended to another two weeks- between delivering the questionnaire and collecting it. To increase the response rate, three phone calls to each company were made to follow-up.

This process was carried out with the help of five research assistants (field staff) who received an introduction about the nature of this study. The researcher conducted meetings with the research helpers to ensure the clarity of the questionnaire questions and related instructions, and to answer any questions they may have had. The research helpers assisted in conducting the initial contact with the companies, delivering and collecting the questionnaires and checking that all the questions were answered.

Five questionnaires were distributed to each of the 412 companies, resulting in a total of 2,060 questionnaires. The aim was to obtain a sample of around 200 respondents, which is considered a large sample size and sufficient and appropriate for running statistical analysis (Hair *et al*., 2010). The distribution procedures applied resulted in 325 questionnaires being returned; of which 20 returned questionnaires were discarded as they were inappropriately completed. Hence, the sample yielded 305 usable questionnaires. This number exceeded the proposed sample adequacy calculated based on G*Power 3.1.3 program and ratio of cases to variables, as discussed in Section 3.13.4.1. In addition, this sample size satisfied and achieved all the requirements for statistical analysis. The response rate was 15.7 %.

3.13. Quantitative data analysis techniques

The quantitative data analysis was carried out in two stages: preliminary data analysis and multivariate data analysis. Preliminary data analysis is used to prepare the data for subsequent analyses by completing several preliminary steps before testing the hypotheses and involves missing data, outliers, testing the assumptions of univariate and multivariate analysis: normality, linearity, homscedasticity and multicollinearity.

Preliminary data analysis also includes descriptive statistics to describe characteristics of the sample. Multivariate analysis methods such as factor analysis, multiple regression analysis, hierarchal multiple regression analysis and the bootstrapping method for interactions and intervention relationships are used to investigate the relationships among variables (Field, 2009; Hair *et al.*, 2010; Tabachnick and Fidell, 2007). The following sections offer an in-depth discussion of the background of the main multivariate statistics techniques used in this thesis.

3.13.1. Exploratory factor analysis (EFA)

"Exploratory factor analysis is a statistical approach that can be used to analyse interrelationships among a large number of items (variables) and to explain these items in terms of their common underlying dimensions (factors)" (Hair *et al*., 2010, p. 16). Field (2009, p. 628) argues that exploratory factor analysis is mainly used to "understand the structure of a set of variables...construct a questionnaire to measure an underlying variables...and reduce a dataset to a more manageable size while retaining as much of the original information as possible".

The purposes of exploratory factor analysis are data summarising and data reduction. Data summarising aims to set understand the structure of research variables under specific logic factors, while data reduction is a process of eliminating uncorrelated items and reduces the number of items within each variable (Hair *et al*., 2010).

There are two main issues to consider in deciding whether the data set is suitable for factor analysis or not: sample size, and factorability of the correlation matrix or the strength of the relationship among the items (Pallant, 2010, p. 182). Generally, a larger sample size is better than a small one and the recommended sample size for applying exploratory factor analysis should be at least fifty observations according to Hair *et al*. (2010), while Pallant (2010) argues that the overall sample size should be more than 150 cases and there should be a ratio of at least five cases for each of the variables. Regarding the factorability of the correlation matrix, it is recommended that the correlation matrix should include at least some correlation of $r = .3$ or greater (Hair *et al.*, 2010; Pallant, 2010). Moreover, the overall Kaiser-Meyer-Olkin (KMO) measure of sampling adequacy and Bartlett's Test of Sphericity are also used to help assess of the factorability data and support the correlation matrix (Hair *et al.*, 2010; Tabachnick and Fidell, 2007). Bartlett's Test of Sphericity value should be significant ($p < 0.05$) for the factor analysis to be considered appropriate. The KMO index ranges from 0 to 1, with a recommended minimum value of 0.6 for a good factor analysis (Field, 2009; Tabachnick and Fidell, 2007). The guidelines for KMO are that 0.9 or above is excellent; 0.80 or above is meritorious; 0.70 or above is middling; 0.60 or above is mediocre; 0.50 or above is miserable; and below 0.50 is unacceptable (Field, 2009, p. 647; Hair *et al*., 2010). Moreover, ideally, the appropriate number of items for each proposed factor should be at least three or more (Pallant, 2010).

In this study, the main objective of using factor analysis was to do both data summarising and data reduction to reduce the number of variables tested in the questionnaire to a more manageable and parsimonious set. Moreover, an equally important objective was to create a set of factors to be treated as uncorrelated variables as an approach to handling multicollinearity. Several issues related to applying exploratory factor analysis will be discussed in the following parts; these issues are factor extraction method, number of factors extracted, factor rotation, and significance of factor loadings.

First, factor extraction method

Factor extraction "involves determining the smallest number of factors that can be used to best represent the interrelationships among the set of items" (Pallant, 2010, p. 183). Exploratory factor analysis depends mainly on the factor extraction procedure (Tabachnick and Fidell, 2007)

There is a variety of methods for factor extraction, and Tabachnick and Fidell (2007) assert that principal components and common factors are the most commonly used; both of them aim to reduce a set of measured items to a new and smaller set of items. Moreover, "principal components analysis is used when the objective is to summarise most of the original information (variance) in the minimum number of factors for prediction purposes. In contrast, common factors analysis is used primarily to identify underlying factors or dimensions that reflect what the variables share in common" (Hair *et al*., 2010, p. 107).

The debate about which method is preferable continues. In this regard, according to Hair *et al*. (2010), there are two main viewpoints. The first supports the use of principal component analysis rather than common factor analysis, as common factor analysis has several drawbacks. First, it suffers from factor indeterminacy as several different factor scores can be calculated from a single factor model result for any individual respondent, which leads to difficulty in obtaining one single unique solution for this analysis. Second, sometimes the communalities (shared variance, which should range from 0 to 1) are not estimable or may be invalid (values greater than 1 or less than 0), requiring the deletion of the variable from the analysis. The second viewpoint is that in "most applications, both component analysis and common factor analysis arrive at essentially identical results if the number of variables exceeds 30 or the communalities exceed .60 for most variables" (Hair *et al*., 2010, p. 108).

Therefore, in this thesis, the principal component analysis method was used throughout in order to "ensure consistency in factors and minimum number of factors needed to account for the maximum portion of the total variance represented in the original set of items" (Hair *et al*., 2010, p. 107).

Second, number of factors extracted

There are a number of techniques that can be used to assist in making decisions concerning the number of factors to retain: Kaiser Criterion, Catell's Scree Test, Percentage of Variance Criterion, A Priori Criterion, Parallel Analysis, RMSEA, ECVI, and Velicer's MAP Criterion (Field, 2009; Hair *et al*., 2010). Each of these techniques has its own advantages and disadvantages. Fabrigar, Wegener, Maccallum and Strahan (1999) suggested employing multiple criteria to determine the number of factors to extract or retain. The three most common criteria were selected for this research: the Kaiser Criterion, Catell's Scree Test, and Percentage of Variance Criterion.

The Kaiser Criterion is the most commonly used technique; it is also known as the eigenvalue rule (Hair *et al*., 2010). The "eigenvalue of a factor represents the amount of the total variance explained by that factor" (Pallant, 2010, p. 184). This technique aims to retain any factor with an eigenvalue of 1.0 or more (Pallant, 2010, p. 184). Thus, factors having eigenvalues greater than one are regarded as significant and should be retained in the analysis while those having eigenvalues less than one are insignificant and should be eliminated from the analysis (Hair *et al*., 2010).

Catell's Scree Test is another technique that helps in determining the number of factors to retain. It involves plotting the eigenvalues of each factor against the number of factors in their order of extraction (Hair *et al*., 2010). The shape of the graph is used to evaluate the cut-off point for identifying the number of factors to retain when the shape of the curve changes direction and becomes horizontal (Hair *et al*., 2010; Pallant, 2010).

It is claimed that this technique performs well when strong common factors exist in the data. However, it suffers from subjectivity, as it has no clear objective rule regarding where exactly the cut-off point is before the graph straightens out (Fabrigar *et al*., 1999).

The Percentage of Variance Criterion was also used as it assists in determining the number of factors to retain based on achieving the level of cumulative percentage of the total variance explained by extracted factors (Hair *et al*., 2010). It attempts to verify by practical significance that the remaining factors can explain the specified level of total variance (Hair *et al*., 2010). No absolute guideline has been proposed for the required total variance. Nevertheless, 60 percent of total variance (and in some instances even less) is regarded as satisfactory in social sciences, since information can be imprecise (Hair *et al*., 2010).

It is common to combine several criteria to decide the number of factors to extract or retain. This research utilised these most common three criteria to determine the appropriate number of factors to extract. The Kaiser Criterion was initially used as a guideline for the first extraction. Then, the results from the Scree Test and the Percentage of Variance Criterion were taken into account. Many results were produced as trial and error solutions before an appropriate number of factors were extracted.

Third, factor rotation

Once the number of factors has been determined, the next step is to rotating the factors to assist in their interpretation. The objective of all rotation methods is to obtain some theoretically meaningful factors and to facilitate easy interpretation (Hair *et al*., 2010).

Generally, there are two methods of factor rotation: orthogonal and oblique rotation. Orthogonal rotation is the simplest case of rotation. The term ‘orthogonal’ means unrelated; hence, correlations among the factors are not permitted. Orthogonal rotation maintains the independence of the rotated factors, while “oblique rotation allows correlated factors instead of maintaining independence between the rotated factors” (Field, 2009, p. 642). It is also considered more realistic because the constructs in social science research are likely to be correlated (Hair *et al*., 2010, p. 116). Many orthogonal rotational approaches are widely used, and provided in all software programmes, including SPSS. These are QUARTIMAX, VARIMAX, and EQUIMAX22 (Hair *et al*., 2010). In contrast, oblique rotation approaches provided in most statistical packages are DIRECT OBLIMIN and PROMAX (Hair *et al*., 2010).

Although orthogonal rotation may be preferable due to its simplicity and conceptual clarity, oblique rotation is claimed to be superior. When the factors are related, oblique rotation provides more precise and realistic results of how factors are related to each another than does orthogonal rotation. Moreover, more information is provided in oblique rotation, such as estimates of the correlations among factors (Fabrigar *et al*., 1999).

Choosing one of these methods is dependent on the theoretical reasoning underpinning the research questions and hypotheses. In this study, oblique rotation, specifically DIRECT OBLIMIN, was selected and used to rotate the factor solutions given the correlation existing between factors of *guanxi* as well as the expected interrelationship existing between factors of relationship marketing (Field, 2009). It is more appropriate to allow the factors to be correlated in order to explore the effect of these combinations.

Fourth, significance of factor loadings

Factor loading is the correlation of the items with the factors, thus, it is used as a measurement to decide which items should be incorporated into which factors (Field, 2009). Following the determination of the factor rotation method, it is important to decide which item loads strongly on only one factor, as each factor should be represented by a number of strongly loading items (Field, 2009; Pallant, 2010). Thus, it is important to check the significance of factor loadings in the Pattern Matrix in order to interpret the result (Field, 2009; Pallant, 2010).

To decide which levels of factor loadings are significant, practical and statistical significance should be considered (Hair *et al*., 2010). Concerning practical significance, in absolute size the higher the factor loadings, the more important they are in interpreting the result (Hair *et al*., 2010). "Factor loadings in the range of ±0.30 to ±0.40 are regarded as minimally acceptable level, the loadings ±0.50 or greater are considered practically significant, and the loadings greater than ±0.70 are a well-defined structure and are the goal of any factor analysis" (Hair *et al*., 2010, p. 117). Regarding, statistical significance, the factor loadings should be evaluated and determined according to the sample size. Hair *et al*. (2010, p. 117) provide the guidelines for identifying significant factor loadings based on sample size in the Table 3.13. Hair *et al*, (2010, p. 118) argue that "this guideline are quite conservative... thus, this guideline should be used only as a starting point in factor loading interpretation" (Hair *et al*., 2010, p. 118).

Table 3-13: Guidelines for identifying significant factor loadings based on sample size

Factor Loading	Sample Size Needed for Significances [a]
0.30	350
0.35	250
0.40	200
0.45	150
0.50	120
0.55	100
0.60	85
0.65	70
0.70	60
0.75	50

[a] Significance is based on a 0.05 significance level (α), a power level of 80 percent, and standard errors assumed to be twice those of conventional correlation coefficients.
Source: Hair *et al*. (2010, p. 117)

In order to decide the significant level of factor loadings for this research, both practical and statistical significance were taken into consideration. According to the statistical significance and sample size of 305 responses, the starting point for factor loadings should be between ±0.30 and ±0.35. Consequently, by combining the practical significance, Hair *et al*.'s (2010) guideline as a starting point and other researches in the domain, this research used a factor loading of ±0.6 or greater as significant in interpreting the results for this research to increase and enhance the quality of the findings.

In summary, to retain individual items measuring specific factors, the items should show signs of a communality of ±0.50 or greater, a factor loading of ±0.6 or greater on a single factor, and cross loading of less than ±0.55 on any other factor.

3.13.2. Scale reliability analysis

After using factor analysis, it is useful to check the reliability of the scale (Field, 2009). Hair *et al*. (2010, p. 125) define reliability analysis as "an assessment of the degree of the consistency between the measurements of a variable." Cronbach's alpha was used in this research to measure the internal reliability, as Hair *et al*. (2010, p. 125) consider Cronbach's alpha the most widely used for assessing the reliability of the scales. The alpha statistic evaluates to what extent the items intended to measure a given construct are interrelated and whose variance is derived from a common source (Netemeyer *et al*., 2003).

Hair *et al*. (2010, p. 127) and Field (2009) consider that the alpha score should exceed 0.7, and 0.8 is good, whilst greater than 0.9 should result in the scale length being reduced. Hence, according to this rule, this research adopted a threshold level of 0.70 for the scale to be considered reliable.

3.13.3. Correlation analysis

Prior to hypothesis testing, correlation analysis should be conducted to gain some insights into the relationships among all the variables as this is used to describe the direction and strength of the linear relationship between two variables by providing the correlation coefficient (Field, 2009; Pallant, 2010). The correlation coefficient "indicates the strength of the association between any two variables" (Hair *et al*., 2010, p. 156).

The correlation coefficient lies between -1 and +1. A correlation coefficient of +1 indicates a perfect positive relationship between two variables, meaning that when one variable changes the other variable changes in the same direction with a proportionate amount. A coefficient of -1 indicates a perfect negative relationship between two variables, which means that when one variable changes, the other variable changes in the opposite direction in a proportionate amount. A coefficient of 0 indicates that no linear relationship exists between those two variables, which means when one variable changes, the other variable will not change (Field, 2009).

The correlation coefficient is also used as a measure of the size of an effect where coefficient of ±.1 represents a small effect, ±.3 is regarded as a medium effect, and ±.5 indicates a large effect (Field, 2009, p. 173). In this thesis, the correlation matrix using the Pearson product-moment coefficient has been used to show the relationships among variables. Spearman's correlation coefficient was not used, as it is a non-parametric statistic that can be used only if the study data have violated parametric assumptions (non-normally distributed). The one-tailed test is selected according to directional hypotheses (Field, 2009).

3.13.4. Multiple regression analysis

Multiple regression analysis is "a statistical technique that can be used to analyse the relationship between a single dependent (criterion or outcome) variable and several independent (predictor) variables" (Hair *et al*., 2010, p. 161). The uses of multiple regression analysis can be help generally in two types of research problems: prediction and explanation. Prediction involves the extent to which the regression variate of known values from one or more independent variables can predict the single dependent variable (Hair *et al*., 2010). “Explanation examines the regression coefficients (their magnitude, sign, and statistical significance) for each independent variable and attempts to develop a substantive or theoretical reason for the effects of the independent variables” (Hair *et al*., 2010, p. 169).

This study mainly uses multiple regression analysis for the purpose of explanation rather than prediction. It aims to explain the relationships among *guanxi*-type relationships in Egypt, relationship marketing programmes, relationship marketing, relationship quality, and customer retention. It is argued that “multiple regression analysis is appropriate when the researcher is interested in a statistical, not functional relationship” (Hair *et al*., 2010, p. 171). This study is interested in the statistical relationships among independent variables and the dependent variable. This is because the sample data represents human behaviours, perceptions and opinions; the measurements of variables involve approximation and contain some levels of measurement error; and the “random component is always present in the relationships being examined” (Hair *et al*., 2010, p. 171). Moreover, there is no perfect accuracy in the survey data (Hair *et al*., 2010).

The statistical tests in multiple regression analysis refer to both the regression coefficient for each independent variable and the coefficient of determination (R^2). The regression coefficient assesses type and the strength of the relationship between independent and dependent variables. A regression coefficient represents “the amount of change in the dependent variable for a one-unit change in the independent variable ... the coefficient is not limited in range, because it is based on both the degree of association and the scale units of the independent variable” (Hair *et al*., 2010, p. 159). The sign of the coefficient represents a positive or negative relationship, while the magnitude of the coefficient indicates the amount of change in the dependent variable when the independent variable changes by one unit (Field, 2009; Hair *et al*., 2010). When there is no effect of the independent variables on the dependent variable, the coefficient of independent variables are all zero (Field, 2009).

The coefficient of determination (R^2) “is a single measure of proportion of the variance of the dependent variable about its mean that is explained by independent variables...the coefficient can vary between 0 and 1 the higher the value of (R^2), the greater the explanatory power of the regression equation, and therefore the better the prediction of the dependent variable" (Hair *et al*., 2010, p. 156). Moreover, SPSS software provides and calculates not only R^2 but also adjusted R^2, which gives some idea of how well the model generalises and ideally. R^2 indicates "how much of the variance in [the dependent variable] is accounted for by the regression model from the sample, while the adjusted R^2 tells how much variance in [dependent variable] would have been accounted for if the regression model had been derived from the population from which the sample was taken" (Field, 2009, p. 221). It is preferable for this value to be the same, or very close to, the value of R^2. For example, if the difference between the values of R^2 and adjusted R^2 = 0.01 "this shrinkage means that if the model were derived from the population rather than a sample it would account for approximately [1%] less variance in the outcome" (Field, 2009, p. 235).

Field (2009, pp. 221-222) argues that "SPSS derives the adjusted R^2 using Wherry's equation. However, this equation has been criticized because it tells nothing about how well the regression model would predict an entirely different set of data (how well the model could predict the scores of a different sample of data from the same population). One version of R^2 that does indicate how the model cross-validates uses Stein's formula", which is shown in the following equation

$$\text{Adjusted } R^2 = 1 - \left[\left(\frac{\mathrm{n}-1}{\mathrm{n}-\mathrm{k}-1}\right)\left(\frac{\mathrm{n}-2}{\mathrm{n}-\mathrm{k}-2}\right)\left(\frac{\mathrm{n}+1}{\mathrm{n}}\right)\right](1 - R^2)$$

In Stein's equation, R^2 is the unadjusted value, *n* is the number of participants or cases and k is the number of predictors in the model. If the value of adjusted R^2 building on Stein's formula is very similar to the observed value of (R^2) then the cross-validity of the model is very good (Field, 2009, p. 222).

3.13.4.1. Research design of multiple regression analysis

The research design of multiple regression analysis is concerned with sample size, and the selection of dependent and independent variables.

First, sample size

The sample size used in multiple regression analysis can influence directly both the statistical power of the significance testing and the generalisability of the result.

First, the statistical power in multiple regression refers to "the probability of detecting as statistically significant a specific level of r or a regression coefficient at specified significance level for specific sample size" (Hair *et al.*, 2010, p. 174). The size of sample has a direct effect on the appropriateness and the statistical power of multiple regression analysis (Hair *et al.*, 2010). It may not be appropriate to use multiple regression analysis with either too small (fewer than 30 cases) or too large a sample (1,000 cases or greater) (Hair *et al.*, 2010). Accordingly, multiple regression analysis requires a minimum sample size of 50 cases, while 100 cases are preferable (Hair *et al.*, 2010, p. 174). Thus, the sample size of 305 cases in this study seems appropriate for the use of multiple regression analysis. Hair *et al.* (2010, p. 174) illustrate the interplay among the sample size, the significance level (α) chosen, and the number of independent variables in detecting (R^2) that the specified sample size will detect as statistically significant at the specified alpha (α) level with a power of .80 as shown in Table 3.14.

Table 3-14: Minimum (R^2) that can be found statically significant with a power of 0.8 for varying number of independent variables and sample sizes

Sample Size	Number of Independent Variables			
	2	5	10	20
20	39	48	64	NA*
50	19	23	29	42
100	10	12	15	21
250	4	5	6	8
500	3	4	5	9
1000	1	1	2	2

Source: *Hair et al. (2010, p. 174)*

*NA = not applicable.

According to the interplay among sample sizes, the significance level (α), and the number of independent variables, the possible levels of significant R^2 that can be detected are identified. Thus, with a sample size of 305 cases, the significant level (α) at 0.05 and the number of independent variables varying from 3 to 8 variables, relationships with R^2 values of approximately 3 to 6 could be detected reliably in this study.

Moreover, G*Power 3.1.3 (Faul, Erdfelder, Buchner and Lang, 2009) was used to calculate the total sample size (*a priori test*) required to perform all the tests required in this study to test the hypotheses and answer research questions. As a convention for behavioural research, a value of 0.80 was used for power (Baroudi and Orlikowski, 1989; Cohen, 1988, 1992), α = 0.05, and medium effect size. The results showed that the minimum sample size required for performing correlation analysis was 84 cases and for multiple regression analysis, it was 109 cases, for eight independent variables (the maximum number of independent variables used in this study). Given that the sample size for this study was 305 cases, it exceeded the minimum sample size required for performing all the statistical tests.

Second, with respect to the generalisability of the results, sample size also affects the generalisability of the results by the ratio of cases to independent variables (Hair *et al*., 2010). The minimum ratio of cases to variables is five cases for each independent variable (5:1). If the ratio falls below 5:1 cases per each independent variable, the risk of over-fitting the regression model to the sample is encountered; accordingly, the results will be too specific to the sample and suffer from lack of gerenalisability. A more desirable level is 15-20 cases to an independent variable (15:1 or 20:1). Consequently, when this level of ratio is met and the sample represents the population well, the result should be generalisable (Hair *et al*., 2010). In this study, with the sample size of 305 cases and the maximum number of the independent variables used in this study being 8, the preferable level of the ratio of cases to independent variables is met with an actual ratio of 38:1. Accordingly, the results from the current study should not over-fit the sample, and should be generalisable.

Second, selection of variables

Success in applying multiple regression starts with the selection of the right dependent variable and independent variables, which will be used in the analysis. In this study, the selection of both dependent and independent variables is based on previous research, theoretical background and literature review. All of the variables are 5-point Likert scale variables, which are appropriate for multiple regression analysis (Field, 2009; Hair *et al*., 2010).

The most problematic issue in determining the independent variable is "specification error" "which concerns the inclusion of irrelevant variables or the omission of relevant variables from the set of independent variables. Both types of specification error can have substantial impacts on any regression analysis" (Hair *et al*., 2010, p. 173). Excluding relevant independent variables can cause a serious bias of the results and negatively affect the model interpretation. The degree of the bias depends on the degree of the correlation between omitted and included variables; the greater the correlation, the greater the bias (Field, 2009; Hair *et al*., 2010). On the other hand, "inclusion of irrelevant variables does not bias the result for other independent variable...but it makes the testing of statistical significance of the independent variables less precise and reduces the statistical and practical significance of the analysis" (Hair *et al*., 2010, p. 173). To avoid specification error, the independent variables were selected very carefully based on previous research, theoretical grounds, the literature review and the practical support of the interviews.

3.13.4.2. Assumptions in multiple regression analysis

It is important to test several assumptions about the relationships between the dependent and independent variables that affect the statistical inferences and results drawn from multiple regression analysis (Hair *et al*., 2010). Field (2009) and Hair *et al*. (2010) argue that if the assumptions of multiple regression analysis are not met or are violated, the results may be distorted and biased; however, successful analysis may derive from meeting of the assumptions. In general, the important assumptions in multiple regression analysis are normality, linearity, homoscedasticity, and multicollinearity. These assumptions will be discussed in the following sub-sections and will be tested in Chapter Five.

First: Normality

Normality "is used to describe a symmetrical, bell-shaped curve, which has the greatest frequency of scores in the middle with smaller frequencies toward the extremes" (Pallant, 2010, p. 59). The normal distribution of data could be affected by sample size (Field, 2009; Hair *et al.*, 2010; Tabachnick and Fidell, 2007). Hair *et al.* (2010, p. 71) explain that sample size can affect normality as "what might be considered unacceptable at small sample sizes will have a negligible effect at larger sample size". They add that a small significant departure from normality can be ignored with a sample size of more than 200 observations.

Hair *et al.* (2010, p. 71) point out that in most cases, assessing and achieving univariate normality for all variables is sufficient and there is no need for multivariate normality because it is difficult to test. Univariate normality of an individual variable can be easily tested by a number of methods; first, assessing the graphs including a histogram and normal probability plot (labelled Normal Q-Q Plot); second, assessing the results of skewness and kurtosis values, which provides an indication of the symmetry of the distribution; third, by using statistical tests of normality for every single variable, particularly the Kolmogorov-Smirnov and Shapiro-Wilk tests (Field, 2009; Hair *et al.*, 2010; Pallant, 2010; Tabachnick and Fidell, 2007).

The Kolmogorov-Smirnov and Shapiro-Wilk tests usually compare the values in the sample with a set of values, which are normally distributed, and contain the same mean and standard deviation as the sample. A non-significant result (Sig value ≥ 0.05) indicates normality. In other words, the distribution of the sample is not statistically different from a normal distribution. However, a significant result (Sig values < 0.05) indicates that the distribution of the sample is probably non-normal (Field, 2009).

Moreover, it is recommended that visually assessing histogram diagrams and normal probability plots is more appropriate to assess normality for larger sample sizes (more than 200) (Hair *et al*., 2010). Hair *et al.* (2010) argue that both graphical plots and any statistical tests should be used to assess the actual degree of departure from normality.

In addition, skewness is a statistic needed to determine the degree to which a distribution of cases approximates a normal curve, since it measures deviations from symmetry. Kurtosis is a statistic also needed to identify the peakedness of data distribution (too peaked or too flat) (Hair *et al.*, 2010). Tabachnick and Fidell (2007, p. 80) argue that with reasonable large samples, skewness will not "make a substantive difference in the analysis". Kurtosis can result in an underestimation of the variance, but this risk is also reduced with a large sample (200+ cases) (Tabachnick and Fidell, 2007).

Second: Linearity

The linearity of the relationship between dependent and independent variables represents the degree to which the change in the dependent variable is associated with the change in the independent variable (Hair *et al*., 2010). Linearity can be assessed by examining scatterplots of the variables or by running regression to examine the residuals and partial regression plot for each independent variable in the multiple regression equation. A straight line from the scatterplot represents a linear relationship. If any non-linear relationship exists, it will affect the relationship between the two variables (Field, 2009; Hair *et al*., 2010).

Third: Homscedasticity

According to Hair *et al*. (2010, p. 74), "homoscedasticity refers to the assumption that the dependent variable exhibits equal levels of variance across the range of independent variables". In case of homoscedasticity, the variance of the dependent variable being accounted for in the dependent relationship should be equally dispersed across the range of the independent values to allow a fair test of the relationship across all values (the points around the regression line show no pattern). However, when the variance of dependent variable is not relatively equal at each value of the independent variable (i.e. takes the shape of a cone or diamond) a heteroscedasticity problem exists. To assess heteroscedasticity, scatterplots of variables were tested in multivariate analysis, particularly multiple regression analysis (Field, 2009; Hair *et al*., 2010).

Fourth: Multicollinearity

The issue of multicollinearity occurs when any single independent variable is highly correlated with a set of other independent variables. The most common indicators used for assessing multicollinearity are the variance inflation factor (VIF), Tolerance and Durbin-Watson (Field, 2009; Hair *et al*., 2010). Hair *et al.* (2010, p. 205) argue that VIF greater than 10 and Tolerance less than 0.1 indicates a multicollinearity problem. Moreover, the Durbin-Watson statistics for all regression models near of 2 indicates non-autocorrelation between residuals (Field, 2009).

3.14. Assessing the credibility of the quantitative phase

Credibility of the research findings relates to decreasing the risk of gaining wrong answers to the research questions. This includes three main aspects of the research design, reliability, validity and generalisability (Malhotra, 2010). The following discusses these three aspects.

Reliability

Reliability is the degree to which a measurement instrument is free from error and therefore yields consistent results (Cooper and Schilinder, 2003; Zikmund, 2003). Nunnally and Bernstein (1994) add that reliability means stability of measurements over time, which means that the same instrument will give the same scores under the same circumstances but at a different time.

In general, there are three main methods to measure the reliability of a measurement scale: test-retest, parallel forms (equivalent), and internal consistency (Collis and Hussey, 2003; Cooper and Schilinder, 2003). The current study’s measurements were evaluated for reliability using Cronbach’s alpha (after applying exploratory factor analysis), which is an internal consistency method, based on the recommendation of Malhotra and Birks (2003) and Malhotra (2010). According to Hair *et al* (2010), Cronbach’s alpha less than 0.70 is unacceptable. Bryman and Bell (2003) asserted that the figure 0.80 is a satisfactory level of internal reliability. The reliability of the scale is tested and discussed in Chapter Five.

Validity

Validity defined as "the extent to which differences in observed scale scores reflects true differences among objects on the characteristics being measured, rather than systematic or random error" (Malhotra, 2010, p. 320). In other words, validity means "the ability of a scale to measure what intended to be measured" (Zikmund, 2003, p.331). Malhotra (2010, p. 320) argue that to consider tha validity, researches may assess "*content validity*", "*construct validity*" or "*criterion validity*".

Content validity, "sometimes called face validity, is a subjective, but systematic evaluation of how well the content of a scale represents the measurement task at hand" (Malhotra, 2010, p. 320). To achieve content validity, existing validated scales were identified from the literature and then used as a base for the selection of scale items to be used to measure the constructs in this research. Following, pre-tests and pilot test of the questionnaire were carried out (Cooper and Schindler, 2003), as discussed previously in this chapter (see Section 3.12.1).

Construct validity is the most commonly-cited validity assessment in the field of social science (Cooper and Schindler, 2003; Punch, 1998). It is concern with what the instrument measures (Churchill, 1995). Hair *et al*. (2010, p. 631) indicate that "construct validity refer to the extent to which a set of measured variable/items actually represent the theoretical construct they are designed to measure." In sum, this measure of validity relates to the development of operational measures that are appropriate and adequate to the theory underling the scale (Malhotra, 2010).

Construct validity includes discriminant and convergent validity (Cooper and Schilinder, 2003). Convergent validity "is the extent to which the scale correlates positively with other measures of the same construct" (Malhotra, 2010, p. 321). Discriminant validity "is the extent to which a measure does not correlate with other constructs from which it is supposed to differ" (Malhotra, 2010, p. 321).

Convergent and discriminant validity can be assessed using several methods, such as factor analysis and correlation, both used in this study (Malhotra, 2010). To show convergent validity, all the related items designed to measure on variable loaded appropriately on one factor, with a factor loading over .60 (Hair *et al*., 2010) which was achieved with all variables in this thesis (see Sections 5.3.1, 2, 3, 4, and 5). With regard to discriminant validity, this was ascertained by cheeking the correlations between the factors (see Sections 5.3.1, 2, 3, 4, and 5). In addition, the presence of high cross-loading when applying EFA indicates a discriminant validity problems, thus, all the highly cross-loading items removed from the analysis (Hair *et al*., 2010). Results regarding construct validity are reported in Chapter Five, Sections 5.3.1, 2, 3, 4, and 5 when discussing the exploratory factor analysis for the research constructs. Therefore, construct validity was examined in this thesis through an analysis of both convergent validity and discriminant validity and there is no any construct validity problems.

Generalisability

Generalisability "refers to the extent to which one can generalise from the observations at hand to a universe of generalisations" (Malhotra, 2010, p. 321). Therefore, evidence on generalisability for this study was obtained by employing a representative sample (see Section 3.13.4.1) (Zikmund, 2003) but there are other constraints/limitations, discussed in Chapter Seven Section 7.4, which could limit the generalisability of the research results.

In sum, the reliability and validity of the measurements was confirmed before starting the quantitative data analysis and hypotheses testing. This was a matter of importance, as reliability and validity measurements permit the drawing of conclusions that can assist in the generalisability of the results.

3.15. Ethical considerations

"Ethics refers to the standards of behaviour that guide [the researchers] in relation to the rights of those who become the subject of [the research] work, or are affected by it" (Saunders *et al*., 2012, p. 226). In this research, throughout the two phases, the researcher adhered to Ethical Procedures for Research and Teaching in the Hull University Business School (HUBS) (2005), which were followed in the different stages of the research.

Saunders *et al*. (2012, pp. 236-245) argue, ethical issues during the research stages are of three types; "ethical issues during design and gaining access", "ethical issues during data collection", and "ethical issues related to analysis and reporting". In response, a number of considerations were taken into account as follow:

At the outset, according to the ethical requirements of Hull University, all research involving human subjects must be approved by the HUBS Research Ethics Committee before the fieldwork is conducted. The researcher completed a pro-forma for research students beginning a research project in HUBS to be sure of applying the ethical principles. Accordingly, approval from HUBS Research Ethics Committee was received before the fieldwork was conducted.

During the design and initial access stages, the researcher considered the following issues. **First**, the researcher did not attempt to exert any pressure on respondents to participate and accept any refusal to contribute in the research, which means that individuals' privacy was maintained. Saunders *et al*. (2007, p. 181) argue that the researcher should accept the "voluntary nature of respondents and the right to withdraw partially or completely from the process." **Second**, the researcher provided the respondents with the informed consent form (Appendices II and III) approved by HUBS Research Ethics Committee to inform them fully about the research before they finally agreed to take part in the research project.

The consent form is the central feature of social science ethics (Oliver, 2004); thus, it was used to provide the respondents with information they might need in order to make a final decision about whether or not to participate (Oliver, 2004). In line with Saunders *et al*. (2007, p. 185) and the Ethical Procedures for Research and Teaching in HUBS (2005, p. 12) the researcher provided informed consent form by giving the intended respondents important information about some aspects of the research such as "an invitation to participate", "the nature of research", "the aims of the project", "requirements for taking part", "the implications of taking part", "the respondents' right", "the use of data collected", "the procedures involved", "the time commitment expected of respondents", "a description of reasonably predictable risk or discomfort (if any)", "a statement that the respondent is free to withdraw at any time", "a statement describing the provisions to be made to preserve confidentiality of records", and "the name and university contact details of researcher".

According to the Ethical Procedures for Research and Teaching in HUBS (2005), the consent form normally takes the form of a letter, written in a language and style that the respondent will understand, and should include an invitation to participate. As Arksey and Knight (1999) advise, it was a formal letter on headed paper from the research institution. In addition, the researcher showed his contact details as well as university contact details and space was left for respondents to sign their name at the bottom of the form. An important issue is to remind the respondents of what they agreed, and give them a written copy of the informed consent form. Accordingly, two copies of the consent form were provided, one for the respondent and the other for the researcher, as suggested by Arksey and Knight (1999). Homan (1991) suggests that researchers operate on the principle of informed consent to not only protect their respondents and motivate them to cooperate and give information but also to protect themselves and to guard against the possibility the respondents will claim their rights through litigation.

To sum up, the purpose of informed consent is to safeguard respondents' privacy and welfare, and to give them a choice about whether or not to take part in a research project. When the respondents know about the research and their rights they will be motivated to be more cooperative and will respond to questions frankly (Homan, 1991; Arksey and Knight, 1999)

During the data collection stage, the researcher considered issues such as protecting respondents from potential harm such as physical harm, discomfort and embarrassment. This was achieved by applying the following. **First**, the respondents' right to withdraw from the study at any time without any pressure from the researcher was maintained. Furthermore, respondents were informed that they had the right to not answer any question they did not want to answer (Saunders *et al*., 2012). **Second**, the researcher considered "objectivity" during the collection stage, which means that he collected the data "accurately, fully [and] avoid[ed] subjective selectivity in data" (Saunders *et al*., 2012, p. 241). **Third**, the researcher considered the "confidentiality and anonymity" of respondents (Saunders *et al*., 2012, p. 241). The most important issue in business and management research ethics is to make all the elements of the promise of confidentiality clear to respondents and ensure privacy, which is considered to be the cornerstone of the ethical issues that face all those who carry out research (Saunders *et al*, 2012). Arksey and Knight (1999, p. 132) argue that the "confidentiality is about not disclosing the identity of research respondents in way that can permit the individuals or institutions with which they are associated to be recognized". Furthermore, Collis and Hussy (2003, p. 38) assert that "it is normal to offer confidentiality and anonymity to respondents. This encourages them to give more open and honest responses" and protects them from any potential harm.

In addition, many other authors clarify the advantages of confidentiality and anonymity in research, among which are the following: 1) increase the number of people who will accept to participate in a study (Arksey and Knight, 1999) and 2) allow the respondents to be objective in their views and feel free to express their true feelings (Oliver, 2004), which enhances the quality of the research (Saunders *et al*, 2012). In response, the researcher ensured the confidentiality thorough undertaking the following:

- The personal information of respondents/companies were kept confidential and cannot be identified in any way.
- Accredited people transcribed the interviews and helped in the translation.
- The researcher made an explicit statement about the uses of the data and the people who would have access to the data provided and informed the respondents that the researcher, supervisors, and external and internal examiners, would be privy to raw data collected.

Finally, during the analysis and reporting stages, the researcher took care not to "misrepresent the data collected" and presented the data honestly (Saunders *et al*., 2012, p. 245).

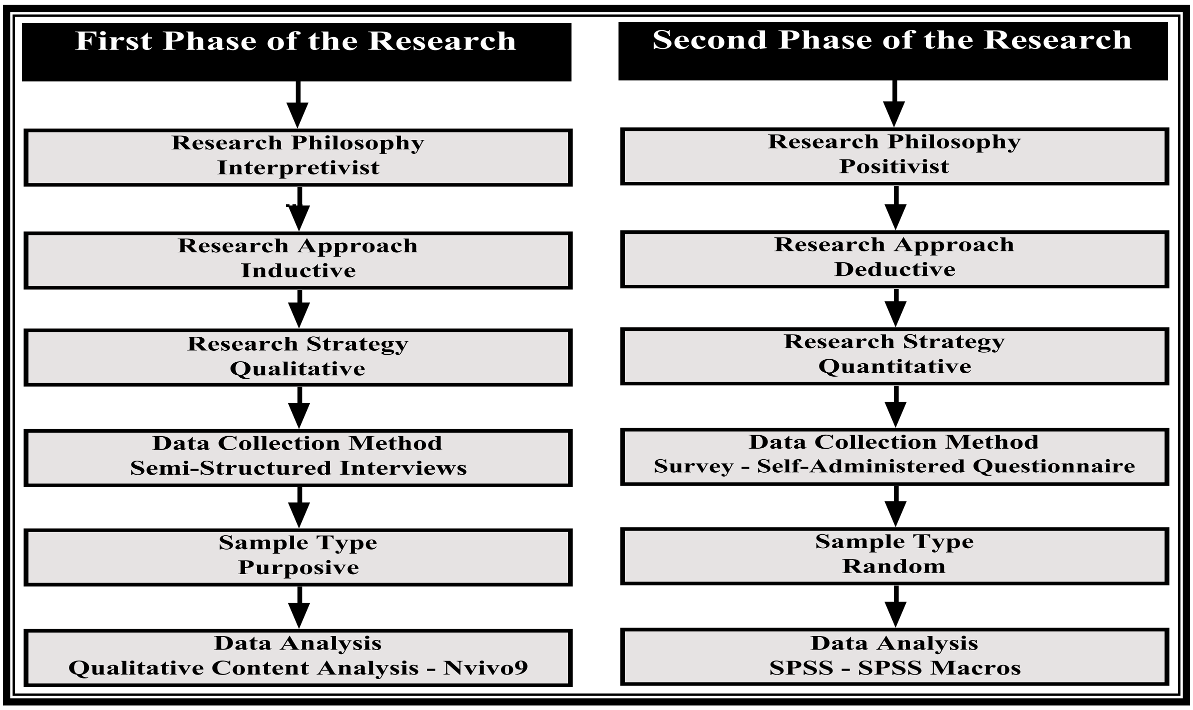
To sum up, the researcher was guided by the code of ethics for Hull University, which sets out the principles and procedures for the conduct of research, and applied all ethical considerations mentioned in the literature review.

3.16. Summary

Part one of this chapter discussed the research philosophy and methodology adopted in this research. The research adopted the pragmatic paradigm, the deductive and inductive approach and employed mixed-methods, combining qualitative and quantitative methods sequentially. This was conducted in two phases, each entailed different data collection techniques. Figure 3.9 provides a summary of the methodologies and designs of the two phases of research.

The qualitative research design, which discussed in part two of this chapter, described the procedure of the sampling selection, qualitative data collection and data analysis carried out. The criteria used to evaluate the quality of the qualitative research in this thesis were then considered. The quantitative research design, which discussed in part three of this chapter, described the procedure of the sampling selection, quantitative data collection (including the questionnaire development and administering process), and data analysis carried out in this thesis. The validity, reliability and generalisability of the quantitative findings were also considered. Finally, this chapter ended by explaining the ethical procedures which were followed in the different stages of the research.

Figure 3-9: Summary of the methodologies and designs of the two phases of research



Chapter Four: Qualitative Data Analysis and Findings

Table 4-1: Thesis map

Chapter One: Introduction and Research Background
Chapter Two: Literature Review
Chapter Three: Research Design and Methodology
Chapter Four: Qualitative Data Analysis and Findings
Chapter Five: Quantitative Data Analysis and Findings
Chapter Six: Discussion of the Key Findings
Chapter Seven: Conclusion

4.1. Introduction

This research was conducted in two phases. The first, the qualitative phase, was concerned with exploring the *guanxi*-type relationships in Egypt, relationship marketing in the Egyptian SME sector and the link between both of them. The second, the quantitative phase was concerned with empirically testing the proposed research model, which linking *guanxi*-type relationships and relationship marketing.

In this chapter, the data collected from the qualitative phase are analysed and discussed. This chapter, using Chinese *guanxi* as a guideline, details the results from exploring *guanxi*-type relationships in Egypt; their existence; origin; meaning; name; characteristics; variables; advantages and disadvantages, and; role in attracting new customers. It also details the results from the exploration of the key variables of relationship marketing in the Egyptian SME sector as well as relationship marketing programmes.

Twenty-one semi-structured interviews were conducted. The sample included academics in marketing, international business and SMEs; managers of SMEs, and experts and consultants in developing and marketing SMEs in Egypt. The details of each interviewee are shown in Table 4.2.

This chapter starts by presenting the research questions addressed in this phase. This is followed by findings of the qualitative data analysis, which try to answer these research questions.

Table 4-2: The details of the interviewees

No.	Interviewee	Type	Position
1	No.1	Consultant and Expert	Consultant and Expert of SMEs' development working with public and private sectors
2	No.2	Consultant and Expert	Consultant and Expert of SMEs' development working with public and private sectors
3	No.3	Consultant and Expert	Head of RD department in the SFD (public sector)
4	No.4	Academic	Lecturer of marketing and SMEs
5	No.5	Academic	Lecturer of marketing and international business
6	No.6	Academic	Lecturer of marketing and international business
7	No.7	Practitioner	Manager of small company
8	No.8	Practitioner	Manager of small company
9	No.9	Practitioner	Manager of medium company
10	No.10	Practitioner	Manager of small company
11	No.11	Practitioner	Manager of medium company
12	No.12	Practitioner	Manager of small company
13	No.13	Practitioner	Manager of small company
14	No.14	Practitioner	Manager of small company
15	No.15	Practitioner	Manager of medium company
16	No.16	Practitioner	Manager of medium company
17	No.17	Practitioner	Manager of small company
18	No.18	Practitioner	Manager of small company
19	No.19	Practitioner	Manager of medium company
20	No.20	Practitioner	Manager of medium company
21	No.21	Practitioner	Manager of small company

4.2. The research questions of the first phase

This chapter discusses, in detail, the answers of the following research questions addressed in the first phase.

Q1: Do *guanxi*-type relationships exist in Egypt and, if so, what does the term *guanxi* mean in Egyptian culture?

Q2: What is an appropriate name for *guanxi*-type relationships in an Egyptian context, does it mean (refer to) *wasta*, and what are the ethical and unethical practices of *guanxi*-type relationships in an Egyptian context?

Q3: What are the key characteristics, variables, advantages and disadvantages of *guanxi*-type relationships in an Egyptian context and SME sector? Can *guanxi*-type relationships in Egypt play a role in attracting new customers to the SMEs?

Q4: What are the key variables of relationship marketing and types of relationship marketing investment programmes that are most widely used and most suitable for Egyptian SMEs and what are their impacts on customer retention?

Q5: Could the proposed research model benefit SMEs in building a quality organisational relationship with customers and retaining them thus help the SME to avoid the problem of employees taking all their personal contacts (their *guanxi* network) when leaving the company?

4.3. The existence, origin and meaning of *guanxi*-type relationships in Egypt

This part responds to the first research question. The interviewing process started with two academics who teach the *guanxi* concept at the British University in Egypt (BUE). They also teach other types of networking concepts found around the world and therefore understand the *guanxi* concept and how it might apply in Egypt. In the beginning the academics agreed that there were similarities between Egyptian and Chinese culture, especially in the area of social relationships. The quotations below clearly highlight that *guanxi*-type relationships exist in Egypt and reveal the similarities between Egyptian and Chinese cultures.

> *"It [guanxi] exists in our culture like the Chinese exactly but in China it comes from the Confucius teachings while in Egypt it comes from the teachings of Islam and Christianity, thus it's embedded in our culture... It is a social network of relationships (shabakat al-alakat), which includes all types of relationships, friends, family, people in the same residential area, colleagues, bosses, and old classmates. The effective network should have favours exchange, either by me to others or by someone else to me."* Interviewee no. 6, academic.

> *"Definitely a kind of relationship like guanxi exists and is very effective in our culture and society. You can find the same characteristics of Chinese guanxi here in Egypt where there are many common characteristics. Our culture is close to Chinese culture; we are the same family-oriented society and the relationships play a vital role in our life."* Interviewee no.5, academic.

The above quotations clearly highlight that in Egypt, the *guanxi*-type relationship has basically come from the teaching of religions (Islam and Christianity) and thus become rooted and embedded in Egyptian society and culture. This point about religious origins was strongly supported by most other interviewees and will be discussed later in this chapter (characteristics of *guanxi*-type relationships). Moreover, the academic interviewees' replies include the idea of reciprocity or exchange of favours between network members as a condition of making this network and relationship effective. This too will be discussed later, in the section covering *guanxi*-type characteristics and variables.

In support of the responses of the academics, when the other types of interviewees were interviewed, all 18 interviewees confirmed the idea of the existence of *guanxi*-type relationships in Egypt and Egyptian culture.

> *"This exists in Egypt; it is the nature of the Egyptian people to be connected to each other and we are a country that has very strong social relationships. This relationship begins from the small family then the extended family. It expands to friends, acquaintances, people who live in the same place, and same part of town. It is built through our lives and applied in all fields in our life."* Interviewee no.1, consultant and expert.

> *"It exists in Egypt especially in rural areas or the countryside. I think that Egypt has these types of relationships more than any other country. We like talking a lot, sitting with each other and meeting a lot. We are a social people."* Interviewee no.2, consultant and expert.

> *"Yes, it is here in Egypt and takes this as a rule: social relationships are the basis for dealing in any field, either inside or outside business. Relationships are in everything in Egypt."* Interviewee no.7, practitioner.

From the above quotations it is clear that the respondents supported the idea of the existence of *guanxi*-type relationships in Egyptian culture, where people like to have good relations with those who have common characteristics (family, friends, neighbours, classmates or colleagues). Moreover, interviewees indicated that in Egypt, as in China, everyone has his or her own personal social relationships that they have built up over their lives and which are used to facilitate progress in everyday life.

After discussing the existence of *guanxi*-type relationships in Egypt, 17 of the interviewees: academics; experts and practitioners went beyond this point and clarified the existence of *guanxi*-type relationships through explaining and indicating how *guanxi*-type relationships are important and widely used in Egyptian people's lives.

> *"It exists in Egypt and we call it al-alakat. The more relationships and acquaintances (al-alakat) you have the more facility in your life that you have. The facilitation of work and sale processes depends on relationships among people. People here are chatty; that means we speak a lot and this is considered a confirmation of social relationships and helps the business through applying word of mouth."* Interviewee no.11, practitioner.

> *"It comes from the customs and traditions of Egypt. As I told you before, when someone wants to do something, he will ask about the person, who he will talk to and who will serve him in this thing. He never thinks of doing it by himself. He must talk to someone before going."* Interviewee no.14, practitioner.

> *"Networks of relationships exist and are widely used in Egypt. All people within the network of relationships exchange and have benefits. Anyone who wants to do anything in Egypt will never do it themselves, they must search for someone in his/her network of relationships to do it."* Interviewee no.10, practitioner.

From the responses of the interviewees and the above quotations it is clear that *guanxi*-type relationships lead to achieving benefits and economic interests; people are dependent on these relationships in many aspects of their lives including business issues and other daily life issues.

Moreover, all types of respondents stated that the *guanxi*-type relationships in Egypt have positive connotations. It is something very important in Egyptian culture and society, as shown in the quotations below.

> *"It is something basic but important in our life. If Egyptian people want something from a particular place or governmental office, even if it is something simple, they won't go unless there's a person they know in this place. This is how Egyptians are. So if you go somewhere, and you know a person at that particular place, you will be honoured and welcomed. It is impossible to work without this kind of relationship. It will never work."* Interviewee no.12, practitioner.

> *"Your relationship is the way to facilitate everything. We prefer having relationships and we call the person with a lot of relationships an 'octopus'. An octopus is a person who has more than one arm in every place. He has relationships everywhere... In Egypt, relationship is a core concept. Thus no relationship, no business, no anything…"* Interviewee no.11, practitioner.

All the interviewees indicated that to them *guanxi*-type relationships had positive connotations. In general, they viewed that *guanxi*-type relationships are used extensively in daily life and acknowledged their benefits. These benefits may include economic interests, favours or facilitation of issues of daily life.

To sum up, it is clear that the respondents agreed that the meaning of a *guanxi*-type relationship in Egypt refers to a personal network of relationships which has an Egyptian culture component. Although there was no agreement on a specific definition, some of the respondents gave an explanation of the meaning of *guanxi*-type relationships in Egypt. Others explained it through examples, stories and positive connotations. In general the respondents indicated that the *guanxi*-type relationship in Egypt is a network of relationships a person has, including family, friends, neighbours, colleges, classmates, etc., which is used to facilitate and exchange favours between the network's members and find a solution to any problem they face. This network of relationships comes from the teachings of Islam and Christianity. Also it has unique Egyptian characteristics and cultural components which make it different from any other type of relationships or networks in other countries. These characteristics and cultural components of the Egyptian-type of relationships will be discussed in the rest of this chapter.

4.4. The appropriate name for *guanxi*-type relationships in Egypt

Although interviewees agreed that, the *guanxi*-type relationships in Egypt are social phenomenon that is prevalent in Egyptian society and affects all aspects of life, even in economic and social fields, this social phenomenon does not have a specific name people can agree upon, that can be used in the literature. The interviewees agreed that this type of relationship/s is similar to what is found in China, where relationships are used extensively in daily life and the benefits are acknowledged. However, in the academics' view, there is no literature about this type of relationship, and also no name for it.

> *"Yes, it is here but it has no theory. It has no name in all the Middle East and that is for one simple reason; networking and social relationships in Egypt and Middle East are under-studied. Can you imagine that when we made a GEM [Global Entrepreneurship Monitor] report in Egypt our only problem was that there wasn't a literature review!"* Interviewee no.4, academic.

> *"We looked at the culture, networking, and sociology literature, but there was nothing. I find many individual authors have written reports and stated that one of the study's limitations is that they can't find reliable sources of data because the topic of networking and small enterprises in Egypt is under studied. Your research is very new and advanced to Egypt while it is also parallel to the government's directions concerning its interest in developing the SME sector."* Interviewee no.4, academic.

> *"I had searched for social networks in the culture literature; it need not necessarily be in the business or marketing literature, although it is related to business and marketing. I thought that I may find it in the culture literature but I didn't find papers in the area of culture about social networks or networking in Egypt. I searched and found nothing. I felt that it is odd because we are in the Middle East; as you know; the base of our lives is social relationships. I want to tell you that this isn't only in Egypt; it's even more prevalent in Syria and Lebanon because there are clever merchants for whom social networking is innate, but nobody seems to have studied this phenomenon."* Interviewee no.6, academic.

It should be noted that the above quotations clearly indicate that there is a gap in the literature about social networks or relationships in Egyptian culture and in the Middle East generally, in the culture, business or marketing literature. Thus, there is no name for this extensively used social phenomenon.

When academic respondents asked about the appropriate name for the *guanxi*-type relationships in Egypt, the responses were almost the same.

> *"In Egypt we actually call guanxi al-alakat (relationships) or shabakat al-alakat (network of relationships)."* Interviewee no.5, academic.
>
> *"We call it relationships or relationships network (al-alakat or shabakat al-alakat). Everyone has relationships networks (shabakat al-alakat) and all these names are the same."* Interviewee no.4, academic.
>
> *"It is a network of personal relationships (shabakat al-alakat al-shakhsea) but we usually shorten this name to one name like relationships (al-alakat) or network of relationships (shabakat al-alakat); both are good and short for the expression 'network of personal relationships'."* Interviewee no.6, academic.

The academics used different Arabic words but at the end, they all had the same meaning. There was agreement about some Arabic words: relationships (*al-alakat*), relationships network (*shabakat al-alakat*), and personal relationships network (*shabakat al-alakat al-shakhsea*). Furthermore, it is very important for the suggested name for a *guanxi*-type relationship in Egypt to be popular and familiar among Egyptian people in their daily lives.

One of the academic respondents (Interviewee no.4) commented that sometimes it was very difficult to find an appropriate name for something in the Arabic language because sometimes a good and meaningful name came from standard Arabic and was very formal and classical, and not popular or familiar amongst the general population. However, in this case fortunately, there is a popular and familiar name for *guanxi*-type relationships in Egypt.

> *"…note that it is a difficult to find names for ideas in Arabic and you may sometimes find a good and expressive name but it can't be used because it isn't common or familiar. One example for that here in Egypt was when they established something like the social network for women's small projects and tried to find a name for it and they finally named it interconnection (tawasol), but that was a classical Arabic word and you know that we don't use classical Arabic today so the word interconnection (tawasol) was difficult for people to use and so they didn't use it."* Interviewee no.4, academic.

Furthermore, other interviewees, experts and practitioners, pointed out that the name of *guanxi*-type relationships in Egypt is either acquaintances (*maaref*) or relationships (*al-alakat*).

> *"When people here in Egypt talk about this issue they usually use one of two words, 'acquaintances' or 'relationships'. Those two words are very common, brief and easy words in our society, because it is one word only."* Interviewee no.17, practitioner.

> *"You don't need to name it 'acquaintances network' or 'relationships network' because the word 'acquaintances' or 'relationships' alone is plural not singular. So, it implicitly has the meaning of network or a group of persons that are connected together and we always use these two words in our daily lives."* Interviewee no.3, consultant and expert.

The interviewees illustrated that in Egypt usually people call their social networks either relationships or acquaintances. Also, these two words are used when people try to facilitate issues in their daily life by using their relationships with other people they know.

In the same vein, the interviewees who agreed that *guanxi*-type relationships in Egypt are called relationships or network of relationships agreed also that the word acquaintances is used in the society but the words relationships or network of relationships are better and more comprehensive than the word acquaintances.

> *"We call it 'social relationships' or 'acquaintances' but the word 'relationships' is more comprehensive than 'acquaintances'."* Interviewee no.21, practitioner.

> *"I think it is 'relationships network' because this includes everything, for example, friends, and friends of friends, colleagues and friends of colleagues. But I may say that my acquaintances are more about relating to people who I socially relate to or people who I personally know, so the word 'relationships' or 'network of relationships' gather all of this."* Interviewee no.7, practitioner.

> *"My social relationships network doesn't necessarily depend on acquaintances only, because my social relationships include my acquaintances who may be indirect acquaintances like my wife's and my colleagues' acquaintances, who I might not always know personally, but when I ask a colleague for a favour he will help me using his acquaintances, thus it is better to call it 'relationships'."* Interviewee no.8, practitioner.

It is clear that the respondents considered the words relationships (*al-alakat*) or network of relationships (*shabakat al-alakat*) broader and more comprehensive than the word acquaintances (*maaref*). The words *al-alakat* or *shabakat al-alakat* include all people in their social network and all people in the networks of the people in their networks, while the word *maaref* means only the people they know personally. However, using both words will deliver the same message to listeners.

On a different note, there is some evidence from literature that supports the word *wasta* (mediation) as an equivalent name for *guanxi*-type relationships in the Middle East (Hutchings and Weir, 2006a; 2006b). The interviewees were asked directly what they thought about the word *wasta* as a name for *guanxi*-type relationships in Egypt. None of them agreed with this definition. They explained that the meaning of *wasta* in Egypt and the Middle East was different from *guanxi*, which will be explained later in section 4.4.1.

To summarise, the majority of the interviewees indicated that the *guanxi*-type relationship in Egypt could be called *al-alakat* (relationships) or *shabakat al-alakat* (network of relationships) as shown in Table 4.3. It is important here to mention that the words relationships or network of relationships carry the same meaning among people in Egypt; using either of these terms implicitly means the other. Also, it is important here to indicate that the Egyptian type of social network called relationships (*al-alakat*) or network of relationships (*shabakat al-alakat*) means a lot in the minds of the Egyptian people.

Table 4-3: Number of respondents who named *guanxi*-type relationships in Egypt

The Name of *Guanxi*-Type Relationships in Egypt	**Number of Interviewees**	**Percentage of Interviewees**
View *guanxi*-type relationships as relationships (*al-alakat*) or relationships network (*shabakat al-alakat*)	16	76%
View *guanxi*-type relationships as relationships (*al-alakat*) or acquaintances (*maaref*)	5	24%
View *guanxi*-type relationships as mediation (*wasta*)	0	0%
Total Number	21	100%

4.4.1. *Guanxi*-type relationships and *wasta*

The interviewees were asked about the meaning of the word *wasta* (mediation), their understanding of this word and whether they thought it was an appropriate name for the *guanxi*-type relationships in Egypt, as there is literature support for this point (Hutchings and Weir, 2006a, 2006b). All respondents disagreed, saying that *wasta* is an inappropriate synonym for the *guanxi*-type relationships in Egypt, and does not correctly express the Egyptian social phenomenon of relationships that is equivalent to Chinese *guanxi*.

> *"The guanxi-type relationships in Egypt are completely different from wasta because wasta means to use someone either with money or for nothing and even, legally or illegally, to make something that you can't do without relationship or acquaintance with the person who can do it. Moreover, in our society, wasta is always related to something illegal."* Interviewee no.6, academic.

> *"In Egypt we can call it relationships and we don't call it mediation so guanxi in Egypt means relationships."* Interviewee no.4, academic.

> *"Guanxi isn't wasta at all and I myself don't see it as wasta at all. It's a terrifying word for a lot of people in Egypt; also this word is associated with the word bribery."* Interviewee no.5, academic.

The academic interviewees indicated that *wasta* was not the equivalent name of Chinese *guanxi* in Egypt; the equivalent name is *al-alakat* (relationships) or *shabakat al-alakat* (relationships network), whereas *wasta* is the action taken by people who have *al-alakat* or *shabakat al-alakat* when they want to facilitate a specific thing or facilitate their work. Thus, the *guanxi*-type relationships in Egypt are not *wasta*. *Wasta* is one of the results or consequences of using *guanxi*-type relationships in Egypt.

Moreover, one of the academics explained the origin of the word *wasta* and how it has been transformed to a terrifying word related to unethical issues.

> *"...wasta has come to mean unethical and it took this form because the expression has been developed and its implications have become negative, whereas the origin of mediation as a word means, someone to mediate for you as being a mediator between you and someone else because you have a demand and he knows the party who can execute this demand, so he mediates for you to execute your demand. The problem began when we consider this now as being a way for taking a thing which we don't have a right to and we take it via mediation. Do you know?!! There are some common words which take different meanings or other meanings, like the word mediation."* Interviewee no.6, academic.

It is clear from the above quotation that the origin of the word *wasta* (mediation) is mediator, where an individual mediates between two persons or parties to get a result that both parties are happy with. The mediator will encourage two people to serve each other or make favours for each other.

Besides, other types of the interviewees, practitioners and experts, also indicated that *guanxi*-type relationships in Egypt are not *wasta*.

> *"The word mediation (wasta) is known to us but the more comprehensive name is the relationships network (shabakat al-alakat). Mediation is known to people as an unethical way while it often contains ethical and unethical parts."* Interviewee no.20, practitioner.

> "*I can say that the word 'relationships' is more general and common than mediation. Mediation is part of relationships but mediation is divided into two parts, which are ethical and unethical. Unethical when there are bribes and having things which aren't ours."* Interviewee no.18, practitioner.

> *"Wasta (mediation) is a modern and general word. It has two dimensions. The first dimension comes under the word intercession, which is favoured in Islam. The second one comes under the process of taking the rights of unlawfully, which is forbidden in Islam, and considered immoral and illegal. This is the bad dimension of it. Thus mediation has two parts: the first one is the good part which is called intercession while the second one is the bad one that is called mediation in evil (or badness)."* Interviewee no.9, practitioner.

While the interviewees asserted that *guanxi*-type relationships in Egypt are not *wasta,* they also clarified that nowadays *wasta* has acquired negative connotations of favouritism, nepotism and corruption and is related to bribery, while its original sense, meditation or *wasta* could be used for getting people's rights or objectives and enabling one's voice to be heard. The problem is that people are using *wasta* in unethical ways and for unethical issues, and therefore, the word has general unethical overtones.

The common meaning of the word *wasta* in Egypt and Egyptian spoken Arabic is equal to something unethical. When the word *wasta* is mentioned anywhere in Egypt, the first thing that comes to mind is the unethical meaning. *Wasta* has connotations taking a right that isn't yours or seizing others' rights, which means something immoral or unethical. It also means to have a mediator in order to facilitate access to something even though someone else may be worthier of it or more deserving. This is the meaning or the public image of this concept in Egyptian people's minds.

Consistent with this view, 10 of the interviewees provide the guideline to differentiate between ethical and legal *wasta* and unethical and illegal *wasta:*

> *"Mediation has two parts. One is ethical and the other is unethical. I may use mediation to have my right and I don't pay money or bribery for that. If I paid money or bribery or if I paid anything material, thus it is bribery and it will be unethical. Also it will be unethical regardless of whether I pay money or not, if people use it to take away another's right."* Interviewee no.16, practitioner.

It is clear that the difference between ethical and unethical *wasta* was known and understood by Egyptian people as shown in Table 4.4. When people use it morally to get their objectives, which cannot be obtained in any other way, especially in the presence of bureaucracy and red tape, it is ethical *wasta*, whereas when people try to take others' rights or even take their rights through bribery, *wasta* becomes unethical. With these two dimensions known and understood by society as a whole, ethical and unethical, it would seem that *wasta* or mediation is not an accurate name for *guanxi*-type relationships in Egypt.

Table 4-4: The two sides of *wasta*

Ethical *Wasta*	Unethical *Wasta*
1- Getting the person his/her rights without paying any type of bribe	1- Getting the person his/her rights by paying any type of bribe 2- Taking something to which one is not entitled. 3- Taking or seizing the others' rights

Regarding the use of *wasta* in the business field, one of the interviewees, an expert in the development of small and medium-sized enterprise (SME) and involved in formulating SME law in Egypt, made a link or connection between *wasta* or mediation and the size of the company and explained:

> *"There is a relationship between the ethical and unethical wasta and company size. It becomes unethical when the size of firm increases. The small institution brings mediation to get its rights and in this condition we can call it ethical mediation but when a big institution becomes bigger, it uses mediation to get things that aren't its right."* Interviewee no.1, consultant and expert.

From the comment above, it is obvious that there is a positive relationship between company size and the type of *wasta* and whether it was used ethically or not. An SME usually uses *wasta* to get its rights in the presence of bureaucracy and routine, while larger companies are more likely to use the dark side or unethical side of *wasta* to get profits and advantages they do not deserve. Accordingly, in Egypt there is a positive relationship between the size of the company and the unethical aspect of *wasta*.

To sum up, there was agreement about using the words relationships (*al-alakat*) or network of relationships (*shabakat al-alakat*), as a name for *guanxi*-type relationships in Egypt. Also, interviewees indicated that *guanxi*-type relationships in Egypt are not called *wasta*. In addition, the word *wasta* has two sides: ethical and unethical. It is possible to differentiate between the ethical and unethical sides. *Wasta* becomes unethical when people want to take others' rights or even take their rights and accomplish their interests faster through bribery. Although people want to take their rights, it is unethical to give a bribe, and unethical for the other person to take a bribe, which leads to blight. In this situation, it becomes immaterial whether people get their rights or not. It is considered ethical when people use their relationships to achieve their objectives or rights without paying money. *Wasta* that depends on using personal relationships without money and bribery is generally seen as ethical.

4.5. The characteristics of *shabakat al-alakat* in Egypt

A number of significant features underlie the development, use and preservation of *guanxi*-type relationships in Egypt (*al-alakat or shabakat al-alakat*). These features or characteristics as follows:

4.5.1. *Shabakat al-alakat* is a social network.

According to Arias (1998) and Bjorkman and Kock (1995), *guanxi* is essentially a social network constructed on social interactions. There are two primary elements in *guanxi* networks as social networks, one being the links or connections with particular individuals and the other, the environment surrounding the individuals or the culture in which the individuals are based. The interviewees expressed the same point regarding the type of network in Egypt.

> *"It is a social network between people with our [Egyptian] culture components and depends on specific links or connections like colleagues in the university, friends, acquaintances, and neighbours. Also, it is related to our culture and so it is used in everything in our life even in business and in all the sizes of companies, but differently. Anyone in Egypt must have a relationships network."* Interviewee no.15, practitioner.

All the respondents in this study indicated that *guanxi*-type relationships in Egypt or *shabakat al-alakat* are social networks that build on the interaction between people who have specific ties or bonds (e.g. friends, colleagues, family, and relatives). Furthermore, social networks are very common in Egyptian culture and used for many aspects of social life like marriage and shopping, or business aspects like promotion, dealing with the government and daily routine. These Egyptian networks consist of two components: the people with bonds or ties and the Egyptian cultural component.

4.5.2. *Shabakat al-alakat* has a religious origin

Chinese *guanxi* roots are deeply embedded in the Chinese culture which comes from the Confucian philosophy (Luo, 2007). Regarding the *shabakat al-alakat* in Egypt, eleven of the respondents indicated that *guanxi*-type relationships are part of the Egyptian culture and have religious origins from Islam or Christianity.

> *"It exists in Islam and Christianity. So, this social relationship has an origin in religion. Religions set it up and set the rules. Now, these rules exist between people. People understand that it has a religious origin and others practise it in a natural way without feeling that it has religious roots. All of these are social relationships and its consolidated in religion."* Interviewee no.1, consultant and expert.

> *"Al-alakat with the family members, friends, colleagues and neighbours exists in the Egyptian culture and it has a religious origin. I will give you examples of this type of relationship and will tell you that they have a religious origin..."* Interviewee no.9, practitioner.

Two of the interviewees gave examples of some practices among members in the same *shabakat al-alakat,* which originally come from Islamic and Christian teachings. These practices are considered as proof that *shabakat al-alakat* in Egypt has a religious origin; for example, "help one another and cooperate in righteousness and pious duty, and help not one another unto sin and transgression" come from the Quran (Quran, surat 5, Al-Ma'idah, chapter 6, ayah 2). Moreover, asking about neighbours to strengthen the relationship with them and solidarity, both exist originally in Islam and Christianity. Furthermore, the inheritance relationship is supported by the idea of a network of social relationships where sometimes relatives know each other and contact each other more and more. All of these examples are considered to be the foundation of the social relationships network. They are also indications that *guanxi*-type relationships in Egypt have a religious origin.

> *"Everyone has to serve others because it is a religious duty whether Muslim or Christian. Everyone may seek to another one in doing something. That's because the requital is from God. So, it isn't related to a specific industry or merchant but it relates to our cultures, origins and religious roots. Yes, of course, it is religion."* Interviewee no.17, practitioner.

To sum up, it is clear that *guanxi* type relationships in Egypt or *al-alakat* basically originates from the teachings of religions in Egypt (Islam and Christianity) and is thus rooted and embedded in Egyptian society and has become part of Egyptian culture. The teachings of Islam and Christianity encourage relationship building with relatives, friends and neighbours and encourage them to help, assist and provide favours to others. Because the Egyptians are generally religious people, they adhere to religion's teachings.

In addition, religion in Egypt is manifested in prayers and religious occasions, which make the relationships between people who know each other very strong and also help in establishing and building new relationships. For example, a relationship may be established among the people in the mosque or church during prayers or during any other religious occasions. These people are not relatives, but share compassion and empathy. This point about the religious origin of the relationships was strongly supported by interviewees. Moreover, the respondents indicated that the motive for reciprocation and exchangings favours among people within *shabakat al-alakat* is the teaching of religion.

4.5.3. *Shabakat al-alakat* is personal

Guanxi is usually considered at the individual level (Tsang, 1998), as a network of relationships is constructed among individuals. *Guanxi* among companies stems and develops from personal relationships (Arias, 1998). About this issue, interviewees confirmed that *guanxi*-type relationships in Egypt are also personal and mainly among individuals:

> *"This relationship is personal and builds with the exchange of benefits. These people gain benefits from each other."* Interviewee no.8, practitioner.
>
> *"It is a social network between people or individuals and every person within this network has a rank among others."* Interviewee no.20, practitioner.
>
> *"Each of us here in Egypt has a social network or a personal relationships network. People have relationships with people in their social network and trust and respect each other, so they will do anything for each other."* Interviewee no.21, practitioner.

The respondents indicated that the *guanxi*-type relationships in Egypt are a network of relationships that a person has with other individuals and includes family, friends, colleagues, classmates, and even organisations. People in Egypt will usually say, "I know that person" or "I know this organisation", and that means he or she knows the owner or a key person in the organisation.

4.5.4. *Shabakat al-alakat* is intangible

People in the *guanxi* network are trusted and committed to each other by an unwritten and understood agreement of equity and reciprocity (Luo, 1997). The respondents reported the same regarding the Egyptian people.

> *"In my shabakat al-alakat, we trust each other, we do favours to each other, and we exchange benefits with each other. No one needs to return the favour at the same time but when the other needs it, s/he will do it. It is a common tradition in Egyptian society that the rules which manage the relationships and exchange favours are unwritten, but all understand these rules which engage each other without any contracts or anything like that."* Interviewee no.7, practitioner.

> *"It is something that binds and engages people together in our Egyptian social network. This engagement isn't a written one or touchable thing."* Interviewee no.1, consultant and expert.

Like Chinese people, in Egypt people implicitly understand that they depend on their social network in every aspect of their lives including business, marriage, buying, selling, shopping, and dealing with the government and their daily routines. It is understood in Egyptian culture and it is clear in people's minds that people have to help each other and do favours for each other, and all these favours can be banked until the time is right to return them, and they may even be passed from generation to the next. All these processes are implicitly understood by all Egyptian people without any written contract or code. This implicit and unwritten code governs the mechanism of relationships.

Two of the practitioners added new, important and innovative insight into the meaning of intangible. As one explained:

> *"It is intangible because you can't evaluate it with money or material. You can't evaluate my relationships with people in my network by money. It is intangible but it has a benefit because people in my network can do me favours without money. This means that I can achieve many benefits using my social network without charges or money and it saves me effort and time."* Interviewee no.11, practitioner.

This respondent argued that intangible also means the benefits of the relationship are not countable, and cannot be evaluated and priced. It is worth a lot of money, can facilitate many services and bring about huge benefits worth a lot, but it cannot be evaluated or counted.

In summary, *shabakat al-alakat* in Egypt is intangible and this means people implicitly understand the rules which govern the relationships and exchange of favours among them without any written contract or code of practice. Furthermore, other interviewees explained the meaning of intangible, that *shabakat al-alakat* is not touchable, although it can provide and facilitate a lot of benefits to the people.

4.5.5. *Shabakat al-alakat* is mainly emotional rather than utilitarian

Links among people within the social network in Egypt are mainly emotional, especially between members of the same family, friends, colleagues, and people from the same locality. This emotional relationship leads to exchange of favours that make the relationship utilitarian.

> *"We are mainly emotional people, meaning that the emotion has brought us together then lead to favours exchange. You may find that a person gets embarrassed if he buys the same product that I sell from someone else while he is my friend."* Interviewee no.10, practitioner.

> *"I told you that the Egyptians are emotional and are emotionally related and you may see that when there is any social problem or crisis we all rush and get together because that is inherent in us."* Interviewee no.7, practitioner.

The majority of the interviewees (17 one, 81%) mentioned the word that Egyptians are 'emotional people' and in most cases they start their relationships as part of social interactions which will be followed by the exchange of favours, which makes the relationships utilitarian. Also, the motive behind doing the favours is mainly emotional. When emotions become the motive for exchange, the favours between people and the ties among people will be stronger than when only benefits are the motive for an exchange. People will not count how many favours they receive or how many they do. They carry out the favours because there are positive emotions among them.

Moreover, the analysis revealed that the emotional basis for the relationships not only facilitates the relationships between people and the exchange of favours in the everyday life, but also has a great influence on business and a company's growth, sales and profits.

> *"Emotions or passion play a big and important role and facilitate many things. For example, sometimes a person may leave his company and go to another company simply because he has a good relationship with one of its employees. He may not know anything about the new company, perhaps doesn't know the details of the company. He just goes to the new company because of the person he has a relationship with. This is emotion."* Interviewee no.12, practitioner.

> *"Some people will tell you that they feel comfortable with a company when others might say this company is more expensive, its service is less or its products aren't such good quality. Those who feel comfortable with the company will say the owner or member of staff is their friend, that they know him and have a good relationship. They feel comfortable with that company and sometimes they get special treatment."* Interviewee no.20, practitioner.

> *"We buy our stuff from one shop not the other depending on whether we like people (owner or staff) in this shop or not. It may also depend on whether our relationship with those people is strong. It explains why someone opens a shop and then it closes down, but a similar store can open in the same place and be successful. It also explains why you can find two shops open in the same place and one is well-lit and the other is smaller and more humble. So people buy from the small one and don't buy from the imposing shop because they like the owner and/or employees of the small shop and have a good relationship with them."* Interviewee no.1, consultant and expert.

The above stories are evidence that good relationships and the relationships within the network start with emotion and then the emotion leads to the exchange of favours and benefits for both sides. Also, it has a great influence on business and a company's growth, sales and profits. The most important thing to Egyptian people is the 'emotions' rather than anything else. When they feel comfortable and have good relationships with employees in an organisation, they will pay less attention to other matters.

In conclusion, relationships between people in Egypt depend mainly on emotions, which can lead to benefits and exchange of favours. There are very few cases where the motivation for the relationship is for benefits only, without emotions. Moreover, Egyptians can recognise clearly those people who form relationships only for their own benefit without any emotion and without any giving, and in most cases, those people are rejected or expelled from the network. This is the difference between the Egyptian type of relationships and the Chinese *guanxi*, as in China *guanxi* with relatives is highly emotional while *guanxi* with other social units is mainly functional, connecting people not through emotion, but rather through the exchange of favours. Moreover, it is not difficult to break *guanxi* relations which have ceased to be beneficial or based on reciprocal exchanges (Luo, 2007).

4.5.6. *Shabakat al-alakat* is contextual

Guanxi depends entirely on context. For example, giving a gift in one situation is simply accepted as customary gift giving. In a different situation, it might be considered instrumental or it might be seen as bribe (Luo, 2007). Cultivating *guanxi*-type relationships in Egyptian culture is also contextual and differs from time to time between people and according to the relationships between people.

> *"....for example, if one of my relatives comes to my home with a cake and present, I will accept it because he is my relative and it is part of our social interaction. But if one of my subordinates came to my house carrying the same cake, I would worry. It will be related to bribe in this case."* Interviewee no.1, consultant and expert.

> *"We know the difference between a present and bribery according to the service. For example, the same thing (cake, perfume) is sometimes considered bribery but at other times, it is considered a way of thanking the person for a service or favour that he did for me. In one moment something is considered a bribe while in another moment it is described as a present. It's all according to the type and the strength of the relationship."* Interviewee no.14, practitioner.

> *"...so definitely it's context-specific but context-specific in terms of if it's in a village or in a town or in a city."* Interviewee no.18, practitioner.

The interviewees indicated that *guanxi*-type relationships in Egypt differ from time to time between people and according to the relationships between people. Also they differ between rural and urban societies. In rural societies, people are courteous. There are compliments between people so they accept compliments and there is no sensitivity. Accordingly, the acceptance or refusal of the gift is contextual and depends on many aspects, such as who is giving the gift and the type of relationship with him or her.

4.5.7. *Shabakat al-alakat* is transferable

Transferable means that if person A wants to form a relationship with person C, and A is in the same [*shabakat al-alakat*] with B and B is also in the same [*shabakat al-alakat*] with C, then B can suggest A to C (Luo, 1997; Tsang, 1998).

> "*Yes. I mean that I know you and you know person X. I need help from X and I don't know him. So you can introduce me to him. As a result of this, there will be a relationship between me and him. If the relationship becomes good between both of us, the relation will be direct from me to him. That is very common in our culture.*" Interviewee no.10, practitioner.

> *"In religion we call it striving for good. The seeker of good gets his requital. So its origins are in the religion. Playing the role of mediator, that means intercession, originally, it is from things that have a great requital in religion. Religion supports the right intercession not the wrong one. It isn't transferable but it is essential and must be transferable.*" Interviewee no.9, practitioner.

The majority of the respondents clarify that *shabakat al-alakat* in Egypt is transferable. Some respondents mentioned that sometimes they played the role of mediator and transferred the relationship between people from a religious perspective where helping one another and cooperating comes from the teachings of Islam and Christianity. Others mentioned that it is a rule in Egyptian culture to play this role and help others through using relationships.

4.5.8. *Shabakat al-alakat* is long-term oriented

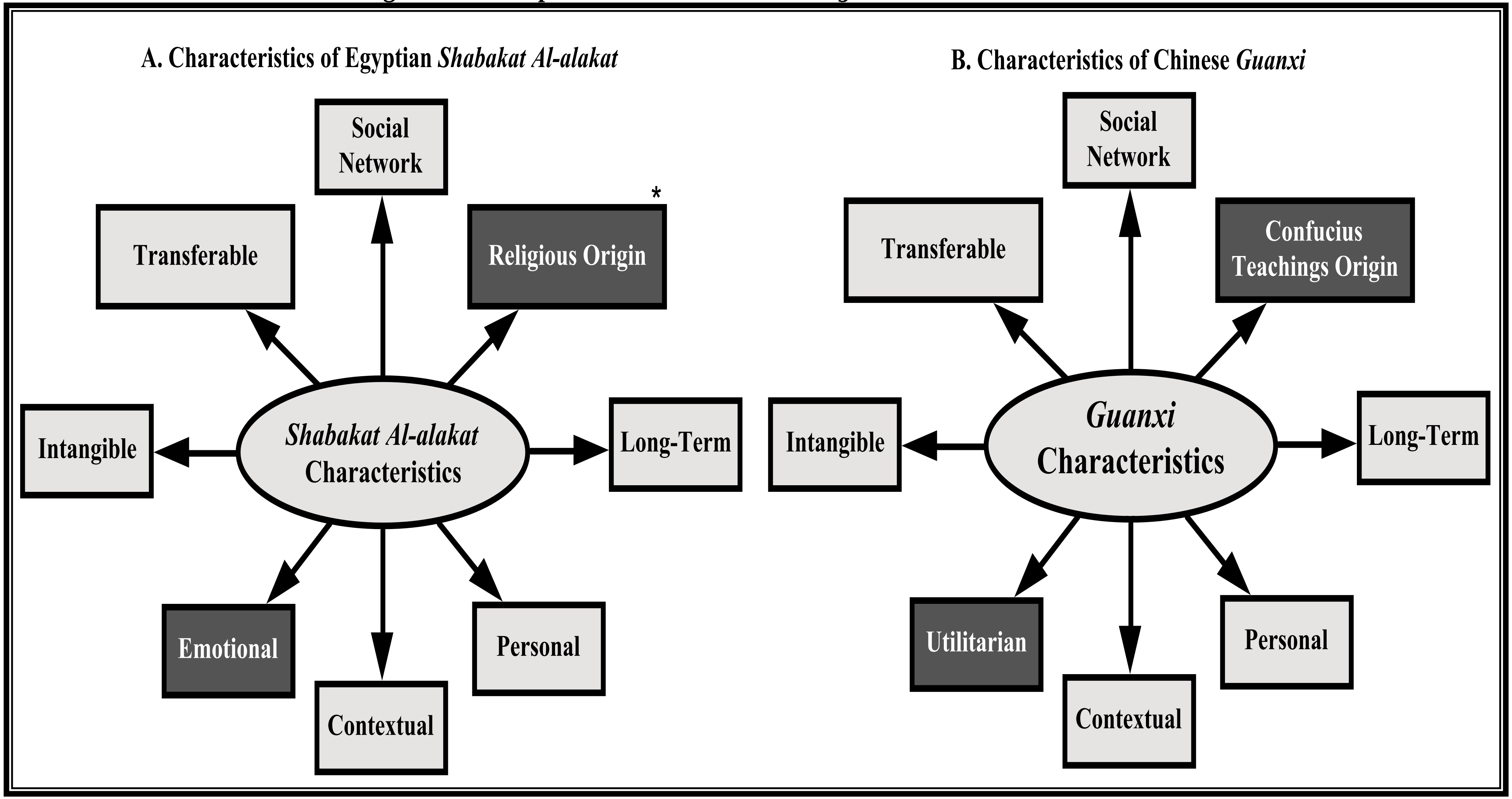
As the interviewees mentioned, the relationship within *shabakat al-alakat* is passed down from one generation to another. In addition, the return of favours will not be at the same time but instead, the favours will be returned when people need it, even long after the favours are banked. Thus, all this implies that *guanxi*-type relationships in Egypt are long-term oriented.

> *"It isn't something that will finish in a day and a night and it is also a bequest."* Interviewee no.16, practitioner.
>
> *"Al-alakat are expected to last for an unlimited time as long as people are still alive."* Interviewee no.13, practitioner.

Accordingly it is expected that the relationships within *shabakat al-alakat* will be long-term oriented like Chinese *guanxi*. In Confucian societies, it is understood that social interactions take place are taken into account in the long term. *Guanxi* relationships do not come to an end, but can pass from one generation to another generation if constantly maintained (Luo, 2007).

To sum up, the previous discussion reveals that *guanxi*-type relationships in Egypt (*shabakat al-alakat*) have several characteristics of a cultural and social nature which make the network rich and comprehensive as shown in Figure 4.1. In addition, *shabakat al-alakat* are similar to the Chinese *guanxi* in many characteristics except that they have a religious origin, while Chinese *guanxi* roots come from Confucian teachings. Furthermore, *shabakat al-alakat* are mainly emotional rather than utilitarian.

Figure 4-1: Comparison of characteristics of *guanxi* and *shabakat al-alakat*



*The squares with dark background represent the different characteristics between *shabakat al-alakat* and *guanxi*

4.6. The key variables of *shabakat al-alakat* in Egypt

Many studies deal with *guanxi* as a multi-dimensional construct that can be measured through a number of variables. All these variables are viewed as components of *guanxi* (Chen, 2001; Geddie *et al.,* 2002, 2005; Hwang, 1987; Kiong and Kee, 1998; Tsang, 1998; Wang, 2007; Yang, 1994; Yau *et al.,* 2000). The interview protocol posed several questions to investigate variables that arise in the literature and decide which variables are most suitable to the Egyptian culture. According to the qualitative data analysis, the variables for *shabakat al-alakat* (*guanxi*-type relationships in Egypt) are as follows:

4.6.1. Personal trust

Personal trust mainly means the establishment of credibility via past history and reputation in terms of the fulfilment of promises and obligations with mutual satisfaction and beneficial interactions (Kiong and Kee, 1998; Yau *et al*., 2000). All interviewees agreed about the concept of personal trust in Egypt and that it is a significant component of *guanxi*-type relationships in Egypt. Also, interviewees indicated its importance for people in the society in general and within the *guanxi*-type relationships in Egypt (*shabakat al-alakat*).

> *"There is personal trust between each other in this relationship network. This personal trust depends on all of previous incidents and treatments. It depends on a lot of incidents where people always remember who did a favour for them and who didn't."* Interviewee no.18, practitioner.

> *"How the relationship grows will be according to the continuity of building trust. This leads to the maturity of the relationship."* Interviewee no.5, academic.

> *"Trust between two people influences the strength of the relationship, and depends on the history of the relationship and the previous experience. There may be a relationship but there isn't trust because the previous dealings between them were very bad"* Interviewee no.7, practitioner.

The interviewees indicated that there is trust between people within the same network of relationships. This trust is with family, friends, locality, colleagues, classmates and all the people in the same network. This trust is not something transient and fortuitous but is built on the past history of the person's behaviours and whether s/he has fulfilled his/her promises and obligations towards others. In addition, this trust also influences a person's public image and reputation among people within the same network. A previous dealing could result in a lack of trust in a person if s/he proves not to be honest and does not return favours or tends to cheat continuously. As a result of this bad history, trust will be lost and the relationship will end.

Two of the practitioner interviewees clarified that it is not necessary to trust the network member fully; it is enough just to trust that the member will return favours when there is need for it.

> *"I trust the people in my network relationships or I may trust at least some certain things, or at least I trust that they will do or return me favours. I may not trust you, but I am sure that you may return me the favour later. That's why there shouldn't be complete trust."* Interviewee no.11, practitioner.

> *"When a member of my network tells me that he is working at company X and asks me to come to buy his products because they are good, it is not necessary to trust him fully. I should go myself and check them."* Interviewee no.17, practitioner.

The above quotations clarify that there is trust among people in the same network but it is not a prerequisite to fully trust all people within the relationship network to start dealing with them. The condition is that minimum level of trust should be available to keep the relationships.

Nine of the practitioners and three academics highlighted that in Egypt people depend on their relationships in everything because of the lack of trust in strangers.

> *"In Egypt people depend on acquaintances because cheating is so widespread in our life, so one turns to their acquaintances so as not to be cheated. When I want to get something I have no experience about, I may look for an acquaintance so as not to be cheated. The most important available thing about the acquaintances is trust; the acquaintances give you the trust and the feeling of confidence, either in buying or dealing."* Interviewee no.21, practitioner.

Egyptian society is a low-trust culture where trust is extended only to current acquaintances and relationships, and there is a lack of trust outside those acquaintances and relationships. Those acquaintances and relationships are used to avoid the problem of lack of trust and cheating from members outside the network.

To sum up, as in China, trust is one of the important components of *guanxi*-type relationships in Egypt or Egyptian *shabakat al-alakat,* which people use as a sort of protection from fraud, deception and cheating during their daily lives.

4.6.2. Face

Chen (2001, 74) defined face as "a social standing based on one's characteristic and reputation within a given social group". In Chinese culture, one's reputation is rooted in one's past behaviours, particularly moral behaviour (Tsang, 1998). Tsang (1998, 66) describes face as the 'public image' of a person or one's prestige and reputation. All the interviewees agreed that within *shabakat al-alakat* everyone has a specific rank and public image. The interviewees clarified that face is the public image of a person or prestige and reputation. One's reputation is rooted in one's past behaviours; particularly moral behaviour. Moreover, they indicated that face is an important component of the *guanxi*-type relationships in Egypt.

> *"...everyone within shabakat al-alakat has a rank among others, and depending on their previous history, their classification is set.... You may find a person has a good reputation from a previous encounter or period, so the person will have a high rank, or similarly, earlier bad behaviours from earlier encounters or actions and a person will have a low rank."* Interviewee no.7, practitioner.

> *In pastoral society, you often find that there is a famous family (who are known to people). When someone from this family wants to buy something but he doesn't have enough money, you find the seller will still sell him the products and ask him to bring the money back another time. Or he says, 'We know you. You are son of ..., do not be silly, give me it another time, your name and your family's name is money'. All of these things happen. The family's name secures credit. In contrast, when a family has a bad reputation, the seller will tell him, 'Pay now or it isn't important to sell to you. You don't remember that your family is…'.or he may say, 'You are son of ... or a brother of.... who is a not trusted person, pay now or leave us'."* Interviewee no.2, consultant and expert.

All interviewees argued that a person's rank and public image comes from his/her history and previous behaviours and from his/her family name or family rank. This rank works as a label of quality and a brand name for this person.

> *"The people in my social network are classified according to their reputation and their image. Everyone has a classification among other people who know him/her, meaning that when I need someone for a favour, according to this classification I know who will do it for me and who will not."* Interviewee no.16, practitioner.

Thus, it can be concluded that face is one of the important variables and components of the Egyptian *guanxi*-type of relationships (*shabakat al-alakat*), as there is specific, implicit classification, rank and image for every person within the network or *shabakat* *al-alakat*. The image and classification come from the previous history of that person. From this image, a person can be classified trustworthy and the decision made whether or not he or she can be asked for favours.

Also the interviewees confirmed that rank, image and relations (*al-alakat*) are inherited and passed from one generation to the next where the relations of the grandfather and father passed on to sons, and the sons will benefit similarly from the relationships (*al-alakat*) in their family network. One of the practitioners told his story and how he and his father inherited his grandpa's *shabakat al-alakat*.

> *"There was a tailor who was my grandfather's friend. My father goes to him, my father is sixty years old, he asks him to sit saying, 'Sit son of dear one, you make me remember your father'. Once upon a time, I went to him, he didn't know me and I told him that my father is …. and my grandfather is …., so he welcomed me very well and I found him saying that he would do a perfect job for me only because he is my grandfather's friend."* Interviewee no.21, practitioner.

The interviewees brought up another point about those who like to receive favours but do not give anything.

> *"There is another point that relates to those who take favours and don't give anything. They always take and don't give anything till no one will help them in anything. They will lose their image and rank among people."* Interviewee no.16, practitioner.

Those people usually lose face and image and eventually they cannot find anyone within the network to do favours or serve them in anything. Accordingly, people who like receiving favours without giving anything will lose their face in the society; then lose all their *guanxi*-type relationships in Egypt (*al-alakat*). A further point emerged about the relationship of the *guanxi*-type relationships variables with each other, raised by one of the practitioners.

> *"I enjoy having trust within my personal relationships. Here in Egypt we work through trust. This trust depends on everyone's public image and reputation [face] inside the network. For example, in business in some project we do not collect payment from a specific person in advance because we have an idea that this person will not have any problem paying one million pounds, but another person is a silly one so I will take money from him in advance because I'm not so confident about his ability to pay. That means everyone works through a specific category, perhaps through his surname, his previous transactions and briefly through his curriculum vitae."* Interviewee no.20, practitioner.

It is very obvious that the variables of the *guanxi*-type relationships in Egypt are interrelated and cannot be separated from each other. Trust is closely related to face, as the history of a person determines his/her image, reputation and classification, which influences the trust in that person. Building on trust and face there is reciprocity. Moreover, sometimes without empathy there is no reciprocity.

Seven interviewees indicated some antecedents for face.

> *"Everyone has a public image which derives from the family's name and from a person's achievements; he always serves others, through his job or from his previous treatment with others. He also has this image from his previous relationships."* Interviewee no.1, consultant and expert.

> *"I will talk with you about the family provider or boss. He is responsible for the family and all people trust him, trust his word and all people obey him. He is also the person who may pay for forfeiture. He pays money as a result of interference and being a mediator in conciliation. So he bears some of the expenses because he is the family provider or boss and he wants this conciliation to be achieved (so the family provider or boss is the person who has a very high rank in his society and in his relationship network). This is also a result of his handling of previous situations and previous attitudes. He doesn't become this person overnight. Of course there are other people in the same family or tribe who have no rank or value and that is because of their previous attitudes and previous dealings."* Interviewee no.9, practitioner.

In Egypt, sometimes face comes from the family, clan or tribe name, or from a person's position, achievement or job. Also in every family, clan or tribe there is one who is the head, who is responsible for its members and always obeyed by them. This person is called the family, clan or tribe provider or the boss. He has a very high rank in his network as a result of his previous behaviours and past history. If there is a problem with any member of his family, people come to him to solve their problem or to ask for his help. He will also have money to pay to solve problems between people and will be a mediator in conciliation. The role of the family provider or boss is to support social relationships, keep coherence and try to solve social problems between people, which will lead to the stability of social relationships.

It is clear that face is a very important variable of the *guanxi*-type relationships in Egypt. Good face means a good image and reputation, which will be reflected in trust, the strength and quality of the relationship and the exchange of favours.

4.6.3. Empathy

Yau *et al.,* (2000, p. 19) defines empathy as "the ability to understand someone else's desires and goals". It is extremely significant for people within the same social network to acquire an in-depth knowledge about their partners and to know what appeals to their needs. Data analysis highlighted that empathy is another important variable of the Egyptian *guanxi* (*shabakat al-alakat*).

> *"Empathy is very important between people in shabakat al-alakat. I may do a favour for someone just because I feel empathy with him even if he will not return the favour. Generally, in Egypt we may not expect a person to return a favour but we may have a great empathy and feel that we should do something and we can give help because we feel that we have to."* Interviewee no.6, academic.

> *"Generally Egyptian people are a sympathetic people; I understand the desires, conditions and needs of others. So I serve, sympathize with them and do their work."* Interviewee no.17, practitioner.

> *"There are feelings and emotions between people in deals. The sympathetic relationship leads us not to think about money or the benefit we will gain. All of that comes from the doctrine of our religion. Religion has a great influence. For example, in Egypt, the rich Christian prefers to buy from a poor person in order to help him grow rich."* Interviewee no.20, practitioner.

The above quotations show that people in the same network or who have relationships and know each other very well understand each other's desires, needs and goals and as a result they sympathise with each other. Empathy should happen regardless of any expected future benefits. Empathy is in the nature of the Egyptian people, they understand the circumstances of others and sympathise with them very quickly. In addition, empathy is a very important motive for exchanging favours or doing favours for others.

4.6.4. Reciprocity

Guanxi is initialised with the tacit promise of limitless exchanges of favours and sustained in the long term by a similarly tacit loyalty to others in the network, which means an unwritten code of reciprocity (Geddie *et al*., 2005). In a similar way, *guanxi*-type relationships in Egypt or *shabakat al-alakat* are also based on the unlimited exchange of favours among people over a long time with an unwritten code of reciprocity.

"It is common in Egypt that all people provide favours to each other. They provide favours because they were served before or expect to receive services in the future." Interviewee no.16, practitioner.

"Those favours between people within one network are unlimited. We will continue giving to each other without being limited by a certain time, so favours can be inherited from previous generations; it will be when I need it. This is implicit but clearly understood." Interviewee no.7, practitioner.

"It is implicit without any contract. I know that when I ask someone for a favour, he will do it for me and it is uncommon to take something immediately in return for a favour. When he needs something, he will ask me to do it but he won't say it's because he's done me a favour. It's understood that we're in the same network and there is a bond and good relationship between us." Interviewee no.8, practitioner.

The respondents revealed that it is common in Egypt for all people within the same network to do favours for each other as long as they have a good relationship. In return they will have received favours before or expect to receive favours in the future when they are needed. The interviewees confirmed that the exchange of favours can stretch over long periods, as long as the relationship still exists.

They also added that the exchange is not in the form of one favour for another, but during the long term, it does become tit for tat, as favours can be banked until the time is right to return them, and can even transfer from one generation to another. The mechanism of favours exchange is governed by an unwritten and implicit code that everyone in society understands.

The interviewees brought up another point about the motives for and determinants of starting favour exchange among members of the same network.

"We don't mean building the relationships to exchange benefits from the beginning. The good relationships lead to exchange of favours." Interviewee no.18, practitioner.

"Reciprocity is important as well as empathy and these may be motives for doing something or favours." Interviewee no.5, academic.

"The relationship between us gives me the right to demand a service from you. I mean, we don't know each other because of interests. We are friends or have a relationship and as a result of this, we exchange benefits. There is no problem if I have done you a favour once and you do me ten favours, or vice versa; you use your ability how and when it's needed." Interviewee no.12, practitioner.

In Egypt, the relationship comes from different bases (e.g. family, friends, locality, etc) and people do not start relationships just because they expect to receive favours, but good relationships with good people lead to favour exchange. Among people in *shabakat al-alakat* there is no counting for the number of favours and benefits people provide. They carry out favours just because they have good relationships and expect the return at any time they may need it. Also, this idea will be supported in the next point about the emotional and beneficial basis of relationships (see Section 4.6.5).

On a different note, it is important to highlight here that the variables of *guanxi*-type relationships are interrelated to and influence each other. Accordingly, the interviewees also again asserted that people who just like to receive favours from others within their social networks and never do favours for anyone will lose their rank and public image (face) and after a while will be expelled from the network and people will never do any favours for them.

Furthermore, the respondents explained again that there is another motive for favour exchange, whereby they sometimes exchanged favours with members of the network not only because of the good relationships with those members, but also pursuant to the instructions and orders of religion.

From the above quotations, it can be concluded that reciprocity is one of the most important variables of Egyptian *guanxi* (*shabakat al-alakat*). Exchange of favours and service is very common behaviour among Egyptian people in the same relationships network. The good relationships and the emotions coupled with the expectation of a return of favour are the motives for reciprocity. Moreover, the reputation and public image of the person or empathy with the person could also be reasons for doing favours for others.

4.6.5. Affection

Affection can be described as feeling and emotional attachment amongst members of *guanxi* networks. It is often an indicator of closeness of *guanxi* members (Wang, 2007). Interviewees highlighted several points about affection as a variable of *guanxi*-type relationships in Egypt.

> *"There are emotions and feelings between people inside shabakat al-alakat. Always when I love someone, I always will be like to serve him regardless whether s/he serves me or not."* Interviewee no.7, practitioner.

"In social and personal relationships in Egypt we have passion, love, emotion and moral engagement amongst us and it is a sign of intimacy of the network members meaning that it is emotion that relates us together." Interviewee no.14, practitioner.

"I think the Egyptian people depend on passion. If you study the nature of the Egyptian or Arab people, you will find that you can engage with them through emotions and passion. The Egyptian people in their relationships depend on emotions and the most important thing is passion." Interviewee no.19, practitioner.

In conclusion, affection is the feeling and emotional attachment amongst members of the *shabakat al-alakat*. It is often an indicator of the closeness of members in the same network. Emotions and feelings are attached in the relationships between people in the same network in Egypt. These emotions and feelings are likely to be even stronger among family members than between friends. The majority of the interviewees (18 of 21) mentioned that the Egyptian people are emotional people and emotions play an important role in bringing people together in Egypt. Also, if any person within the network is not an emotional person, people will not turn to him and will keep their distance. In contrast, the more a person is emotional, passionate and loving toward others, the more affection that person will receive and the more reciprocity they will have.

4.6.6. Bonding

Bonding can arise from many bases (Kiong and Kee, 1998). These are "kinship", "fictive kinship", "locality and dialect", "trade associations and social clubs", "workplace" and "friendship"(Kiong and Kee, 1998, pp. 77-79). In contrast, in Egypt almost the same bonds are found, these are family or relative (which include both kinship and extended kinship), friendship, locality (neighbours), classmate, workplace, trade associations and social clubs.

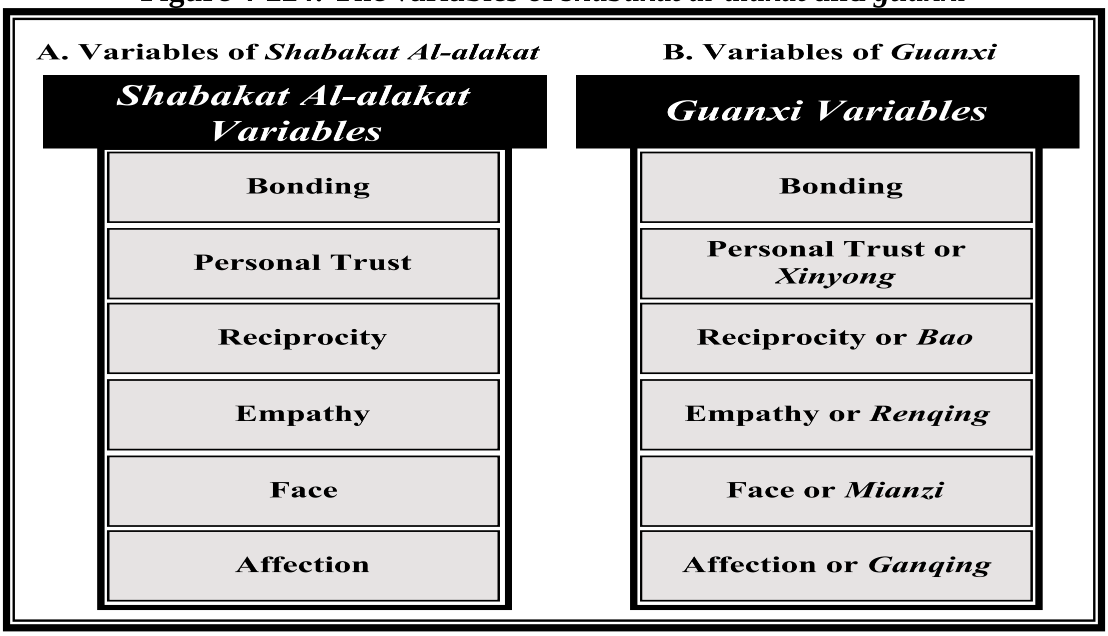
"In Egypt the relationships which link people come from specific connections, such as family or from social origins such as neighbours, friends or family friends, classmates and colleagues. It's all about family, friends and acquaintances." Interviewee no.2, consultant and expert.

"The bases for the relationship may be friendship, same place, same village, same family or relatives." Interviewee no.18, practitioner.

In Egypt, the bonds, which link people together, are almost the same as in China. Some of them come from a blood base like family, relatives or a member of the same tribe or clan. Others come from a social base or as a result of social interactions with friend, neighbours, colleagues, classmates, and members of the same social clubs. The closer the base, the more effectively a bond can serve to remove doubt and increase trust.

To sum up, the previous discussion reveals that *shabakat al-alakat* is a multi-dimensional construct that can be measured through six variables. In addition, *shabakat al-alakat*'s variables are similar to the Chinese *guanxi* variables but with a different Egyptian culture component. Figure 4.2 present the Egyptian *shabakat al-alakat* and Chinese *guanxi* variables. Moreover, it is obvious that the variables of *shabakat al-alakat* in Egypt are interrelated and cannot be separated from each other. For example, trust is closely related to face, where the past history of a person determines their image, reputation and classification, which influence the trust in that person. Building on trust and face there is reciprocity. Moreover, sometimes without empathy there is no reciprocity.

Figure 4-224: The variables of *shabakat al-alakat* and *guanxi*



Source: *Adapted from Chen (2001), Geddie et al. (2002, 2005), Hwang (1987), Kiong and Kee (1998), Tsang (1998), Wang (2007), Yang (1994), Yau et al. (2000).*

4.7. The advantages of *shabakat al-alakat*

The interviewees indicated that *shabakat al-alakat* (*guanxi*-type relationships in Egypt) lead to many benefits for the network members in their social lives and in business where *shabakat al-alakat* can help companies to survive and contribute to the enhancement of a company's competitive advantage. The focus of this section is to discuss the advantages of *shabakat al-alakat* for business generally and the SMEs specifically. These advantages are:

First, they remove government obstacles and routine procedures in cases where government regulations and obstacles are unreasonable or meaningless. Relationships facilitate governmental procedures and help with getting licenses and agreements. Moreover, relationships can facilitate work and the removal of obstacles through providing and saving information about governmental policies and procedures.

> *"....for example, we have work with the Ministry of Commerce. So if you have relationships with people who work there, your paperwork will be finished quickly. This will also facilitate the process and give you the right directions..."* Interviewee no.14, practitioner.

> *"If you have to go to any place, especially the governmental offices, without knowing anyone there, no one will say good morning or hi - the only word they will tell you is bye-bye."* Interviewee no.16, practitioner.

> *"...all of our work depends on the bids of the Ministry of Communications. We have to know these bids on its time [information]. If we don't have acquaintances or people we know in this place, we won't know about these bids and as a result we won't work [routine]."* Interviewee no.13, practitioner.

These above quotations indicate two things; first, the relationship network facilitates information about the governmental procedures and regulations. Secondly, the network helps to avoid the governmental routine.

Second, *shabakat al-alakat* is considered to be assets which could be equal to financial capital and help to improve the running and operations of the company.

> *"The personal relationships are part of the business assets, the same as the shop, the brand name, and the goods. For small projects in particular, it is the greatest part of the assets equal to seventy percent, though it's not as much as that in large companies."* Interviewee no.1, consultant and expert.

> *"...when I was with my friend who is a doctor, he established a rehabilitation project for patients recovering at home after surgical operations. I attended an interview he had with a lady who wanted to work with him. He offered this lady double his offer to another one. That was all because she has previously worked for a big company. He told her that he was willing to pay all this money because of her relationships not because her skills. That's what we call capital."* Interviewee no.20, practitioner.

> *"I don't have money, I have relationships instead. For example, I built relationships with people/suppliers over seven years. If I talk to one of the people in my relationship network and ask him to give/provide me goods that cost one million pounds, he will give me them although I haven't got the money to pay for them. Consequently, I will have a profit of one million pounds while I haven't this amount of money."* Interviewee no.11, practitioner.

The above quotations also give examples of the importance of *guanxi*-type relationships in Egypt for business. They are considered as part of the company's assets or capital. Also companies try to increase their capital and assets by recruitment of employees who have a good network of relationships. Using *shabakat al-alakat* as an asset helps companies' improvement and growth.

Third, *shabakat al-alakat* can facilitate access to information about the market conditions, demands and competitors.

> *"Shabakat al-alakat helps me to find information about the market and its news. It helps me to know the direction the market is going. For example, the people in my network might tell me that there is another shop sells this thing for four pounds while I sell it for five. This knowledge is very useful. Or sometimes I find people to tell me about my competitor selling a new product; I have to get it because it is very good.*" Interviewee no.8, practitioner.

> *"So we can say that it provides good sources of information. But it is only worth something if you pay attention to that information, and take it into account when you are making decisions."* Interviewee no.7, practitioner.

Only one of the practitioner interviewees argued that *guanxi*-type relationships are not a reliable source of information.

> *"The information provided by shabakat al-alakat could be unreliable. It is difficult to depend on this information because we haven't a reliable source of information and also it's hard to get."* Interviewee no.15, practitioner.

However, other respondents indicated that the information reliability depends on the source of the information and the reliability of the person delivering it. Interviewees pointed out that they knew exactly where to get the right information. They only accepted information from the right person, whom they fully trusted and with whom they had good experience.

Fourth, *shabakat al-alakat* is a way to promote the new companies at start-up through the members of the social networks of the owner or employees, to let people know about a company starting up, to attract new customers and to inform customers about the company, its products, its location and more.

> "*No customer will have confidence to deal with a new company, thus I have to start with my network of relationships: relatives, friends, etc.*" Interviewee no.17, practitioner.

> *"The relationships will help at the beginning when opening a new company. Because it takes time for people to know about it, I depend firstly on my personal relationships to make them aware of my company, as they are guaranteed to come and buy from me. Also they will tell others about the company."* Interviewee no.8, practitioner.

> *"I think that shabakat al-alakat helps to provide knowledge and creates customers awareness about my company through word of mouth."* Interviewee no.9, practitioner.

An academic interviewee gave the following example about the use of a new social network like Facebook as an easy method to facilitate access to the largest number of consumers. Also the same interviewee indicated that the network of relationships is an important factor for small companies' survival and growth, especially as small companies do not have a large budget for advertising and marketing.

> *"There is another example on Facebook, which is mainly a social network and used as a vehicle for propaganda. When you get an invitation on Facebook about any small project, subscribe to the group or page of the project, watch the number of consumers when you subscribe and after one or two months, you will find that the number has increased greatly, which means that they really have an extensive reach. For example, I received an invitation for a spa project, when I subscribed the number of subscribers was 73, and after a month they were 400. That is a good reach, and while some people didn't try the products, at least the network had expanded and more people were aware of the project. Mainly, Facebook is a social network and it will be very useful when you use it."* Interviewee no.4, academic.

Fifth, *shabakat al-alakat* helps in increasing company sales and profits, gaining valuable feedback, and retaining customers over long periods of time. All that will assist the company to survive, succeed, and compete as well.

> *"My relationships can enhance my profits and sales. For example, in my firm [cars' spare parts] I have personal relationships with a lot of owners of other firms like mechanics, electricians, etc. They send me customers from time to time."* Interviewee no.7, practitioner.

> *"One of the basics of using a relationship network is increasing sales and profits. It also helps me in getting feedback, so I can improve my production and avoid defects; thus it helps the company to keep customers for a long time."* Interviewee no.19, practitioner.

One practitioner clarified that relationships helped him to open new markets and increase exports, and hence, sales and profits.

> *"The relationships helped me with exporting to Saudi Arabia. I used my family relationships in reaching new customers in Saudi Arabia. So it helps me importing and exporting."* Interviewee no.15, practitioner.

Sixth, *shabakat al-alakat* can help in getting the materials, especially in times of shortages and insufficient materials in the market.

> *"My relationships distinguish me from other people in the same types of business, and I can often get materials when other people can't.*" Interviewee no.10, practitioner.

Seventh, *shabakat al-alakat* will help companies recruit the right employees. The companies always use *shabakat al-alakat* of owner(s), manager(s), and employees to get the right new people (employees). Moreover, companies are now looking for employees with good social networks because employees who come to the company with their customers or their wide range of relationships and networks will benefit the company. On an individual level, people use their relationships and their social network to help get jobs.

> *"When we are looking for an employee; we find one of our network recommend people for us, thus we expect this person to be good."* Interviewee no.21, practitioner.

> *"We recruited one of our employees because his relationships with people in the market were great and very useful. His relationships make us need him. As I said, it is the capital. Therefore I advise making use of and recruiting people who have a lot of relations."* Interviewee no.20, practitioner.

Eighth, good relationships with customers can make customers forgive some mistakes or any problems that occur with the company, especially in the case of SMEs.

> *"Your customers are more likely to forgive you when mistakes happen if you have a good social relationship with your customers and have a good relationship with them, thus dealing with any problems will be easier. If any mistake is made by a worker in a store, which sometimes happens, I find that the customer calls me and tells me that he went to the store and faced a problem, instead of leaving my store and switching to another store"* Interviewee no.18, practitioner.

Ninth, it is considered a sort of trust among people. Egypt is a low trust community, so people depend on their relationships and acquaintances, as cheating is widespread. They turn to their acquaintances and relationships so as not to be cheated.

> *"When I want to get something that I have no experience of, I may look for one of my relationships so as not to be cheated. The most important thing about people in my network is trust."* Interviewee no.16, practitioner.

To sum up, the comment below generally expresses the importance of *shabakat al-alakat* in Egypt.

> *"In general, shabakat al-alakat is very important in Egypt where it can be used to achieve many benefits for people. In Egypt, this type of relationship is a core concept. Without it there would be no business…"* Interviewee no.11, practitioner.

On a different note, the literature of Chinese *guanxi* indicates that *guanxi* helps in establishing a company's good image and reputation in the marketplace and amongst its competitors. Ten of the interviewees did not agree on this point and thought *guanxi*-type relationships in Egypt did not help in this way. One of them said:

> *"No, to build image you need a better strategic plan than just using your relationships. The strategic part needs to expand your image. You depend on relationships in the first stage of the firm's life...So these relationships help sales in the early stages. But that won't be enough to build a good image and reputation."* Interviewee no.8, practitioner.

Moreover, the literature points out that *guanxi* helps companies in collect monies in arrears and late payments by customers. The respondents' answered that this could happen sometimes, in very rare cases, when a company employee who collects outstanding payments has a relationship with the late paying customer, but it is not common.

Finally, it can be concluded that using *guanxi*-type relationships *shabakat al-alakat* yields a long list of benefits, including removing governmental obstacles and routine, providing useful information about new governmental policies, market conditions and competitors, promoting companies, attracting new customers, increasing company sales and hence profits, and retaining customers over a long time. All these benefits and more finally result in companies succeeding. Accordingly, all the interviewees considered *guanxi*-type relationships an important element for conducting business in Egypt and a necessary condition for achieving business success.

4.8. The disadvantages of *shabakat al-alakat*

The literature of Chinese *guanxi* indicates two disadvantages of using *guanxi* in business as a marketing tool; it is time consuming and expensive. The interviewees were asked about the disadvantages of *guanxi*-type relationships in Egypt. Twelve of the interviewees agreed that using *guanxi*-type relationships or *shabakat al-alakat* in Egypt was not expensive and five of them agreed that it is time consuming when used in business as a tool for marketing, although they added that any type of marketing is time consuming.

> *"I don't think that using shabakat al-alakat in marketing may be expensive. All we need is some inexpensive tools like computer or some simple stuff."* Interviewee no.7, practitioner.

> *"Any type of marketing will be time consuming but if other marketing strategies aren't an option, then using the shabakat al-alakat in marketing is time consuming as well but still a good option, especially for small projects because the budget and other resources will be limited and that will be a good tool."* Interviewee no.1, consultant and expert.

Furthermore, the *guanxi*-type relationships in Egypt could be a double-edged sword that expels customers rather than attracts them.

> *"If trust is misplaced or the company's products are not good, then it is over. The relationships network will become a double-edged sword, so that if the company is a good company, the customers will bring others and if it's not a trusted company, the customers within the same shabakat al-alakat will inform each other through negative word of mouth, then take away and escape from the company."* Interviewee no.18, practitioner.

Moreover, sometimes *guanxi*-type relationships in Egypt are used unethically and encourage corruption, nepotism, and favouritism, especially when people try to ask for something that is not their right or unethical.

To sum up, *guanxi*-type relationships in Egypt have many advantages but they also have certain disadvantages. Applying *guanxi*-type relationship as a marketing tool is sometimes considered time consuming. Also, *guanxi*-type relationships in Egypt could be used in unethical ways. Moreover, *guanxi*-type relationships can be reversed and become a way to drive out the customers rather than attract them.

The next part of this chapter will discuss the steps of the proposed research model. The interview process tried to explore the steps of the research model and its applicability and effectiveness for the Egyptian SMEs.

4.9. The role of *shabakat al-alakat* in attracting new customers

The first step in the proposed research model suggested the use of various bases of the *guanxi* (e.g., family, friends, locality, and colleagues) of firms' employees to attract potential new customers to the organisation. This step was considered by all interviewees (experts, academics and managers of SMEs) as a very important one for the company, particularly at the beginning of the company's life.

Respondents' stories reveal that their firms' beginnings were with relatives, family, friends, classmates, colleagues, as well as with the social networks of those people; in other words, everyone they were acquainted with. In this regard, some of the respondents explained:

> *"When I started this project, I started talking to my relatives, family and acquaintances. My work began through those people (who are my relatives, friends, brothers and acquaintances). At that moment, I began to have new customers who came to know me through the work that I did with my network. Also, the first customer was one of my acquaintances."* Interviewee no.17, practitioner.

> *"Shabakat al-alakat helps in attracting new customers, whom I don't think will be one of my customers, but yesterday I was surprised that one of my friends called me saying 'I will come to you after a while with a very important businessman wants to buy from your company'."* Interviewee no.15, practitioner.

> *“Using shabakat al-alakat helps me to get new customers and keep the existing ones. I have seen how a company spreads just because of the use of social network.”* Interviewee no.18, practitioner.

During the interviews, the practitioners highlighted many important points. *First,* using *shabakat al-alakat* helps SMEs at start up time. People from the owner/s and employees’ networks will be the starting point and the true nucleus for the company starting. The owners depend on those people at the beginning to consume the company’s products and services as well as to promote the company and attract new customers. *Second,* using *shabakat al-alakat* helps in attracting high value customers, which could significantly increase the companies’ sales and profits. *Third,* using *shabakat al-alakat* helps in retaining current customers and making them more loyal. Finally, using *shabakat al-alakat* is considered to be a form of competitive advantage.

Moreover, the practitioners argued that large companies also use the social networks of their employees and existing customers to attract new customers, it does not only happen in small and medium companies. Also, large companies use this way of attracting new customers when introducing new products or services. As one of the interviewees said:

> *“Here in Egypt there are very big and a multinational companies like Oriflamme and Avon for cosmetics and CIB bank, applying this idea and benefiting from our cultural specifications, characteristics and nature to attract new customers and promote new products or services through using the social network of relationships for their employees and customers. Yes, small companies are in more urgent need of applying this idea and need a scheme like this to help but the large companies also apply it.”* Interviewee no.20, practitioner.

In support, of this view, all the 21 interviewees noted that in Egypt, firms always have an opening ceremony or an inauguration party and try to attract as many people as they can invite to attend it. This party will let the people know about the company, its products or services and its location. People who attend this inauguration party are the owners’ and employees’ friends, acquaintances, family, relatives’ families and their wives' families. In the Egyptian culture, people who attend this party will feel a kind of obligation to help this company, especially at the beginning and will try to buy from it; they will also tell others about this company and encourage them to buy from it. Also in Egyptian culture, people may be reluctant to buy their products from different sources while there is a member of their social network dealing with the same products. The idea of an inauguration party is very useful, particularly as the firm may expend the entire budget in preparing the shop decoration and buying the stock. Thus, there will be little advertising because the budget is insufficient and the main expenditure is on the inauguration party. Below is one of the practitioners' stories.

> *"At the beginning I depended on my relationships as my advertising wasn't strong because there wasn't enough money for advertisements as a result of spending most of the money on preparing the shop and buying goods [stock]... In this way, I tried to attract a huge number of people I knew to the opening ceremony or inauguration part...the advantages of this inauguration party are to let people know where the shop is and so people who came to the opening ceremony tell other people whom they know about my shop. People who came to the opening ceremony were my friends, acquaintances, family, relatives' families and my wife's family as well as new people came because I distributed few advertisements (flyers) in many places and through my relationships. Also I asked my employees to invite their relatives, families and neighbours."* Interviewee no.8, practitioner.

One of the practitioners mentioned that a good, strong, and wide social network is not used only to promote companies and attract new customers when starting a new business, but also could encourage people to start a business and they could benefit from this network as social capital and use it to help company to succeed. This idea was supported by one of the academics, who specialised in SMEs.

> *"I consider my father the core of my investment. My father has thirty five years experience of working with dentists. He has credibility with his customers because he is honest in his dealings. I derived benefit from him and considered him my fortune or the capital that encouraged me to begin my business with. That's because I began my business with ten thousand pounds only plus my father's social relationships. My father's social capital is really a fortune, because I began working in a type of commerce that I didn't know about, but the relationships facilitated everything for me. So the real core of investment in my company is my father's relationship network. It was the core of the investment, not the money. Firstly, the relationship between me and my customers depended on my father's relationships and then it transferred to me. So now it has become my own."* Interviewee no.11, practitioner.

> *"Sometimes people are encouraged to start a business or a small business just because they have a very big social network and other people are always asking them to promote their projects through their network."* Interviewee no.4, academic.

To sum up, the interviewees indicated six main points: *first*, the existence and importance of *guanxi*-type relationships in Egypt and their part in the Egyptian culture; *second*, the use of *shabakat al-alakat* in business in Egypt; *third*, the use of *shabakat al-alakat* in attracting new and valuable customers and in encouraging the current customers to repurchase; *fourth shabakat al-alakat* is used in both large and small companies; *fifth*, an inauguration party is a part of Egyptian culture used as a first step to introduce the company to potential customers and to attract new customers, and; *finally*, having strong and numerous relationships and networks could encourage people to start new businesses.

4.10. Types of relationship marketing investment programmes in the Egyptian SME sector

In broad terms, relationship marketing investment means that the seller makes an additional effort, adopts policies, and provides small favours or considerations, such as meals, gifts, or personalised notes, to generate customer gratitude, which leads to reciprocal behaviour and customer retention (Palmatier *et al*., 2009). There are three types of relationship marketing investment programmes. Social investment programmes involve meals, VIP treatment, keeping in touch, and entertainment; structural investment programmes involve tailored order processing systems, specific staff members, and customized packaging, and; financial relationship marketing investment programmes involve free gifts, discounts, membership, or other financial incentives that encourage customers to re-purchase.

After new customers engage in a first transaction, in the third step of the proposed model, firms begin applying relationship marketing investment programmes (structural, financial, and social programmes) as a type of inducement or customer relationship investment. Such programmes try to encourage the customers to purchase again from the company, further linking the customer to the overall company. Both Doney and Cannon (1997) and Palmatier *et al*. (2006) demonstrate that relationship marketing investment programmes help build relationships with customers and/or other organisations. Palmatier *et al*. (2009, p. 13) also demonstrate that relationship marketing investment programmes positively affect customers' "feelings of gratitude," which in turn lead to greater customer purchase intentions.

The interviews explored the type of relationship investment programmes used in SMEs in Egypt and the component of each type of programmes according to the nature of Egyptian culture and SMEs.

First, financial programmes

Practitioners were asked about the type of financial programmes they used with customers. A few practitioners did not apply this type of programmes, while the majority used them. Below are some stories of practitioners, which clarify the components of the financial programmes used in the Egyptian SMEs and their influence on the customers.

> *"I give free products such as gift sprays and car air-fresheners as gifts to any customers that come to buy. It is essential because my company specialises in car accessories. Also I always introduce offers on my products. I also try to give something useful for customers."* Interviewee no.7, practitioner.

> *"I have been responsible for free maintenance for a long time, more than two years which makes the customer very happy and loyal. Also it makes my customers recommend me for any work."* Interviewee no.10, practitioner.

> *"Sometimes we give a free product to important consumers. I do that because I want to keep them and want to get more work with them. We also give useful gifts at Christmas, like calendars, diaries, clocks and pens as well as calendars with the Ramadan fasting timetable [also considered a relationship marketing social programme]. This stuff is also a type of advertising and has a great impact on customer retention."* Interviewee no.16, practitioner.

> *"In our company we give tickets for theme parks like Dream Park [also considered a type of social programmes]. It is a way of building and maintaining the relationship with the customers. The customers should always feel that the company gives those benefits and thinks about their welfare. It is along the lines of keeping the customers reminded of you."* Interviewee no.20, practitioner.

Interviewees indicated that the financial programmes in the Egyptian SME sector include free products or simple gifts, free services like delivery and maintenance, discounts, credit facilities and special offers. Moreover, the practitioners indicated that the aims of applying the financial programmes are to strengthen the relationships with the customers; encourage the customers to re-purchase and recommend the company to others. Every company tries to make the customers feel that they get different treatment than they would get from other competitors. Also, the nature of the Egyptian customers is to love free gifs, products or/and services over and above what they asked for. These make the customers feel that the company appreciates them and increase the customers' feeling of gratitude.

Three of the practitioners indicated that business customers prefer to have financial rewards only, rather than any other form of reward.

> *"My customers would be happier taking financial rewards in many forms. For example, I give them a discount, I give them an extra period of time for credit without any interest, a fixed price for a long time, I do not ask for 50% cash when signing the contract like other competitors, and we offer storage facilities for some customers in certain circumstances"* Interviewee no.16, practitioner.

The interviewees pointed out that business customers always prefer to take the rewards in the form of financial rewards rather than any other forms of rewards. They like to have commissions in cash every period of time according to their purchases, price discounts, or deduction from their credits.

The interviewees also stressed the point that the rewards in financial programmes should be the same to all the customers in the same category. That is, customers in the same category should have the same type of discounts and offers, without any preferential treatment.

> *"We try not to favour one customer over another in monetary terms, especially if they are in the same category of customers. So when we give discounts, we try to make them the same for every person in the same category. Otherwise we will lose the customers' trust."* Interviewee no.13, practitioner.

It is very clear from all the above quotations that companies provide relationship marketing financial programmes to strengthen, enhance and improve the relationship with their customers. Moreover, they do so to make the customer repeat purchases from the company and become more satisfied and loyal. Also companies should be aware of the type of financial rewards which their customers like.

Only one of the practitioners indicated that he never used financial programmes. He never gave any incentives, gifts or free products to customers. Also, this practitioner never undertook any type of relationship marketing programme. It is also important to notice here that this practitioner also expressed that his company suffered from some difficulties and problems in marketing to and keeping customers.

> *"This never happens in our company except rarely with some business customers who buy from us as dealers and those who buy from us regularly. They don't buy from anyone else or we represent a big share in their business; but we don't do this with any customer else."* Interviewee no.15, practitioner.

***Second,* social programmes**

Practitioners indicated that the managers of SMEs in Egypt also apply relationship marketing social programmes, such as special treats, invitations to meals, social gifts, invitations to holidays, invitations to theme parks and places of entertainment and mini *hajj*. All these incentives aim to strengthen the relationships with the customers, and link the customers to the company. The following quotations clarify the types of social programmes, which apply in SMEs in Egypt and their influence on the customers.

> *"In Ramadan I invite customers for 'Eftar Ramadan' [dinner]. So it is considered a social thing and allows us to deal with each other far from the work environment. This makes people become closer to each other, and it consolidates our relationship."* Interviewee no.7, practitioner.

> *"We have a two-day summer break every year for a lot of our customers. We invite them to have lunch and meet them. This meeting is annual for all the customers. It makes a kind of connection between us and our customers. So they feel pleasure as we show a special interest in them. By doing this we strengthen our relationships with the customers."* Interviewee no.19, practitioner.

> *"We send a message to our important business customers on their birthdays wishing them a happy birthday. Also we contact them at every occasion like Christmas and Eid. We do marketing things to strengthen relationships and we keep cordial relationships. In this way, we tell them that we are appreciating them and thinking of them and remembering them all the time."* Interviewee no.16, practitioner.

Interviewees indicated that the social programmes in the Egyptian SMEs sector include invitations for lunch, dinner, trip and contacting them on the social, religious, private and public occasions. Moreover, the practitioners indicated that the aims of applying social programmes are to build good relationships especially with the business customers, to make the customers always feel that the company remembers them and shares with them every event or occasion.

One of the practitioners indicated that choosing the type of relationship investment related to religion has a great influence on their relationships with the customers. This point of view may be regarded as right or wrong but he used this type of relationship investment programmes and they succeeded in attracting customers and keeping them.

> *"We invite 5 of the most important merchants to make a mini hajj [Omra].You know that we are religious people. Religion is the most important thing to us and you can attract us through it."* Interviewee no.19, practitioner.

Third, structure programmes

Structure programmes are mainly related to business customers, but also applied to consumers. The practitioners indicate that the managers of SME in Egypt also apply relationship marketing structure programmes. The following practitioners' quotations clarify the type of structure programmes, which are applied by SME in Egypt and their influence on the customers.

> *"If the customer asks for something and it doesn't exist at the moment. We try to find it from different source or do quick order for him. That gives the customer the impression that we want him to stay with us as a customer and we always want to make him satisfied."* Interviewee no.7, practitioner.

> *"We sign contracts with our customers for a huge quantity to let them benefit from a quantity discount but we do not force them to take the whole quantity at one time and store it. We offer storage spaces for them and the customers can receive the goods in instalments when they need them."* Interviewee no.16, practitioner.

> *"I can provide customers with any information or report they need as I have a computerised system that depends on recording every tiny thing."* Interviewee no.11, practitioner.

The practitioner interviewees indicated that relationship marketing structure programmes include special value-added benefits such as inventory control, providing products or services from other sources to resolve the customer's problem, providing special reports or transactions and personalised information, customised order processing systems, technology investments, dedicated personnel, and tailored packaging. They apply this type of programmes to strengthen relationships with the customers, and link them to the company.

In respect of all types of the relationship investment programmes, one of the interviewees indicated that applying relationship marketing programmes is important not only for new customers who have made a first purchase, to encourage them to continue with the company, but in fact the most important thing is applying this type of programme to customers who remain with the company for a long time as a type of reward to them for their loyalty. The customer who re-purchases from the company and keeps being a customer of the company deserves to benefit from promotions and all the types of relationships investment programmes introduced by the company.

> *"Note that my customer, who receives real benefits, is the permanent customer who has a long relationship with me. As a result of this, I can give him discounts, free delivery and maintenance because he becomes my customer. This happens if we have a long relationship with each other and not for those who just buy something and go."* Interviewee no.11, practitioner.

To sum up, it is very clear from the above discussion that Egyptian SMEs are applying relationship marketing investment programmes to (i) attract new customers and make them re-purchase as well as to (ii) retain and keep old customers and make them more satisfied and loyal through strengthening, enhancing and improving their relationship with them.

4.11. Key variables of relationship marketing in the Egyptian SME sector

In the fourth step of the proposed research model, after the customer repeats purchases, the company applies relationship marketing, which "goes beyond inducements and repeat purchase behaviour" (Sheth and Parvatiyar, 1995b, p. 256). Here, the goal of relationship marketing is to transform the personal relationship between the customer and the company representative to an organisational relationship between the customer and the organisation. Such a transformation aims to maintain and enhance the relationship with the customer over the long run. Doing so enables firms to avoid the potential pitfalls of applying *guanxi* solely and to reduce the problem of losing the connection with the customers when the employee who brought *guanxi*-based business leaves the organisation (Arias, 1998).

Many studies view relationship marketing as a multi-dimensional construct that can be measured through a number of variables. All these variables are viewed as components of relationship marketing (Grossman, 1998; Morgan and Hunt, 1994; Ndubisi and Wah, 2005; Wong and Sohal, 2002). The interview protocol posed several questions to investigate variables that arise in the literature and decide which variables are most suitable to the Egyptian culture. According to the data analysis the variables of relationship marketing in Egypt are as follows:

4.11.1. Organisational trust

Trust between the company and customer refers to the extent to which each partner can depend on the promises given by the other partner or the ability to depend on an exchange partner in whom one has confidence (Sin *et al*., 2002)

The interviews aimed to explore the nature of organisational trust in Egyptian SMEs and to determine whether companies were aware of this concept and tried to build it with customers. They aimed to discover how a company can build trust, what the consequences of trust are, and what leads to the loss of trust.

All the interviewees agreed that trust is a very important variable in the relationship between the company and its customers. They were also aware of the importance of building trust with their customers.

> *"Trust is a basic thing that all companies have to build with the customers to continue. For example, you make a deal with some conditions you have to fill these conditions rightly. Any customer trusts that we won't swindle him."* Interviewee no.10, practitioner.

The practitioners indicated that organisational trust depends on the previous dealings.

> *"The trust may grow through my work. This will happen through fulfilling all my promises related to offering a good product of high quality and good service after the sale, and all of this must be at a price suitable to the customer's budget."* Interviewee no.11, practitioner.

> *"With good management over everything in the company the customers will feel trust. If there is a control over doing the work inside the organisation, follow up with the customers, solving and avoiding any problem and quality assurance."* Interviewee no.19, practitioner.

According to previous dealings with the company, customers will be aware of honesty through these dealings with the company, they will trust the company and prefer to repurchase from it again without any problem. In addition, the respondents indicated that trust is a result of fulfilling all the company's promises, starting by providing good-quality products and ending with after-sales service. From the interviewees' responses, it is very clear there is a correlation between relationship marketing constructs, whereby conflict handling, communication, following-up and giving information all help in building trust with the company. Good management of the work within the company will also help in building trust with customers.

Moreover, interviewees indicated the importance of trust in supporting the work in SMEs in Egypt.

> *"Some people come and make an order and tell me to do whatever I think is suitable and that's the result of trust, previous experience and dealing with me several times. This way makes doing the work very easy. Also, I will recommend the best and most suitable thing for him because I know what he may like and what may suit him."* Interviewee no.16, practitioner.

> *"It is a natural thing. The customer wants to find a person whom he trusts to facilitate his work. I also need to attract this trust to facilitate my work and make doing the work easy."* Interviewee no.19, practitioner.

The respondents clarified that once trust has been established between the company and the customer, doing the work and serving the customer will be easier than work without trust, as the customer trusts the service or product provider's opinion and suggestions to do what is right, especially as the work in SMEs is more customised than standardised.

Furthermore, almost all of the practitioners expressed the advantages of building trust with customers.

> *"I shouldn't deceive customers and have to be honest with customers to gain money from them again; if there is no trust between us, there will not be continuity. So, we are trying to establish trust with the customer to have continuity and be comfortable working together. Trust is the basis because I want him to come again and to continue working with me. Then, if there is trust, the customer may make his request and he doesn't have to follow up his request while it is being processed."* Interviewee no.18, practitioner.

> *"...when the customers trust me, the next time they will come and will not give any consideration for competitors, and they won't ask to observe the work, because there is trust between us."* Interviewee no.17, practitioner.

Respondents indicated that once trust is built, the customer feels comfortable and will prefer to deal with the company again, which means an increase in customer retention. Moreover, trust will lead to benefits for both the buyer and seller, as the buyer will reduce the risk of dealing with new sources and the effort of looking for competitors. Thus, it will save their time, effort and money. In turn, the seller will enjoy customer retention, and increase sales and hence, profits.

Another two practitioners state that once the customers have trust in the company then they will recommend the company to others and they will (according to their experience) talk about the company positively. Positive word-of-mouth about trust can make new customers go to try the company and its products.

> *"I send an e-mail to our customers about offers or new products and collections. Those customers who trust us usually forward the message to other people with the recommendations that this company is a good company and they trust it."* Interviewee no.13, practitioner.

Another benefit of building trust was mentioned by one of the practitioners.

> *"...you can ask the customer about their feedback. As a result of trust, they will give their feedback and will talk freely about problems. Also they will feel that the company is very close to them. As a result of this, they will speak very honestly."* Interviewee no.19, practitioner.

The manager indicated that trust between company and customers could help the company to obtain feedback about their work, as trust will encourage customers to give real feedback and will allow the company to trust this feedback and count on it. Respondents also suggested that one of the ways to build trust between company and customers could be to ask customers to give feedback. After gaining this, the company will try to work on its defects and problems.

Another two of the practitioners' interviewees brought up an important point about the company representatives or sales persons, who should keep and protect customers' trust and not make any false claims or promises, in order not to lose the trust between the company and the customers. Customers think that a good company has good representatives, while a bad company has bad representatives.

> *"...the company representative is considered to be the image of the company. This representative must be respectable, honest, and make good relationships. If he isn't like that, the work will fail. If he is dealing with them in a bad way, they will say that the company is bad."* Interviewee no.7, practitioner.

> *"Good companies should follow up and ask if the representative was good, if he had dealt with the customer well or badly. Follow-up doesn't mean that there is no confidence in the representative, but leads to building trust with the customers. Follow-up helps the customer to know that there is good control in this company and if anything happens, it can be managed."* Interviewee no.19, practitioner.

The previous quotations indicate that the company should carry out follow-up with its customers for everything: the products, the stock, and even the behaviour of the representative. The follow-up is a new variable related to SMEs in Egyptian culture, as shown in the interviews, and will be discussed later in this chapter. Follow-up helps in building and keeping trust in the company.

One of the practitioners shed light on an important point, which is that if the company cannot build trust or if trust is lost after a while, the company will lose a lot.

> *"If trust is misplaced or the company's products are not good, then it is over. the relationships network will become a double-edged sword, so that if the company is a good company, the customers will bring others and if it's not trusted company, the customers within the same shabakat al-alakat will inform each other through negative word of mouth, then take away and escape from the company."* Interviewee no.18, practitioner.

As trust plays a role in the relationship between the customer and the company, so too does trust play a role in keeping customers and making them bring and attract others through word-of-mouth. However, trust can play the opposite role, as if there is a lack trust or if the trust is lost, the same customer will do the opposite; the customer will leave the company and will encourage others to leave the company.

To summarise, trust is one of the important components when applying relationship marketing in SMEs in Egypt. SMEs in Egypt try hard to build trust with their customers, as they are aware about the consequences of building and losing trust. Trust and other components of relationship marketing finally lead to building a good relationship with customers. Establishing trust with customers will increase customer retention and also will make them recommend the company to other customers.

4.11.2. Commitment

Commitment is another important variable for the relationship marketing concept (Dwyer *et al*., 1987; Gundlach *et al*., 1995; Morgan and Hunt, 1994). In the field of marketing, commitment is defined as a continuing desire to maintain a good relationship on the part of both the company and customer (Moorman *et al*., 1992).

More than three quarters of respondents indicated that commitment is one of the most important variables of relationship marketing as it plays an important role in the relationship between company and customers.

"Sometimes one of the customers asks for something that I do not have... but I can get it in a week. A good relationship will make him committed, wait and be patient and he will not become angry because I don't have it right away or I am late in bringing it." Interviewee no.7, practitioner.

"There are customers who wish to be associated with and committed to us. They make an effort to be associated with our company. If someone comes to them asking to do their work, they will tell him that they work with our company. I mean that the customer is committed. It reaches the extent where, if he hears something bad, he will defend us." Interviewee no.16, practitioner.

"I feel that I am committed by giving the customers good products and services and that the customers are also committed by buying from me and never going to anyone else." Interviewee no.11, practitioner.

In SMEs in Egypt, commitment is one of the most important factors in the relationship with customers. Managers are aware of its importance. In SMEs in Egypt, the initial reason that will make the customers have the desire to buy from the company and maintain a good relationship is the relationship with the owner or employee/s of the SME.

One of the interviewees talked about the commitment among business-to-business customers and indicated that continuous communication and follow-up with the customers will increase the commitment.

"Continuous communication and follow-up with the customers will make me uppermost in his mind and he won't go to another competitor. He feels that I am committed to him and he is committed to me. So I try to make him committed because if a recession comes, he will sacrifice some companies, but I won't be the company that he will sacrifice because he will stop working with the company that gives the poorest service and not with those companies that have a continuing relationship with him." Interviewee no.19, practitioner.

Accordingly, the customers become more committed to the SME in Egypt when they believe that more value will be gained from this organisation, which consequently affects these customers and makes them more willing to make an effort in return for the rewards they have previously obtained.

In conclusion, commitment is one of the most important variables to apply relationship marketing in SME in Egypt as it plays an important role in making the customers wish to continue a relationship with the company. Moreover, continuous communication and follow-up with the customers will maintain a good relationship with the customers, keep them committed to the company, and give them the desire to buy from the company.

4.11.3. Communication

One of the most important variables of relationship marketing is communication, which reflects the company's capability to offer valuable information to their customers at a suitable time (Ndubisi, 2007). Twelve of the practitioners interviewees declare that in the SME, communication involves sending text messages on the customers' mobiles, calling them, and sending e-mails.

> *"There are basic things that I must take from the customers. I take his mobile number and e-mail. I have software that I put all the details on. I do a lot of work on these things, when I have a new offer, the software sends the information about it to all emails and mobile numbers that I have."* Interviewee no.13, practitioner.

> *"I have a very easy way of communication with customers. As a small business, I can buy a computer and put data on it. Then I send a message to my clients telling them that I have a new offer and goods and I send a text message because some of those people don't have e-mails but of course they have mobile phones. Everyone in Egypt has a mobile phone."* Interviewee no.7, practitioner.

The respondents clarified that they usually communicated with their customers through emails and mobile phones, which are very widespread among people in Egypt. It is a very important way to deliver information to customers at any time and any place. The communication usually includes information about the companies' products and offers.

Three of the respondents indicated the type of information which they provide to the business customers.

> *"I can provide the customers with information about their previous dealings with my company at any time. For example, how much they paid to buy materials from me at the end of the year. Every single detail, even if it is very tiny, is recorded on my company system."* Interviewee no.11, practitioner.

The respondents declared that the communications with business customers also take the form of providing details about previous business deals. Communication also means providing special or personalised reports, special news and any transaction information.

In Egypt, SMEs communicate with customers not only to give them important or valuable information and reports but also to greet them on special occasions. In this way they try to strengthen the relationship with the customer and make the relationship more informal than formal.

> *"I communicate with the customers, especially on special occasions. I mean things that haven't any relation with work. I do this to make them feel that I care about them and our relation becomes more than work-related."* Interviewee no.10, practitioner.

> *"We call the customers asking about their health, saying 'How are you? We send a message to our important customers on their birthdays wishing them a happy birthday."* Interviewee no.16, practitioner.

Furthermore, communication not only plays a role in delivering valuable and worthwhile information or strengthening the relationship with the existing customers, but can also help in attracting new customers through sending information to people likely to be interested.

> *"One day, my friend, who works in a pharmaceutical company, came to me and he had a new Nissan car. I asked him about those who received Nissan cars from the company and began calling them. I sent messages to those people. Many people didn't know me but they came to my company after receiving the text."* Interviewee no.7, practitioner.

Interviewees pointed out that communication with customers is sometimes more effective and important than advertisements on the street, news or T.V because the company gives the information directly to the target customers in the expectation that they are interested and also because customers may play a role in directing this information or these offers to others who may be interested as well.

> *"I send an e-mail to specific people. I mean that I direct the advertising to those who are likely to be interested in it. They are also previous customers of our company. They have dealt with us and are interested in this issue, or even if they aren't interested in this issue now, they can deliver the information to those who are interested."* Interviewee no.14, practitioner.

Moreover, practitioners reported that communication and sending information should not be random, and should be directed to specific customers who are likely to be interested in this information and will benefit from it. Thus, customers should be classified according to certain criteria and the information sent according to this classification. This type of communication will make the information sent valuable and worthwhile.

"I make classifications of my customers according to car type. When I have a new thing about a Mitsubishi Lancer car (for example), I send messages to those who have this car. When I have something useful for any car, I send messages to all customers. I call and send them messages." Interviewee no.7, practitioner.

"I send e-mails to different categories of customers. Once I have a new product or collection or just want to provide information I decide which categories I will contact regarding this update then I contact them." Interviewee no.13, practitioner.

Interviewees also expressed that the communication between customers and company is bi-directional.

"If anyone wants to reply on our e-mails, of course we receive the e-mail and reply to it." Interviewee no.13, practitioner.

On the other side, two interviewees indicated that they had just started to communicate with customers recently, while another stated that he did not do so regularly.

"We communicate with the customers but not in a big way. I mean that if I have 500 customers, I only follow five or six of them. It isn't a connection." Interviewee no.15, practitioner.

This means that most of the interviewees practised communication and knew the value of communication and its influence on customers, while only three did not realise the value of communication with customers.

It can be concluded from the interviews that communication is also one of the important variables of relationship marketing. Communication involves providing useful information about companies' products, offers and previous business deals as well as sending greeting, congratulations, condolences and sympathy to customers in various events. The communication always happens through calling the customers on their mobile phone, sending text messages and sending e-mails. Good communication will strengthen the relationship with the customers and could play a role in attracting new customers

4.11.4. Conflict handling

Conflict handling refers to the firm's ability to minimize the negative results of observable and possible conflicts by avoiding and solving conflicts before they create problems, as well as discussing solutions in an honest way when problems occur (Dwyer *et al*., 1987).

The interviewees indicated that conflict handling is one of the most important variables of relationship marketing.

> *"I try to handle problems to the best of my ability. That is because I can't lose all that I have built up with great customers, but I also solve problems that appear with small customers. Sometimes the staff can do that properly but they need time to think how to solve the problems or to get the manager's authorisation."* Interviewee no.15, practitioner.

> *"There are a lot of problems because you have a lot of work. We try hard to solve them but sometimes we do not succeed, maybe because we do not have a specific policy or because there is no specific role."* Interviewee no.21, practitioner.

> *"We try to solve the customers' problems because it helps the company to succeed. So we solve their problems to satisfy them. We try to make the customer feel that it is his company and if he has a problem, it will be solved. You must make him feel that he is entitled."* Interviewee no.7, practitioner.

From the above quotations, it is clear that although most of the companies tried to solve the customers' problems, sometimes they did not succeed for many reasons, such as the lack of a systematic way or plans to solve and handle common problems, and the lack of trained staff to deal with problems.

One of the practitioners shed light on the importance of good relationships with the customers in handling the customers' problems in SMEs.

> *"If any mistake is made by a worker in a store, which sometimes happens, I find that the customer calls me and tells me that he went to the store and faced a problem, instead of leaving my store and switching to other store. The customer calls me because he feels committed to the store and he is concerned about it. Sometimes there may be defects in the work or a problem or something that wasn't done well but if I have good relationship with the customers, they will feel that this store belongs to them and then matters will be easier."* Interviewee no.18, practitioner.

It is very clear that in SMEs, building good relationships with customers could help in conflict handling, whereas if there is a problem, the customer will contact the owner or the manager to tell him before taking any action to leave the company or complain to any official party. Thus, the manager can make a decision suitable for the case and if the customer is right or it is a valuable customer, the manager will handle the problem and make the customer satisfied.

Three of the interviewees indicated that sometimes they used problems and conflict as a source of building and strengthening the relationship with their customers, as they tried to solve problems in an innovative way and they benefited from that. The Egyptian people are emotional people and when dealt with kindly they will appreciate it and try to deal with the company again.

> *"I observe the work to discover and avoid problems later. I always have a plan for dealing with mistakes. There is competition in the market, so, I care about being unique in everything to keep my clients and get new clients. The ways used to solve customers' problems are what will distinguish one company from others."* Interviewee no.19, practitioner.

Also some of the respondents indicated that handling problems depends on the rank of the customer. If the customer is important, they have to solve their problem regardless of anything else, as even if they lose out in this transaction, in the future they will benefit from the customer's continued patronage. Important customers must be accorded special treatment.

In summary, conflict handling is another important variable of relationship marketing. However, most of the SMEs in Egypt do not have specific and systematic ways to solve customers' problems. Nevertheless, success in handling the customers' problems leads to strengthen of the relationship with them and make them satisfied.

4.11.5. Empathy

Twelve of the practitioners indicated that empathy is one of the variables included in relationship marketing and in their relationship with their customers.

> *"I must make the customer comfortable, happy, understand their needs and try to help in fulfilling these needs. I like listening to the customer speaking and discussing his viewpoint or trying to conclude from his speech what he wants to say and then trying to benefit from his talk. In small companies, to make customers comfortable you should listen to them and understand what they want to say."* Interviewee no.7, practitioner.

> *"The customer likes being comfortable and I understand that. The customer likes passing through the office (shop) orders what he wants. Then I will tell him that I'll get it and call him in a few days. Finally, he comes to take it directly and leaves. He doesn't need to wait. I have to understand that he is busy or does not have enough time or any other circumstances."* Interviewee no.11, practitioner.

The respondents thought that empathy is more important in SMEs in Egypt than to large companies. This is partly because of the small number of employees and customers; and because of the daily contact between the customers and the company owner, managers or employees. SMEs should understand the customers' desires and needs and respond to them. In addition, the interviewees stated that the importance of empathy appears clearly during conflict handling where the handler has to pay sufficient attention to the viewpoint of the customer and try to understand it. The viewpoint of the remaining practitioners was neutral, meaning they did not have a specific opinion about the empathy.

4.11.6. Equity

Equity ensures balanced gains, where sellers provide customers with satisfying goods and services in a pleasant environment and on their part, customers pay money in the form of the sellers' prices. It also involves balanced sharing of information (Ndubisi, 2003)

From the interviews, it is clear that equity is another important variable in building a relationship with customers in the Egyptian SME sector.

> *"I try as much as I can to be fair by giving the customer products that suit their budget. I try to make them feel that what I offer is fair and this is the reason for success and achieving a good reputation in the market."* Interviewee no.7, practitioner.

> *"The customer pays money and must feel that s/he is getting something in exchange for it. The one who earns fast will lose fast because he takes more than he gives. He makes twice as much money or more but after that his reputation collapses in the market."* Interviewee no.18, practitioner.

> *"I offer a service and take money; I think that is fair. I mean I think that the service that I offer is worth the money which I take and over and above that I give information and after-sales service and my good reputation gives the customer a feeling of security and fairness."* Interviewee no.11, practitioner.

The majority of the practitioners (18 of 21) were convinced of the importance of achieving equity in their dealing with customers. They also felt that this variable, equity, would help the company to build a good reputation and increase customer retention.

One of the interviewees explained how he always tried to be fair with the customers by giving them products worth what they paid.

> *"There is another thing, when a customer who thinks that when he gives the worker a big tip such as 20 Egyptian pounds the worker will do the work better and will add more value than what we agreed upon because he gave him a big tip. Then, I tell the customer that I am observing my workers and will not let this happen. It would be better for you if you add this tip to the price of the bouquet(then you will take more value) rather than paying a big tip like that, because a 2 or 5 Egyptian pound tip would be fine. I do this because I want to be fair."* Interviewee no.18, practitioner.

The above quotation indicates once again the importance of the control over the work in SMEs. Control and good supervision of the work in a SME will achieve fairness and will not allow any employee or worker cheat the employer or customers or take more or less than they deserve.

Fair price and fair value will enable both the company and customers to avoid any disputes or haggling about price. This will help both to save time, effort and money and will also reduce complaints and problems to the company itself or to the official body which looks after the customers' rights. As one of the practitioners expressed in the following quotation:

> *"This is my price list. For example, every category has a price and the discount ratio according to the quantity, so I try to make my price fixed so as not to enter into a dispute every time with customers about how much discount he can get. By doing this, I encourage the customer to buy three pieces instead of one piece. Fixed and fair prices save my time and effort and give me a good reputation."* Interviewee no.11, practitioner.

Three of the interviewees indicated that fairness has a religious origin. They therefore tried to achieve fairness not only to satisfy their customers but to do their religious duty.

> *"The origin of religious faith depends on justice, on justice in general, and in business, where it applies to money. The origins of Islam and Christianity depend on the point of justice; also there are a lot of admonitions on morality and honesty in Islamic hadith* [*the prophet's advice*]*."* Interviewee no.9, practitioner.

To sum up, equity is another important variable in building a relationship with customers in the Egyptian SMEs sector. Furthermore, equity will help the company to build a good reputation and increase customer retention through preventing cheating and achieving fairness. It will also reduce complaints and problems to the company itself or to the official body, which looks after the customers' rights. Finally, some people in Egypt try to achieve equity in their business dealings as a way to obey their religious instructions and do their religious duty.

4.11.7. Reciprocity

Interviewees indicate that reciprocity is something self-evident within the relationship with the customers. They also clarify that their customers have the ability to sacrifice for the company. There is a type of customer that prefers to buy from the company without comparing its price with other companies' prices, just because they expect more in the future. At the same time, the company could sacrifice for valued customers. For example, when a valued customer needs a product urgently and the company does not have it, the company tries to obtain the required product from different sources and pays for shipping and handling without passing these expenses on to the customer. Thus, they make a sacrifice now, expecting profits or rewards from the customer in the future.

> *"It would be wrong if a special customer came to my shop and didn't ask about the price and then found the same thing he bought from me somewhere else at a lower price. This would be really wrong, especially if it happened with an important customer. This customer must be given special treatment. Sometimes, I would sell something at cost price without making any profit. There is no problem if I lose as long as I will keep my customer."* Interviewee no.7, practitioner.

Moreover, relationship investment is also a type of reciprocity whereby the company makes some sacrifice and expects rewards in the future; this represents a type of reciprocity as one of the practitioners indicates in the following quotation. Relationship investment discussed earlier in this chapter

> *"I give my customers discounts and I also give them a longer period of time of credit. We do that because we do not want to lose them and as a type of reciprocity and the customer also reciprocate with us by keeping buying from us."* Interviewee no.20, practitioner.

Furthermore, the company is willing to make sacrifices and take on the burden of cost just because they expect a reward from these customers to be taken or received later and want to keep them.

> *"I can't lose a customer because he returns sub-standard products to me. If he is a good customer, I will give him his money back because of the long relationship with him, so it will pay me in the long run. I will never lose him if he is a customer in class A or B."* Interviewee no.11, practitioner.

In summary, reciprocity is one of the important variables that govern relationships between the company and its customers. Both the company and its customers should reciprocate with each other in many areas such as help, support, payment, commitment and products and service. Both the company and the customers are motivated to reciprocate and sacrifice, because they expect profits or rewards in the future.

4.11.8. Shared values

Shared values are the common beliefs between partners, which usually concern behaviours, aims, and rules, whether fundamental or not, suitable or unsuitable, and correct or incorrect (Morgan and Hunt, 1994). Interviewees indicate that shared values are a construct or component of relationship marketing in SMEs in Egypt, but it is more related to general and national issues.

> *"We agree about what is right or wrong and what is suitable and what isn't. All of this stems from the circumstances of the society that we live in."* Interviewee no.10, practitioner.

> *"I want to sell, the customers want to buy, and there is a society with general values and rules that govern it. As long both of us work within these values there is no problem, regardless of the individual values of each customer or seller. Also, shared values work when there is a national issue all the country agrees upon."* Interviewee no.17, practitioner.

Thus, shared values are one of the variables of relationship marketing, Also it is related more to the general society's values than to the individuals' values.

4.11.9. Follow-up

The interviewees clarified follow up as a new variable of relationship marketing related to the Egyptian SMEs. Follow-up is an important variable for SMEs to keep good relationships with customers, particularly wholesalers and business customers.

> *"I always call my customers directly to follow up with those about my products, often even after a long time."* Interviewee no.17, practitioner.

> *"We call or visit our customers asking where the work is. We visit their factories to follow up and keep in touch continuously."* Interviewee no.19, practitioner.

> *"I have employees who are responsible for following the customers. I also have customers whose work is so big that I appoint an employee to each of them. The only work of this employee is to take care of this customer. I do this because this customer is very important. For example, I have work with the Ministry of Education, so I appointed a representative who goes every week to the Ministry, collect the money every month, collects checks, issues bills, asks if they want anything."* Interviewee no.16, practitioner.

Interviewees indicated that follow-up means calling or visiting the customer to check about the products or services purchased, ask whether they are good or bad, and collect feedback. Follow-up with a wholesaler means visiting their warehouses to ensure they have enough stock of everything and there are no shortages of some items, as well as giving them some advice, for example about storage. Follow-up is particularly in the case of business-to-business in SMEs. Carrying out a follow-up helps the company to keep in touch with customers, strengthen its relationships with them, increase its sales, and obtain continuous feedback. Follow-up also helps in communication, giving information and conflict handling.

One of the interviewees worked with only a small number of wholesalers and his company's work was mainly business-to-business. This respondent preferred to have face-to-face follow up whenever possible, as he had only a limited number of customers and suppliers. He preferred this because face-to-face one can control everything as it is possible to gauge the mood of the other person and the conditions and circumstances of the situation overall.

> *"My team must visit and follow up my customers every week at least. I always say that you can't be sure of the mood of the customer when you speak to him on the telephone, but when you are face-to-face with him; he prepares himself psychologically, hears and speaks with you. I always depend on field visits. When I visit the customer, he also gives me information. For example, he can tell me the defects of the products and so on. This helps in improving my product."* Interviewee no.19, practitioner.

To sum up, follow up is a new variable that emerged from the interviews but it is related more to the business customers, Accordingly, it will not be included in the quantitative analysis, where the questionnaire administered to the final consumer not business customers (B-to-C). Follow-up is an after sale action to ensure that the buyer is satisfied with the services or/and products. Follow up also includes visiting the buyers, collecting feedback, and giving advices. All these actions will help in increase the business customers' satisfactions, and hence purchases.

4.11.10. Issues related to relationship marketing variables

During the interviews, the interviewees explored new issues related to applying all relationship marketing variables in Egyptian SMEs. These issues are innovation and affection.

***First,* innovation**

Innovation means doing the work, handling the problems, finding ways to contact the customer and providing services in an innovative manner, as well as being innovatory in terms of rewarding customers. Innovation is part of relationship marketing since every variable of relationship marketing should be applied innovatively. Doing so can help to strengthen relationships with customers, thereby increasing retention.

> *"As I told you before, you should be creative in solving the customers' problems and being innovative and creative will have a significant impact on the relationships with the customers."* Interviewee no.18, practitioner.

> *"There is competition in the market, so we should care about being unique to keep our clients and get new clients as well. We are required to be creative and innovative in every aspect of our work, not only in our products and services. I mean innovative and creative in finding way of the communication, creating events to attract customers and increase their commitment, and in conflict handling."* Interviewee no.7, practitioner.

From the above quotations, it is clear that the innovation an issue is highly related and connected to, and influential on other variables of relationship marketing. SMEs should provide their services or/and products; build a trust; communicate, follow up, and reward customers; and handling problems in a innovative and creative ways.

***Second,* affection**

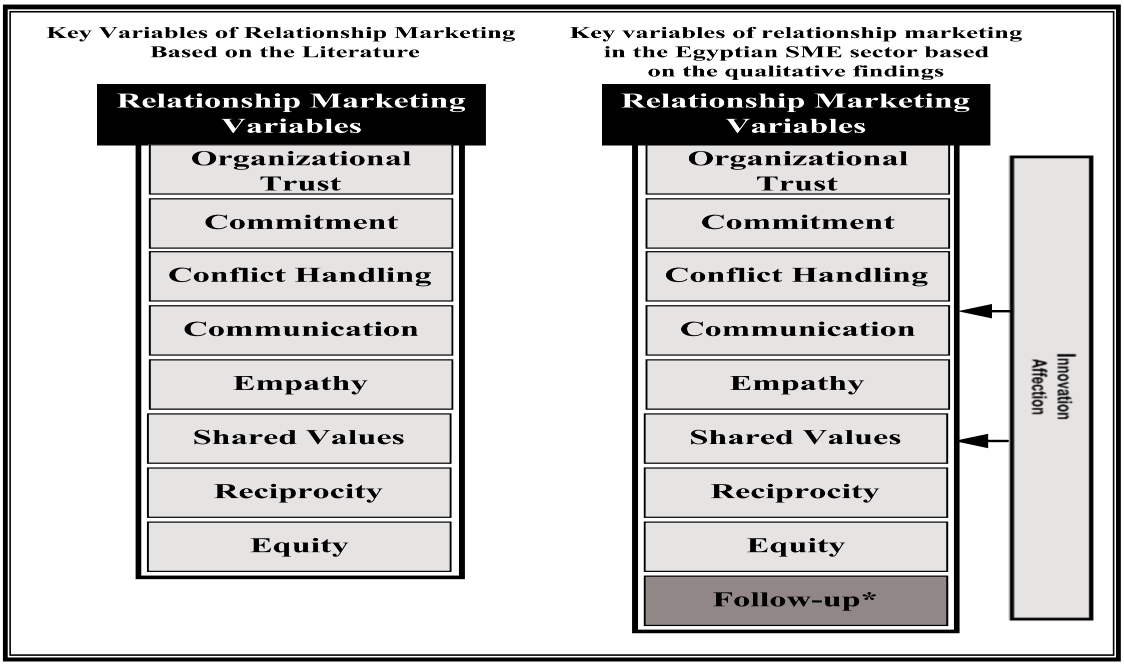
Affection is another issue related to relationship marketing explored in the interviews and related to the Egyptian SMEs. Affection is important because SMEs in Egypt usually depend on building a relationship with customers and the emotional factor in this relationship is very important, particularly as Egyptians are an emotional people. Also, affection can be used to facilitate work and solve any problems with customers

> *"Selling depends on emotion and how we can reach the customer's heart. It doesn't depend only on price but it also relates to emotion. The most important thing is emotion, and then the price comes in second place. If you can understand the nature of the Egyptian people then you will succeed. So emotion and personal treatment help to determine whether the company will succeed or not."* Interviewee no.7, practitioner.

Social relationships in Egypt play an important role and facilitate business because everybody deals with emotion or feeling and affection. Once there is affection with the customers and the customers feel comfortable with the company they will continue to buy from it. This might be despite this company being more expensive, or its services or products being less good. Thus SMEs should consider this dimension when applying relationship marketing and in daily communication with customers. The researcher included some items in the scale of relationship marketing, which reflect innovation and affection.

From the above discussion about relationship marketing variables in Egyptian SMEs, it is very clear that applying relationship marketing in these small companies has a positive impact on the quality of relationships with customers and customer retention. Moreover, it appears that all the variables of relationship marketing are interrelated and influence each other. For example, good communication and handling the customers' problems in a good manner will increase their trust in the company; trust can influence commitment; and empathy can play a role in handling the customers' problems. It is therefore difficult to apply just part of them and leave others, as all variables have an influence on the nature of the relationship with customers and their retention. Also it is important to refer that from the practical point of view all these variables should be applied by way of innovation and affection.

Figure 4-3: Comparison of relationship marketing variables based on the literature and the qualitative findings



* New variable that emerged from the qualitative findings

4.12. Transferring the relationships from personal to organisational

The aim of applying relationship marketing at the fourth step of the proposed research model is to transfer the personal relationship between the customer and the company representative to an organisational relationship between the customer and the organisation. Such a transfer aims to maintain and enhance the relationship with the customer over the long run. The final hypothesized outcome of this model linking *guanxi* and relationship marketing is improving customer retention. The attraction of this is that gaining one new customer is five to ten times more expensive than retaining one loyal customer (Gummesson, 1999) and because relationship marketing focuses mainly on increasing customer retention and recovery before attracting new consumer (Bruhn, 2003).

All types of interviewees agreed with the idea that transferring personal relationships to organisational relationships has the potential to retain customers, especially when the employee who brought *guanxi*-based business leaves the organisation. Also the interviewees agreed that using the relationship marketing programmes and relationship marketing could help in doing so. In addition, they explained that the company should provide a complete package of services and facilities, which could include, for example, delivery, long credit period, advice and incentives (items of relationship marketing investment programmes). This package of services and facilities is considered the first step of transferring personal relationship between the customer and the member of staff to an organisational relationship. Providing such a package should be followed by applying relationship marketing with the customers to ensure the transferring of the relationship from the personal to the organisational. By so doing, customers may stay with the company and re-purchase even if their personal contact leaves the company.

> *"My thought now is to present the package of services to my customer. Services package means that the price is part and not the whole. The delivery considers a part and not the whole, advises, gifts, information from my data base, credit, solving the problems and anymore according to the customers' needs. It is, this package, which will link the customers to the company rather than the member of staff who introduced (or recommended) the company to them."* Interviewee no.11, practitioner.

> *"There are a lot of things that make me keep my customers up. The first thing, basically like all companies is providing suitable quality products at a suitable price. The second thing is the package of services accompanying the products [relationship investment programmes]. The third thing is the well-organised way of dealing with the customers; [relationships with the customers] the continual observation, solving problems, continual updates and the information that I give. I make him feel that he works with an entity and a company that has respected management and good way of working."* Interviewee no.7, practitioner.

> *"... If I have a customer from the personal relationship of my employees and start to have a relation with him for example, doing a periodic contact and solving his problems, also I offer a good price, delivery, and good material considering the quality, by this, I did everything to keep the customers."* Interviewee no.16, practitioner.

The above quotations explain exactly what the literature-derived research model hypothesized; the experience of these practitioners concluded that to keep customers and build an organisational relationship with them, the company needs to provide a comprehensive package of services. This package includes a mix of all components of relationship investment programmes followed by applying relationship marketing as suggested in the research model. This may vary by company according to its circumstances and type of business, as well as according to the customers themselves.

4.13. Avoiding the problem of departing employees taking their personal contacts when leaving the company

The main aim of trying to transfer the personal relationship between the customer and the company representative to an organisational relationship between the customer and the organisation is to avoid the problem of departing employees taking their personal customer contacts when they leave the company. Doing so enables firms to avoid the potential pitfalls of applying *guanxi* solely and to reduce the problem of losing the connection with the customers when the employee who brought *guanxi*-based business leaves the organisation (Arias, 1998). The research model suggests that the company should build an organisational relationship with the customers through applying relationship investment programmes and relationship marketing rather than just keep the relationship between the customers and the company representatives who invited them to the company. One of the practitioners who suffered from this problem and tried to find a solution shared his experience and opinion.

> *"I don't want to say all of the customers, but a big part, maybe 95%, will stay with my company even if the person who attracted them leaves the company. The customers will stay because the company has treated them well, so they have confidence in the company, which leads to a maintaining the business relationship. The most important thing is the company doesn't let them down, and there must be a connection all the time. You must know their desires and solve their problems. You must also present the newest products. Briefly, the company must tie them and not give them the chance to switch."* Interviewee no.19, practitioner.

This point of view was supported by almost all types of interviewees. They indicated that in most cases, customers would not leave the company with an employee who left the company and tried to take his/her connection or network with him/her, if the company built a good relationship with them. In summary, customers will not leave the company and switch with the employee if the company applies relationship investment programmes and relationship marketing with them. Moreover, one of the experts and consultants adds that:

> *"I know this problem; it is natural that some of the customers will leave but it isn't essential that all customers leave with the employee. I have encountered this problem a lot. I can feel it and see it everywhere, especially in SMEs. You won't prevent or reduce the employees doing this without a specific approach. This can be done through institutionalising the customer's relation with the institution, not with the employee. It is true that the employee brings the customers but the company must follow them and also supervise their employees. In this way and step-by-step, a customer will feel s/he is a customer of the institution also will feel that s/he is welcomed in the company whether the one who brings them is present or not."* Interviewee no.1, consultant and expert.

This expert and consultant indicated that a company could avoid the problem of employees taking customers with them when they leave the company and decrease the impact of this problem by institutionalising the relationship with the customer and keeping in touch with them continuously. This is what the research model expresses by using relationship investment programmes as a way of endorsement to encourage the customer to repeat purchasing from the company. After that the company should start to apply relationship marketing through building organisational trust and commitment, keeping in touch with the customers, solving customer problems, making the customer perceive fairness, sharing the same values with them and being empathetic towards them.

In support of this view, another consultant agreed with this point of view and added that in some cases, if a company does not contact the customer in an appropriate way and tries to tie them institutionally, the customers themselves will push the employees to leave the company and they will support them by switching with them.

> *"But if the company does not build a good relationship with the customers, forget about it. I'm not joking if I tell you that, the customers will encourage the employee to leave the company or start his own business and they will move with him."* Interviewee no.2, consultant and expert.

One of the academics also revealed the importance of employees' retention, as it will be reflected in customer retention. Companies should also try to increase employee retention, which will influence the stability of employees, customers and the company.

> *"The employees' satisfaction definitely will affect the relationship between customer and organisation. The employees' satisfaction will reflect on their dealing with the customers; and hence it will reflect on customers' satisfaction thus retention with the company."* Interviewee no.5, academic.

Also one of practitioners indicated that increasing employee retention will reduce the problem of losing the connection with customers when the employee who brought *guanxi*-based business leaves the organisation

> *"The good relationship between the employee and the organisation extends to affect the customers, because the employees' retention will reduce the problem of leaving the employees and tacking their entire network with them thus increases the customer retention."* Interviewee no.21, practitioner.

Accordingly, in addition to building an organisational relationship with the customers to retain them, it is important also to increase employee retention. Employee retention will influence the retention of the customers invited to the company by those employees. Moreover, one of the practitioners clarified that generally, if an employee is not happy and satisfied, he/she will cause the organisation to lose its customers even if he/she does not leave the company, while if an employee is happy and satisfied, he/she will work hard to keep the existing customers and look for new customers within his or her *guanxi* network.

4.14. Summary

Based upon twenty-one semi-structured interviews undertaken in the first research phase, this chapter addressed a number of knowledge gaps identified from extant *guanxi* and relationship marketing literature (the main themes of this research). Specifically, this chapter clarified the results of exploring *guanxi*-type relationships in Egypt; their existence; origin; meaning; name; characteristics; variables; advantages and disadvantages and role in attracting new customers. Moreover, this chapter presented the results of exploring the key variables of relationship marketing in the Egyptian SME sector as well as relationship marketing investment programmes. Both are used as ways in which companies retain customers through building the organisational type of relationship involved in relationship marketing instead of the personal type of relationship involved in *guanxi*-type relationships. By doing so, this chapter clarified the results of exploring the four steps of the research model suggested in the thesis and its suitability and effectiveness for the Egyptian SMEs sector. Building on the above presentation and discussion, this chapter summarised and highlighted a number of main themes that emerged from the empirical research.

In Egyptian culture, people are social and like to have good social relations with those who have common characteristics (family, friends, neighbours, classmates or colleagues); the same kinds of relationships are involved in Chinese *guanxi*. Moreover, in Egypt, as in China, everyone has his/her own personal social relationships that they have built up over their lives and which are used to facilitate progress in everyday life. Also these relationships are inherited and passed down from one generation to the next.

Generally, *guanxi*-type relationships in Egypt can be seen as a network of relationships a person has, which includes family, friends, neighbours, colleges, classmates, etc. which is used to facilitate and exchange favours between network members and find a solution to any problem they face. This relationships network stems from the teachings of Islam and Christianity and has become rooted and embedded in Egyptian society and culture. Moreover, the Egyptian type of social network (*guanxi*-type relationship in Egypt) can be called *al-alakat* or *shabakat al-alakat* (network of relationships). Both expressions carry the same meaning among people in Egypt. From this point, the words *guanxi* and *shabakat al-alakat* will be used interchangeably to refer to the Egyptian type of social network.

Furthermore, the findings indicated that *wasta* (mediation) is an inappropriate synonym for the *guanxi*-type relationships in Egypt. It does not correctly express this Egyptian social phenomenon of relationships equivalent to Chinese *guanxi*. *Wasta* is action taken by people who have *al-alakat* or *shabakat al-alakat* when they want to facilitate a specific thing or facilitate their work. Thus, the *guanxi*-type relationships in Egypt are not *wasta*. In addition, the word *wasta* has two sides: ethical and unethical. It is possible to differentiate between ethical and unethical sides. *Wasta* becomes unethical when people want to take others' rights or when people want to take their rights and achieve their interests faster by bribery. It is considered ethical when people use their relationships to achieve their objectives without any kind of bribery.

When discussing the characteristics of *shabakat al-alakat,* several characteristics have been found: social network, among people, has a religious origin also this network is intangible, transferable, and contextual as well as the relationships within these *shabakat al-alakat* last for long time. In addition, *shabakat al-alakat* is similar to the Chinese *guanxi* in many of the characteristics except that it comes from a religious origin, while Chinese *guanxi* roots come from Confucian teachings. Furthermore, *guanxi*-type relationships in Egypt are mainly emotional rather than utilitarian. On a different note, *shabakat al-alakat* is a multi-dimensional construct that can be measured through six variables bonding, empathy, reciprocity, personal trust, face and affection.

Successful of using *shabakat al-alakat* yields a long list of benefits, including removing governmental obstacles and routine, providing useful information about new governmental policies, market conditions and competitors, promoting the companies, attracting new customers, increasing company sales and hence profits, and retaining customers over a long time. All these benefits and more finally result in companies' success. Accordingly, *shabakat al-alakat* is an important element for conducting business in Egypt and necessary condition for achieving business success. Moreover, the findings indicate the importance of an inauguration party, which is part of Egyptian culture, used as a first step to introduce the company to the potential customers and attract them. *Shabakat al-alakat* also have certain disadvantages, in that applying *shabakat al-alakat* as a marketing tool is sometimes considered time consuming and unethical. Moreover, *shabakat al-alakat* can be reversed and become a way to drive out customers rather than attract them.

When discussing the relationship marketing investment programmes, the findings revealed that in Egypt also there are three types of relationship marketing investment programmes: social programmes, structural programmes and financial programmes. The financial programmes in the Egyptian SME sector include providing free products or simple gifts, free services like delivery and maintenance, discounts, credit facilities and special offers. Also the nature of the Egyptian customers is to love this type of programmes, which makes the customers feel that the company appreciates them and increases the customers' felling of gratitude. Social programmes includes special treats, invitations to meals, social gifts, invitations to holidays, invitations to theme parks and places of entertainment and mini *hajj* or *omra*. Structure programmes include special value-added benefits such as inventory control, providing products or services from other sources to resolve the customer's problem, providing special reports or transactions and personalised information, customised order-processing systems, technology investments, dedicated personnel, and tailored packaging. The Egyptian SMEs apply relationship marketing investment programmes to attract new customers and make them re-purchase as well as to retain and keep old customers and make them more satisfied and loyal through strengthening, enhancing and improving the relationship with them.

The findings also handled the variables of relationship marketing in the Egyptian SMEs sector. These variables are organisational trust, commitment, communication, conflict handling, empathy, shared values, reciprocity, equity, and follow-up. It appears that all the variables of relationship marketing are interrelated and influence each other. Also it is important here to note that follow-up is a new variable that emerged from the interviews and from the practical point of view all these variables should be applied in an innovative and affectionate manner.

The findings also indicated that SME could transfer the personal relationship between the customer and the company representative to an organisational relationship between the customer and the organisation and avoid the problem of departing employees taking their personal contact customers when leaving the company by providing a comprehensive package of services. This package includes a mix of all components of relationship investment programmes followed by applying relationship marketing as suggested in the research model. This may vary from one company to another, according to its circumstances and type of business as well as according to the customers themselves. This is what the research model expresses, by using relationship investment programmes as a way of endorsement to encourage customers to repeat purchasing from the company. After that, the company should start to apply relationship marketing through building organisational trust and commitment, keeping in touch with customers, solving customer problems, making the customer perceive fairness, sharing the same values with them and being empathetic towards them. Also it is important for the SMEs to increase employee retention. Employee retention will influence the retention of the customers who were invited to the company by those employees.

After the presentation and discussion of the findings of the qualitative phase, chapter five will discuss the findings of the quantitative phase.

Chapter Five: Quantitative Data Analysis and Findings

Table 5-1: Thesis map

Chapter One: Introduction and Research Background
Chapter Two: Literature Review
Chapter Three: Research Design and Methodology
Chapter Four: Qualitative Data Analysis and Findings
Chapter Five: Quantitative Data Analysis and Findings
Chapter Six: Discussion of the Key Findings
Chapter Seven: The Conclusion

5.1. Introduction

Following the report of data analysis of the first, qualitative phase of this research in Chapter Four, this chapter discusses the second, quantitative phase concerned with empirically testing the proposed research model and addressing with statistical analysis the remaining research questions.

This chapter presents the quantitative data analysis in three parts. Part one presents preliminary analysis including descriptive statistics that describe the characteristics of the research sample; assessment of missing values; outliers and the testing of univariate and multivariate assumptions. Next, exploratory factor analysis (EFA) is reported for the research variables, in order to reduce the data and explore the structure of the research factors. After data purification and data reduction in part one, part two focuses on testing the hypotheses and answering the research questions 1, 2, and 3 of the second phase of this research. Part three focuses on counting frequencies and Crosstabulation to answer the fourth research questions related to the second phase of this research.

Part One: Preliminary Statistics and Exploratory Factor Analysis

5.2. Exploring the Data

The data were explored and investigated through descriptive statistics (mean, variance, kurtosis and skew) and graphically in histograms and box plots through frequency distributions. This assisted the researcher to familiarise himself with the data, give early normality indications, and look for any errors in data entry, e.g. values outside scale limits, outliers etc. Tabachnick and Fidell (2007) recommended screening of the data prior to any analysis.

5.2.1. Descriptive statistics

This section is to analyse part one of the questionnaire and provides general information on the respondents, in terms of gender, age, education and relationship with the person introducing the company to them. Frequency analysis is used to provide a brief account of these sample characteristics.

***First*, respondents' demographics**

The descriptive statistics for the respondents' demographic information is summarised in Tables 5.2 - 5.5. In terms of the respondents' gender, approximately 66% of respondents were male (200 males) and 34% were female (105 females). Regarding age, the majority (53%) were 20 to 29 years old, while respondents between 18 and 20 represented the minority, with approximately 4%. With respect to the respondents' highest level of education, the majority of the respondents (82%) held a Bachelor's degree, thus representing the dominant category in the data set. Respondents with postgraduate studies accounted for 7.6 % (Masters 6.6% and PhD 1 %). In respect to the number of years for which the respondent had been a customer of the specified companies, approximately 41 percent (almost half of the respondents) had been customers of the specified companies for between 1-3 years; 21.6 percent had been customers for 4-6 years. Almost 10 percent of the respondents had been customers of the specified companies for more than 10 years.

Table 5-2: Respondents' gender

Gender	Frequency	Percent
Male	200	65.6
Female	105	34.4
Total	305	100.0

Table 5-3: Respondents' age

Age (Years)	Frequency	Percent
18-20	12	3.9
20-29	161	52.8
30-39	80	26.2
40-49	30	9.8
50 +	22	7.2
Total	305	100.0

Table 5-4: Respondents' highest educational level

Education Level	Frequency	Percent
PhD	3	1.0
Master	20	6.6
Bachelor	249	81.6
Diploma	22	7.2
Secondary School	11	3.6
Total	305	100.0

Table 5-5: The period of time the respondent has been a customer with specified company

Period (Years)	Frequency	Percent
Less than a year	60	19.7
1-3	126	41.3
4-6	66	21.6
7-9	23	7.5
10+	30	9.8
Total	305	100.0

***Second*, the respondents' relationship with the person who introduced them to the company: bases and length of the relationship**

From among six relationship bases, 305 respondents clarified the basis of their relationship with the member of staff who introduced the company to them. The results show that 47% of respondents indicated that the basis of the relationship was friendship. Approximately, 15% were relatives and 9.5% were from the same locality. Moreover, some of the respondents indicated more than one of the relationship bases, for example, relative and former classmate. The percentage of each basis of the relationship has been calculated and is shown in Table 5.6.

Regarding the length of the relationship between the respondents and the member of staff who introduced the company to them, Table 5.7 indicates the time period of the relationship, frequency and percentage of respondents. Specifically, 38% of the respondents had a relationship with the member of staff of between 5 to 10 years; 32%

had less than 5 years; 12% respondents had a relationship for between 11 to 15 years and 10.5% had more than 20 years.

Table 5-6: The bases for the relationship with the person who introduced the company

Relationship Bases	Frequency	Percent	Cumulative %
Friend	144	47.2	47.2
Family/Relative	45	14.8	62
Neighbour (Same Locality)	29	9.5	71.5
Classmate or Former Classmate	25	8.2	79.7
Former Colleague	19	6.2	85.9
Friend and Neighbour (Locality)	8	2.6	88.5
Member at the same Trade Association or Social Club	7	2.3	90.8
Friend and Classmate or Former Classmate	7	2.3	93.1
Relative and Friend	4	1.3	94.4
Friend and Trade Association and Social club	4	1.3	95.7
Neighbour and Trade Association or Social Club	4	1.3	97
Friend and Former Colleague	4	1.3	98.3
Relative, Friend and Former Classmate	3	1.0	99.3
Former Classmate and Trade Association and Social Club	2	0.7	100
Others	0	0.0	100
Total	305	100.0	

Table 5-7: The relationship period with the person who introduced the company

Period of Time (Years)	Frequency	Percent
Under 5	98	32.1
5-10	116	38.0
11-15	37	12.1
16-20	22	7.2
20 +	32	10.5
Total	305	100.0

5.2.2. Examining the data

Before further analysis was undertaken, the data were examined in more detail. Issues addressed include missing data, dealing with outliers and the tests for the statistical assumptions underlying most multivariate analyses. This step is crucial and ensures more accurate results during the main analysis (Tabachnick and Fidell, 2007).

***First*, missing data**

Missing data are “valid values on one or more variables which are not available for analysis” (Hair *et al*., 2010, p. 42). Missing values are one of the problems in data, and like outliers, linearity, normality and collinearity, they can affect the quality of the data and generate difficulties in data analysis. Missing data, particularly, have an impact on sample size available for analysis and generalisability of the results. Additionally, there is a potential for biased results when missing data are not random and appropriate remedies are not applied (Hair *et al*., 2010, p. 42). Tabachnick and Fidell (2007, p. 62) indicate that the pattern of missing data is of greater significance than the amount missing. Thus, non-randomly missing values are a more serious problem than missing data dispersed randomly. Hair *et al.* (2010, p. 47) argue that if there is less than 10% of data missing for an individual case or observation, this can generally be overlooked if it is randomly distributed.

As indicated earlier, the questionnaires were administered by the drop and collect method. As a result of adopting this method, the questionnaires were checked during the collection stage and this helped to avoid any missing data, as the company were asked to contact the respondent again in case of any missing data. Consequently, there was no missing data. In conclusion, the sample size (305 cases) with zero missing data is sufficient to represent the concepts in the study and for undertaking the selected analysis technique (Hair *et al*., 2010).

***Second*, outliers**

“Outliers are observations with a unique combination of characteristics identifiable as definitely different from the other observations” (Hair *et al*., 2010, p. 64). Outliers can be assessed in univariate or multivariate analysis where an outlier is “a case with such an extreme value on one variable (a univariate outlier) or such a strange combination of scores on two or more variables (multivariate outlier) that it distorts statistics” (Tabachnick and Fidell, 2007, p. 72).

Outliers can have substantial impact on the analysis and cannot be generally classified as beneficial or problematic because this classification depends on the context of the analysis and is evaluated by the type of information available. Outliers could be beneficial when they indicate the characteristics of the population while they could be problematic when they do not represent the population, and seriously distort the tests. It is recommended to check the outliers and mitigate their effect prior to the main analysis (Hair *et al*., 2010).

Hair *et al*. (2010, p. 65) and Tabachnick and Fidell (2007, p. 73) classified outliers into four classes based on the reasons for their presence; “a procedural error, an extraordinary event, extraordinary observations, and unique in combination”. The first class of the outliers, procedural errors, arise from data entry errors or mistakes in coding; thus, they should be identified first, then removed or recoded as missing values. The second class of outliers is affected by an extraordinary event, which explains the uniqueness of the observation. The decision to retain or delete the outliers depends on whether the extraordinary event fits with the research objectives or not. The third class of outliers encompasses extraordinary observations which are unexplainable by the researcher. In most cases, these outliers are omitted; they are only retained when the researcher's judgement recognises that they are valid elements. The final class of outliers contains ordinary values which fall within the normal range of values on all variables. They are not exceptionally high or low values for the variable, but their combinations of values are unique across variables. This type of outlier should be retained in the analysis unless there is clear evidence degrading their valid membership of the population (Hair *et al*., 2010, p. 65; Tabachnick and Fidell, 2007, p. 73).

To identify univariate outliers in the current study, two basic techniques were used, Boxplot and 5% Trimmed Mean for each of the variables individually as shown in Appendix V. Firstly, the Boxplot results showed that there were approximately 2% outliers of some single variable and they were randomly distributed, and with no values so extreme as to affect any of the overall measures of the variables, such as mean or standard deviation (Hair *et al*., 2010). Secondly, the 5% Trimmed Mean technique within SPSS aims to remove the top and bottom 5 percent of research cases and recalculate a new mean value to see whether the extreme scores have a strong influence on the mean (Pallant, 2010). If the original mean value is similar to the new trimmed mean value, these cases can be retained in the data file. The current research results showed that the original mean and new trimmed mean values for all variables were almost identical, which indicated no serious problem with outliers (Appendix V).

In addition, this study also checked univariate outliers by using standard scores, which have a mean of 0 and a standard deviation of 1 for all variables (Hair *et al*., 2010). As recommended by Hair *et al*. (2010), cases with standard scores of 2.5 or greater are regarded as outliers in a small sample (80 or fewer cases). For a larger sample (greater than 200) as in this case, the standard score is up to 4 (Hair *et al*., 2010). Therefore, the standard value of 4 was used as the cut-off point to define the outliers due to the sample size of 305 observations in this research. The results from both Boxplot and standard scores analysis were similar. It was found that there were a few variables containing outliers and extreme values, but no serious issues of univariate outliers in the data set.

In addition to testing for univariate outliers, testing was conducted for multivariate outliers, using the Mahalanobis distance (Pallant, 2010). To identify the outliers the critical chi-square value (tabled value determined by using the number of independent variables as a degree of freedom and a suggested alpha level of 0.001) should be compared with the Mahal.Distance value (value under the column marked maximum at the Residuals Statistics table) to find out if any of the cases have a Mahalanobis distance value exceeding this critical value. If the maximum value for Mahalanobis distance is larger than the critical value, there are a multivariate outliers that need to be checked and determined (Pallant, 2010; Tabachnick and Fidell, 2007). To find which case has outliers, the data file under the column (Mah_1) should be checked to see if any cases have a Mahalanobis distance value exceeding the critical value. The values and results of the Mahalanobis distance in the current research were checked. Further information about the multivariate outliers will be provided when discussing the multiple regression results next part

After the outliers had been identified, they were categorised into one of the four classes mentioned above in order to make the decision whether to retain or delete them. The original values of all the outliers were examined. This revealed no error from data entry or miscoding. The values of the outliers were not affected by extraordinary events or by outstandingly high or low values of the variables. Instead, the observed values were placed within the normal range of values of each variable; for example, values of 1 to 5 for five Likert scale questions. Consequently, they were classified in the fourth class of outliers, which are unique in their combinations of values across variables.

***Third*, the response, non-response bias analysis**

Response and non-response bias analyses were investigated through a comparison of the early and late responses. Specifically, an independent sample t-test was carried out to test the significant differences in the mean scores of all constructs at 95% confidence. No statistically significant differences in the mean scores between the two types of responses ($P > 0.05$) were found. Hence, it was concluded that non-response bias did not pose a problem.

***Fourth*, testing the assumptions**

Testing for the assumptions underlying the statistical bases for multivariate analysis is the final step in examining data. It is an important process to establish the foundation for multivariate techniques from which statistical inferences and results are drawn. When the assumptions are violated, the results may be more distorted and biased in multivariate analysis due to the complexity of the relationships. Some techniques are robust and less affected by assumption violation; however, successful analysis may derive from meeting some of the assumptions. Hence, the researcher must be aware of any assumption violations and their implications for the interpretation of the results. The important assumptions in multivariate analysis include normality, homoscedasticity, linearity, and multicollinearity. However, only the normality assumption is tested for individual variables. Homoscedasticity, linearity and multicollinearity assumptions relate mainly to relationships between variables; they are therefore tested in multivariate analysis, particularly multiple regression.

A) Assessment of normality

The assumption of normality and how it can be assessed has been discussed in details in the methodology chapter (Chapter 3). Univariate normality for an individual variable was tested by using statistical tests of normality Kolmogorov-Smirnov and Shapiro-Wilk. It was found that no variable was normally distributed. All of the variables violated to the assumption of normality (Sig values < 0.05) as shown in Appendix V.

The shape of histogram diagrams for the distribution of each variable was also examined, and the results were consistent with the statistical tests of normality. Most of the variables were found to depart from normality, but there was no severe deviation from normality. Departures were predominantly negative skewness (skew to the right). The values of the skewness and kurtosis were examined as well and showed the same results as shown in Appendix V.

In social science, small departing from normality does not consider a problem where, it is not usual for Likert scales to follow a normal distribution (Clason and Dormody, 1994; Malthouse, 2001). Additionally, Bentler and Yuan (1999, p. 184) indicate, "Real data sets in practice seldom follow normal distributions." Also Cudeck (2001, p. 80) notes, "Virtually no variable follows a normal distribution." Furthermore, Field (2009) argue that it is common to obtain significant results in large samples when there is a minor departing from normality. The sample of 305 in the present study, being in excess of 200, would be classified as 'large' by Hair *et al* (2010). Finally, factor analysis has proven comparatively robust against violations of normality (Gorsuch, 1983).

Moreover, Pallant (2010, p. 64) adds that "many scales and measures used in the social science have scores that are skewed, either positively or negatively. This does not necessarily indicate a problem with the scale, but rather reflects the underlying nature of the construct being measured". In this case, one of the constructs being measured was the relationship between two persons who actually know each other and have a relationship with each other, so it was expected to find most of the variables negatively skewed to the right. The other part of the constructs measured the relationship between the company and the customer, so again it was expected to find the construct negatively or positively skewed.

Finally, it is claimed that the negative or positive effects of non-normality are serious in small sample sizes (less than 50 cases). However, with a larger sample size (over 200) the detrimental impacts from non-normality may be negligible, and data transformation as a remedy may not be required (Hair *et al*., 2010). The tests of normality for all variables are shown in Appendix V.

B) Assessment of linearity

The assumption of linearity and how it can be assessed was discussed in detail in the methodology chapter (Chapter 3). Scatterplots of the variables, the residual plots and partial regression plots were examined. The residual was nearly rectangularly distributed with a concentration of scores along the centre. Thus, these findings show no significant deviations from linearity, which can affect multivariate tests (especially regression). Also the results showed that relationships between variables appeared to be linear; no non-linear relationships were identified. Further information will be provided when discussing the multiple regression results in part two of this chapter.

C) Assessment of homscedasticity

The assumption of homscedasticity and how it can be assessed was discussed in detail in the methodology chapter (Chapter 3). To assess heteroscedasticity, scatterplots of variables were tested in multivariate analysis, particularly multiple regression. It was found that scatter plots produced by the regression models in this research did not reveal any serious problem. Further information will be provided when discussing the multiple regression results in part two of this chapter.

D) Assessment of multicollinearity

The assumption of multicollinearity and how it can be assessed was discussed in detail in the methodology chapter (Chapter 3). This study used the variance inflation factor or VIF, Tolerance and Durbin-Watson for assessing multicollinearity (Hair *et al.*, 2010). The results of VIF and Tolerance confirmed that multicollinearity was not a problem for the independent variables for this study, as values of VIF and Tolerance for the independent variables in multiple regression models were less than 10 and greater than 0.1 respectively, as recommended by Field (2009). Moreover, the Durbin-Watson statistics for all regression models in this study were near 2, which indicate non-autocorrelation between residuals (Field, 2009). Further information and all the values of Tolerance, VIF as well as Durbin-Watson will be provided when discussing the multiple regression results in part two of this chapter.

5.3. Exploratory factor analysis (EFA)

An exploratory factor analysis was conducted to assess the structures of the research constructs and examine whether the items for each variable share a single underlying factor. Also EFA was conducted to achieve data reduction. Prior to building a measurement model, EFA models in this study were used to assess *guanxi* variables, relationship marketing investment programmes, relationship marketing variables, relationship quality, and customer retention to produce a concise set of classification dimensions. The next sections present the results of the EFA models.

5.3.1. Results of EFA for *guanxi* variables

Based on the literature and the results of the qualitative phase, *guanxi* can be measured by six variables: trust (6 items), bonding (6 items), empathy (6 items), face (4 items), affection (5 items), and reciprocity (6 items), giving 33 items in total. Table 5.8 displays all of the items used in this research to measure all of *guanxi* variables.

Table 5-8: The *guanxi* variables and items before applying EFA

No.		Variable	Items
			The person who contacted and invited me to be a consumer of this company
1	**Trust**	GPTrust1	is trustworthy
2		GPTrust2	is very honest
3		GPTrust3	is dependable
4		GPTrust4	makes reliable promises
5		GPTrust5	fulfills his/her promises
6		GPTrust6	does not make any false claims
			Me and the person who contacted and invited me to be a consumer of this company always
7	**Bonding**	GBonding1	rely on each other
8		GBonding2	close to each other
9		GBonding3	try very hard to establish a long-term relationship
10		GBonding4	keep in touch regularly
11		GBonding5	talk openly as friends
12		GBonding6	interact on a social basis
13	**Empathy**	GEmpathy1	understand each other's viewpoints
14		GEmpathy2	understand each other's goals
15		GEmpathy3	understand each other's needs
16		GEmpathy4	care about each other's feelings
17		GEmpathy5	show sympathy when the other has problems
18		GEmpathy6	provide support when the other has problems
19	**Face**	GFace1	pay a lot of attention to how others see us
20		GFace2	believe the more respect we receive, the more 'face' we have
21		GFace3	feel a 'loss of face' when others turn down our favours
22		GFace4	take care not to make each other feel uncomfortable in any situation
23	**Affection**	GAffection1	like each other
24		GAffection2	enjoy meeting each other in a relaxed environment (coffee shop, social club)
25		GAffection3	enjoy communication with each other
26		GAffection4	give gifts to each other (do not have to be expensive ones)
27		GAffection5	enjoy helping each other
			Within the relationship between me and the person who contacted and invited me to be a consumer of this company,
28	**Reciprocity**	GReciprocity1	the practice of "give and take" of favours is a key part
29		GReciprocity2	it is very bad not to return favours
30		GReciprocity3	"calling in" favours is part of social interaction
31		GReciprocity4	favours we do for each other have built a good social relationships
32		GReciprocity5	we feel a sense of obligation for doing each other favours
33		GReciprocity6	we feel embarrassed if we are unable to provide the other with a requested favour

Exploratory factor analyses were performed for all *guanxi* variables. The 33 items were subjected to an initial round of principal component analysis (PCA) using SPSS version 19. Prior to performing PCA, the suitability of data for factor analysis was assessed. Inspection of the correlation matrix revealed the presence of many coefficients of 0.3 or above, and no values exceeding 0.80, which indicates no problem of multicollinearity or singularity, and the data were fit for factor analysis (Hair *et al.*, 2010, p. 103; Pallant, 2010).

The overall Kaiser-Meyer-Oklin measure of sampling adequacy (KMO) value was very high 0.926, exceeding the value of 0.6 recommended as a minimum value for a good factor analysis by Tabachnick and Fidell (2007), Field (2009) and Pallant (2010). The guidelines for KMO suggest values of 0.9 or above are excellent; 0.80 or above are meritorious; 0.70 or above are middling; 0.60 or above are mediocre; 0.50 or above are miserable; and below 0.50 are unacceptable (Field, 2009, p. 647; Hair *et al.*, 2010).

Bartlett's Test of Sphericity reached statistical significance, supporting the factorability of the correlation matrix. The Chi square of 6969.397 with 528 df and significance 0.000 (Sig. value should be 0.05 or smaller) implies that the correlation among the 33 items is (overall) significantly different from zero, which means a high level of homogeneity among variables (Field, 2009; Hair *et al*., 2010). Accordingly, these data satisfy the fundamental requirements for factor analysis (Hair *et al*., 2010). KMO and Bartlett's test are provided in Table 5.9.

Table 5-9: KMO and Bartlett's test of factor analysis for *guanxi* variables

KMO and Bartlett's Test		
Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		.926
Bartlett's Test of Sphericity	Approx. Chi-Square	6969.397
	df	528
	Sig.	.000

As shown in Table 5.10 Principal Components Analysis revealed the presence of six factors (components), with eigenvalues exceeding 1.00, explaining approximately 39.14%, 11.3%, 6.83 %, 4.3%, 3.4% and 3.2% of the variance respectively and the six factors explained a total of 68% of variance which is regarded as satisfactory in social sciences (Hair *et al*., 2010).

The communalities for all items were above 0.5, the criterion suggested by Field (2009, p. 647). Also the mean value of all communalities is .68, well above the recommended cut off point of 0.6 for a large sample. Thus, none of the items were removed as a result of their communality values, and there was no need to repeat the factor analysis.

To assess the unidimensional nature of the scale items the principal component loadings were used as recommended by Carmines and Zeller (1979). Item loadings were examined and items with factor loadings less than 0.6 on their own factors or loaded significantly on more than one factor were removed as recommended by Hair *et al.* (2010, p. 119). Eight items were dropped from the total of 33 items (as shown in Table 5.11) because of low factor loadings (less than 0.6) or/and cross-loadings. The factor loadings for retained items within the five factors (factor no.4 had no loading above 0.6 and so was dropped) representing bonding and affection, reciprocity, personal trust, face and empathy. Factors ranged from 0.62 to 0.792, 0.76 to 0.815, 0.771 to 0.915, 0.61 to 0.814, and 0.618 to 0.835 respectively. Table 5.10 shows the results of the initial exploratory factor analysis for *guanxi* variables.

Table 5-10: The results of initial EFA for *guanxi* variables

No	Items	Components (Factors)						Com.**	Notes
		F1	F2	F3	F4*	F5	F6		
1	*Guanxi*-Bonding 4	.792						.710	
2	*Guanxi*-Affection 2	.779						.652	
3	*Guanxi*-Affection 4	.760						.633	
4	*Guanxi*-Bonding 2	.728						.716	
5	*Guanxi*-Affection 3	.715						.677	
6	*Guanxi*-Bonding 3	.630						.668	
7	*Guanxi*-Bonding 1	.625						.570	
8	*Guanxi*-Bonding 6	.620						.617	
9	*Guanxi*-Bonding 5	.558						.711	Removed (1)
10	*Guanxi*-Empathy 5	.430						.549	Removed (2)
11	*Guanxi*-Empathy 6	.321						.559	Removed (3)
12	*Guanxi*-Reciprocity 3		.815					.695	
13	*Guanxi*-Reciprocity 5		.795					.741	
14	*Guanxi*-Reciprocity 4		.772					.650	
15	*Guanxi*-Reciprocity 2		.761					.621	
16	*Guanxi*-Reciprocity 1		.760					.620	
17	*Guanxi*-Personal Trust 5			.915				.824	
18	*Guanxi*-Personal Trust 4			.856				.786	
19	*Guanxi*-Personal Trust 1			.841				.760	
20	*Guanxi*-Personal Trust 2			.794				.712	
21	*Guanxi*-Personal Trust 6			.790				.691	
22	*Guanxi*-Personal Trust 3			.771				.708	
23	*Guanxi*-Reciprocity 6		.524		.570			.622	Removed (4)
24	*Guanxi*-Affection 1				.565			.719	Removed (5)
25	*Guanxi*-Affection 5	.404			.471			.722	Removed (6)
26	*Guanxi*-Face 4				.388	.370		.565	Removed (7)
27	*Guanxi*-Face 3					.814		.673	
28	*Guanxi*-Face 1					.778		.730	
29	*Guanxi*-Face 2					.610		.629	
30	*Guanxi*-Empathy 2						.835	.816	
31	*Guanxi*-Empathy 3						.784	.736	
32	*Guanxi*-Empathy 1						.618	.705	
33	*Guanxi*-Empathy 4						.430	.690	Removed (8)
Mean Communalities								**.68**	
Eigenvalues		12.916	3.726	2.254	2.254	1.123	1.052		
% of Variance		39.140	11.292	6.830	4.262	3.402	3.186		
Cumulative % of Variance		39.140	50.431	57.261	61.523	64.925	68.111		

Notes:
Kaiser-Meyer-Olkin (KMO) Measure Sampling Adequacy = .926
Bartlett test of sphericity is significance at p. = 0.000
Items are sorted by highest loading
*The 4th factor displays no items with significant loading and will be dropped later.
** Com. means Communalities

Table 5-11: The *guanxi* variables and items after applying factor analysis

No.		Variable	Items	
			The person who contacted and invited me to be a consumer of this company	
1	**Trust**	GPTrust1	is trustworthy	
2		GPTrust2	is very honest	
3		GPTrust3	is dependable	
4		GPTrust4	makes reliable promises	
5		GPTrust5	fulfills his/her promises	
6		GPTrust6	does not make any false claims	
			Me and the person who contacted and invited me to be a consumer of this company always	
7	**Bonding**	GBonding1	rely on each other	
8		GBonding2	close to each other	
9		GBonding3	try very hard to establish a long-term relationship	
10		GBonding4	keep in touch regularly	
11		GBonding5	talk openly as friends	Removed (1)
12		GBonding6	interact on a social basis	
13	**Empathy**	GEmpathy1	understand each other's viewpoints	
14		GEmpathy2	understand each other's goals	
15		GEmpathy3	understand each other's needs	
16		GEmpathy4	care about each other's feelings	Removed (2)
17		GEmpathy5	show sympathy when the other has problems	Removed (3)
18		GEmpathy6	provide support when the other has problems	Removed (4)
19	**Face**	GFace1	pay a lot of attention to how others see us	
20		GFace2	believe the more respect we receive, the more 'face' we have	
21		GFace3	feel a 'loss of face' when others turn down our favours	
22		GFace4	take care not to make each other feel uncomfortable in any situation	Removed (5)
23	**Affection**	GAffection1	like each other	Removed (6)
24		GAffection2	enjoy meeting each other in a relaxed environment (coffee shop, social club)	
25		GAffection3	enjoy communication with each other	
26		GAffection4	give gifts to each other (do not have to be expensive ones)	
27		GAffection5	enjoy helping each other	Removed (7)
			Within the relationship between me and the person who contacted and invited me to be a consumer of this company,	
28	**Reciprocity**	GReciprocity1	the practice of "give and take" of favours is a key part	
29		GReciprocity2	it is very bad not to return favours	
30		GReciprocity3	"calling in" favours is part of social interaction	
31		GReciprocity4	favours we do for each other have built a good social relationships	
32		GReciprocity5	we feel a sense of obligation for doing each other favours	
33		GReciprocity6	we feel embarrassed if we are unable to provide the other with a requested favour	Removed (8)

After removing these eight items, the remaining 25 items were submitted to the final round of factor analysis to reach a meaningful factor structure. The final exploratory factor analysis for the *guanxi* variables revealed the presence of five components, (with eigenvalue more than 1.0) representing bonding and affection, reciprocity, personal trust, empathy and face explaining 37.314%, 13.94%, 8.328%, 4.811 and 4.3498% of variance respectively, accounting for 68.7% of cumulative variance. Table 5.12 contains the results of the final round of the exploratory factor analysis and reliability analysis for these factors. For simplicity, only loadings above 0.6 are displayed.

Table 5-12: The results of final EFA and reliability analysis for *guanxi* variables

No.	Items	Components (Factors)					Com*	Reliability	
		F1	F2	F3	F4	F5		CITC*	α*
Factor (1) Affection Bonding									.915
1	*Guanxi*-Affection 2	.807					.665	.681	
2	*Guanxi*-Bonding 4	.801					.725	.791	
3	*Guanxi*-Affection 4	.753					.644	.713	
4	*Guanxi*-Affection 3	.744					.672	.728	
5	*Guanxi*-Bonding 2	.731					.710	.748	
6	*Guanxi*-Bonding 3	.655					.664	.744	
7	*Guanxi*-Bonding 1	.652					.580	.683	
8	*Guanxi*-Bonding 6	.639					.601	.692	
Factor (2) Reciprocity									.854
9	*Guanxi*-Reciprocity3		.823				.690	.694	
10	*Guanxi*-Reciprocity5		.796				.684	.669	
11	*Guanxi*-Reciprocity4		.787				.654	.681	
12	*Guanxi*-Reciprocity1		.784				.647	.657	
13	*Guanxi*-Reciprocity2		.771				.602	.633	
Factor (3) Personal Trust									.926
14	*Guanxi*-Personal Trust 5			.906			.823.	.847	
15	*Guanxi*-Personal Trust 4			.856			.778	.812	
16	*Guanxi*-Personal Trust 1			.840			.764	.802	
17	*Guanxi*-Personal Trust 2			.791			.707	.759	
18	*Guanxi*-Personal Trust 6			.782			.694	.746	
19	*Guanxi*-Personal Trust 3			.778			.701	.760	
Factor (4) Empathy									.852
20	*Guanxi*-Empathy2				.811		.838	.776	
21	*Guanxi*-Empathy3				.669		.663	.693	
22	*Guanxi*-Empathy1				.602		.713	.699	
Factor (5) Face									.760
23	*Guanxi*-Face3					.809	.677	.647	
24	*Guanxi*-Face1					.784	.756	.681	
25	*Guanxi*-Face2					.640	.531	.615	
Mean Communalities							**.6544**		
Eigenvalues		9.328	3.485	2.082	1.203	1.087			
% of Variance		37.314	13.940	8.328	4.811	4.349			
Cumulative % of Variance		37.314	51.253	59.582	46.393	86.74			

Notes:
Kaiser-Meyer-Olkin (KMO) Measure Sampling Adequacy = .914
Bartlett test of sphericity is significance at p. = 0.000
Only loading above 0.6 are displayed and variables are sorted by highest loading
Com* means Communalities
CITC* means Corrected Item-Total Correlations
α* means Cronbach Alpha

The correlation matrix showed many correlations of r = 0.3 or greater, and this indicates fit of data for factor analysis (Hair *et al.*, 2010, p. 103; Pallant, 2010). Bartlett's test of sphericity is significant, which implies the presence of non-zero correlation among the 25 items and a high level of homogeneity among variables (Field, 2009, p. 648; Hair *et al*., 2010). The overall measure of sampling adequacy (KMO) is 0.914 which is higher than the cut-off point of 0.6 as recommended by Field (2009, p. 648) and Hair *et al*. (2010). Overall, these data satisfy the fundamental requirements for factor analysis (Hair *et al*., 2010).

As shown in Table 5.12, the communalities for all items were above 0.5, the cut-off suggested by Field (2009, p. 647). Also the mean value of all communalities was 0.654, well above the recommended cut off point of 0.6 for large samples.

All items loaded significantly on a single factor. Factor loadings were all higher than 0.6 on their own factors as recommended by Hair *et al*. (2010). Items of four components reciprocity, personal trust, empathy and face loaded on their respective factors. However, the EFA resulted in a situation where the items of bonding and affection loaded on a single factor. As a result, it was decided to merge them into one component (factor). This factor was then renamed as 'Affectional Bonding'. The reason why bonding and affection loaded into one factor could be explained by the findings of the qualitative phase results, in which Egyptian people were said to be 'emotional'. The main reason for bonding among people was found to be affection or emotions.

The factor loadings for retained items within affectional bonding, reciprocity, personal trust, empathy and face ranged from 0.639 to 0.807, 0.771 to 0.823, 0.778 to 0.906, 0.602 to 0.811 and 0.64 to 0.809 respectively.

The reliability of each factor was tested. Cronbach's alpha was used to assess the reliability of the factors, and reflected satisfactory internal consistency. Scores for all five factors exceeded 0.7, the cut-off point recommended by Nunnally and Bernstein (1994), as shown in Table 5.12.

Moreover, the Corrected Item-Total Correlation (CITC) was used as one indicator of internal consistency within variables' items, which reflects the degree of correlation between each item and the total score. CITC was used to evaluate whether all measures demonstrated a dominant loading on the hypothesised factor and did not have significant cross-loadings. The results of CITC for all items were satisfactory and above the threshold of 0.4 recommended by Nunnally and Bernstein (1994).

5.3.2. Results of EFA for relationship investment programmes

Based on the literature and the results of the qualitative phase, relationship investment programmes can be separated into three types; social programmes (3 items), structural programmes (9 items) and financial programmes (7 items). Table 5.13 displays all of the items used in this research to measure all of the relationship marketing investment programmes.

Table 5-13: Relationship investment programmes items before applying EFA

No.	Variables	Items
		From this company, I often receive
1	RI social 1	meals, entertainment, or gifts (pens sets, calendar, Ramadan calendar, diary)
2	RI social 2	greetings on the public and private occasions (Christmas, Eid, birthday, wedding)
3	RI social 3	special treatment or prestige or status
4	RI Structural 1	special reports and/or personalized information
5	RI Structural 2	special value-added benefits (inventory control, expediting, etc)
6	RI Structural 3	special structural change (tailored packaging, customized order processing)
7	RI Structural 4	special dedicated personnel
8	RI Structural 5	special adaption of the company policies and procedures
9	RI Structural 6	first priority when requested products are available
10	RI Structural 7	products or services from other sources to resolve my problems
11	RI Structural 8	special news or transaction information that I need
12	RI Structural 9	a variety of ways to get information more efficiently
13	RI Financial 1	free products or/and services
14	RI Financial 2	special price or discounts
15	RI Financial 3	special financial benefits and incentives
16	RI Financial 4	additional discounts if I trade beyond a certain amount
17	RI Financial 5	credit facilities
18	RI Financial 6	my order without paying a deposit
19	RI Financial 7	my order without paying first before delivery

Exploratory Factor analyses were performed for all relationship investment programmes. The 19 items of the relationship investment programmes were subjected to a first round of principal component analysis (PCA) using SPSS version 19. Prior to performing PCA, the suitability of data for factor analysis was assessed through inspection of the correlation matrix which revealed the presence of many coefficients of 0.3 or above and this indicates interrelationships among variables needed for factor analysis. Also there were no values exceeding 0.80, which shows no problem of multicollinearity or singularity and the data were fit for factor analysis (Hair *et al*., 2010, p. 103; Pallant, 2010).

The KMO value was high at 0.926, which is regarded as excellent and exceeding the minimum value of 0.6 suggested by Tabachnick and Fidell (2007), Field (2009) and Pallant (2010). Additionally, the Bartlett Test of Sphericity indicated statistical significance (sig value ≤ 0.05). This means that there was sufficient correlation among the variables to proceed to factor analysis (Hair *et al*., 2010). All the results supported the factorability of the correlation matrix and the appropriateness of factor analysis. Overall, these data satisfied the fundamental requirements for factor analysis (Hair *et al*., 2010). KMO and Bartlett's test are displayed in Table 5.14.

Table 5-14: KMO and Bartlett’s test of factor analysis of

KMO and Bartlett's Test		
Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		.926
Bartlett's Test of Sphericity	Approx. Chi-Square	4226.877
	df	171
	Sig.	.000

Principal Components Analysis revealed the presence of three factors (components), with eigenvalues exceeding 1.0, explaining approximately 52.786%, 7.667%, and 6.340% of the variance respectively and the three factors explained a total 66.8% of variance (as shown in Table 5.15) which is regarded as satisfactory in social sciences (Hair *et al*., 2010). A cumulative percentage in the range of 60% is acceptable in the social science (Hair *et al*., 2010).

As shown in Table 5.15, the communalities for all items were above 0.5, which is acceptable according to Field (2009), while the mean value of all communalities was 0.67, well above the recommended cut off point of 0.6. Thus, none of the items were removed as a result of their communalities, and there was no need to repeat the factor analysis.

To assess the unidimensional nature of the scale items, principal component loadings were used, as recommended by Carmines and Zeller (1979). Item loadings were examined and items with factor loadings less than 0.6 on their own factors or loaded significantly on more than one factor were removed as recommended by Hair *et al*. (2010). Four items were dropped from the total of 19 items because of low factor loadings (less than 0.6) and cross-loadings, as shown in Table 5.16.

The factor loadings for retained items within the three factors representing financial programmes, social programmes, and structural programmes ranged from 0.667 to 0.904, 0.646 to 0.885, and 0.634 to 0.760, respectively. Table 5.15 shows the results of the initial exploratory factor analysis for relationship investment programmes.

Table 5-15: The results of initial EFA for relationship investment programmes

No.	Items	Components (Factors)			Communalities	Notes
		F1	F2	F3		
1	Financial Program (item 6)	.904			.739	
2	Financial Program (item 7)	.833			.654	
3	Financial Program (item 5)	.820			.666	
4	Financial Program (item 4)	.738			.555	
5	Financial Program (item 1)	.704			.611	
6	Financial Program (item 3)	.676			.638	
7	Financial Program (item 2)	.667			.581	
8	Social Program (item 2)		.855		.877	
9	Social Program (item 1)		.823		.788	
10	Social Program (item 3)		.646		.759	
11	Structural Program (item 3)			.760	.725	
12	Structural Program (item 2)			.727	.726	
13	Structural Program (item 1)			.714	.661	
14	Structural Program (item 9)			.678	.546	
15	Structural Program (item 8)			.634	.575	
16	Structural Program (item 4)	.380		.586	.679	Removed (1)
17	Structural Program (item 5)	.446		.495	.626	Removed (2)
18	Structural Program (item 6)	.422		.484	.669	Removed (3)
19	Structural Program (item 7)	.556		.336	.615	Removed (4)
Mean Communalities					**.67**	
Eigenvalues		10.029	1.457	1.205		
% of Variance		52.786	7.667	6.340		
Cumulative % of Variance		52.786	60.453	66.794		

Notes:
Kaiser-Meyer-Olkin (KMO) Measure Sampling Adequacy = .926
Bartlett test of sphericity is significancant at p. = 0.000

Table 5-16: Relationship investment programmes items after applying EFA

No.	Variable	Items	
		From this company, I often receive	
1	RI social 1	meals, entertainment, or gifts (pens sets, calendar, Ramadan calendar, diary)	
2	RI social 2	greetings on the public and private occasions (Christmas, Eid, birthday, wedding)	
3	RI social 3	special treatment or prestige or status	
4	RI Structural 1	special reports and/or personalized information	
5	RI Structural 2	special value-added benefits (inventory control, expediting, etc)	
6	RI Structural 3	special structural change (tailored packaging, customized order processing)	
7	RI Structural 4	special dedicated personnel	Removed (1)
8	RI Structural 5	special adaption of the company policies and procedures	Removed (2)
9	RI Structural 6	first priority when requested products are available	Removed (3)
10	RI Structural 7	products or services from other sources to resolve my problems	Removed (4)
11	RI Structural 8	special news or transaction information that I need	
12	RI Structural 9	a variety of ways to get information more efficiently	
13	RI Financial 1	free products or/and services	
14	RI Financial 2	special price or discounts	
15	RI Financial 3	special financial benefits and incentives	
16	RI Financial 4	additional discounts if I trade beyond a certain amount	
17	RI Financial 5	credit facilities	
18	RI Financial 6	my order without paying a deposit	
19	RI Financial 7	my order without paying first before delivery	

After removing these four items the remaining 15 items were submitted to the final round of factor analysis to reach a meaningful factor structure. The final exploratory factor analysis for relationship investment programmes yielded three components, representing financial, social and structural programmes with eigenvalue greater than 1.00, and explaining 52.28%, 9.627%, and 6.851% of variance respectively, accounting for 68.758% of cumulative variance. Table 5.18 contains the results of the final round of exploratory factor analysis and reliability analysis for relationship investment programmes. For simplicity, only loading above 0.6 are displayed.

The suitability of data for factor analysis was assessed through inspection of the correlation matrix. The correlation matrix showed many correlations of r = 0.3 or greater, and no values exceeding 0.80, which shows no problem of multicollinearity or singularity and indicates fit of the data for factor analysis (Hair *et al*., 2010; Pallant, 2010).

Bartlett's test of sphericity is significant, which implies the presence of non-zero correlation among the 15 items and a high level of homogeneity among variables (Field, 2009). The overall measure of sampling adequacy (KMO) was high at 0.908, which is considered excellent, and being well above the cut-off point of 0.6 suggested by Tabachnick and Fidell (2007), Field (2009) and Pallant (2010). Overall, these data satisfy the fundamental requirements for factor analysis (Hair *et al*., 2010). KMO and Bartlett's test are provided in Table 5.17.

Table 5-17: KMO and Bartlett's Test of final EFA of relationship investment programmes

KMO and Bartlett's Test		
Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		.908
Bartlett's Test of Sphericity	Approx. Chi-Square	3105.369
	df	105
	Sig.	.000

As shown in Table 5.18, the communalities for all items were above 0.5, which is acceptable according to Field (2009, p. 647), while the mean value of all communalities is 0.701, well above the recommended cut off point of 0.6 for a large sample. All items loaded significantly on a single factor. Factor loadings were all higher than 0.6 on their own factors as recommended by Hair *et al*. (2010). Items of the three components, financial, social and structural programmes loaded on their respective factors as shown in Table 5.18.

Table 5-18: The results of final EFA and reliability analysis for relationship investment programmes

No.	Items	Components (Factors)			Com*	Reliability	
		F1	F2	F3		CITC*	α*
Factor (1)							.906
1	Financial Program 6	.896			.761	.796	
2	Financial Program 7	.826			.668	.720	
3	Financial Program 5	.800			.685	.718	
4	Financial Program 4	.742			.564	.686	
5	Financial Program 1	.721			.637	.698	
6	Financial Program 2	.688			.620	.701	
7	Financial Program 3	.687			.641	.723	
Factor (2)							.868
8	Social Program 1		.844		.803	.729	
9	Social Program 2		.840		.868	.848	
10	Social Program 3		.696		.764	.673	
Factor (3)							.844
11	Structural Program 1			-.749	.704	.663	
12	Structural Program 3			-.734	.734	.674	
13	Structural Program 9			-.691	.673	.663	
14	Structural Program 2			-.686	.710	.697	
15	Structural Program 8			-.652	.684	.641	
Mean Communalities					**.701**		
Eigenvalues		7.842	1.444	1.028			
% of Variance		52.280	9.627	6.851			
Cumulative % of Variance		52.280	61.907	68.758			

Notes:
Kaiser-Meyer-Olkin (KMO) Measure Sampling Adequacy = 0.908
Bartlett test of sphericity is significancant at p. = 0.000
Only loading above 0.6 are displayed and variables are sorted by highest loading
Com* means Communalities
CITC* means Corrected Item-Total Correlations
α* means Cronbach Alpha

The reliability of each factor was tested using Cronbach's alpha. The values for each factor were 0.906, 0.868, and 0.844 respectively, which is above the usual cut-off level of 0.7 as recommended by Nunnally and Bernstein (1994) and reflects satisfactory internal consistency for those items.

CITC, used to evaluate whether all measures demonstrated a dominant loading on the hypothesised factor and did not have significant cross-loadings, was above 0.6 for all items. Those results are satisfactory and above the threshold of 0.4. recommended by Nunnally and Bernstein (1994). The interrelationships among these three factors were also examined. The Factor Correlation Matrix, which is shown in Table 5.19, showed that some factors are interrelated.

Table 5-19: Factor correlation matrix of EFA on relationship investment programmes factor

Component Correlation Matrix			
Component	**1**	**2**	**3**
1	1.000	.441	-.478
2	.441	1.000	-.307
3	-.478	-.307	1.000

Extraction Method: Principal Component Analysis.
Rotation Method: Oblimin with Kaiser Normalization.

This confirms the correctness of the decision to use direct oblimin rotation, and expected correlation. The result provided by direct oblimin rotation is more meaningful than that provided by orthogonal rotation for this data.

5.3.3. Results of EFA for relationship marketing variables

According to the theoretical foundations for this study, relationship marketing (RM) could be measured through eight dimensions (variables): organisational trust (8 items), commitment (8 items), conflict handling (8 items), communication (10 items), empathy (7 items), shared values (5 items), reciprocity (6 items), and equity (6 items) giving 58 items in total. Table 5.20 displays all of the items used in this research to measure the relationship marketing variables.

Table 5-20: The relationship marketing variables and items highlighted the removed items after EFA

No.	Variable	Items	
1	Reciprocity 1	The practice of 'give and take' of favours is a key part of the relationship between me and this company	
2	Reciprocity 2	In the relationship between me and this company we feel a sense of obligation for doing each other favours	
3	Reciprocity 3	The company should return the kindness, if I give assistance when the company has difficulties	
4	Reciprocity 4	I should return the kindness, if the company gives me assistance when I have difficulties	
5	Reciprocity 5	The company believes in "never forget a good turn" for me	Removed (1)
6	Reciprocity 6	I believe in "never forget a good turn" for the company	
7	Equity 1	I get a satisfying buy for the money	Removed (2)
8	Equity 2	My dealings with this company are mutually beneficial	Removed (3)
9	Equity 3	There is fairness in my dealings with the company	Removed (4)
10	Equity 4	The company provides products or/and services at a satisfying price	
11	Equity 5	This company gives me real value	
12	Equity 6	Overall we provide each other with equal benefits	
13	Commitment 1	I am willing "to go an extra mile" to remain a customer of this company	Removed (5)
14	Commitment 2	I can make sacrifices to help this company (e.g. money, effort, etc)	Removed (6)
15	Commitment 3	I will continue to deal with this company even if its prices increase in the future	Removed (7)
16	Commitment 4	I have a desire to continue my relationship with the company	Removed (8)
17	Commitment 5	My relationship with the company is worth my effort to maintain	Removed (9)
18	Commitment 6	My relationship with the company is important to me	
19	Commitment 7	My relationship with the company is something that I really care about	
20	Commitment 8	My relationship with the company is a long-term relationship	
21	Trust 1	The company can be trusted completely	
22	Trust 2	The company treats me honestly	
23	Trust 3	The company makes reliable promises	
24	Trust 4	The company fulfills its obligations to me as a customer/consumer	
25	Trust 5	The company provides me with products or/ and services in which I have confidence	
26	Trust 6	The company can be counted on to do what is right	Removed (10)
27	Trust 7	The company is always willing to provide quality products or/and services	Removed (11)
28	Trust 8	The company carries out what the contact person promises	Removed (12)

No.	Variable	Items	
29	Conflict Handling 1	The company tries to avoid potential conflicts	Removed (13)
30	Conflict Handling 2	The company tries to solve manifest conflicts before they create problems	Removed (14)
31	Conflict Handling 3	The company tries to get me involved in solving problems	Removed (15)
32	Conflict Handling 4	The company tries to takes seriously any concerns I have	
33	Conflict Handling 5	The company tries to solve my problems quickly	
34	Conflict Handling 6	The company tries to solve my problems easily	
35	Conflict Handling 7	The company tries openly and honestly to discuss solutions when problems arise	
36	Conflict Handling 8	The company tries to put appropriate effort into resolving any concerns I have	
37	Communication 1	The company provides timely information	Removed (16)
38	Communication 2	The company provides reliable information	
39	Communication 3	The company provides accurate information	
40	Communication 4	The company provides complete information	
41	Communication 5	The company provides regularly updated information on new products or/and services	Removed (17)
42	Communication 6	The company provides regularly updated information on new developments	
43	Communication 7	The company provides regularly updated information about benefits of products or/and services	
44	Communication 8	The company provides regularly updated information about the events, or/and changes that may affect me	
45	Communication 9	The company provides easy ways to contact it for any queries	Removed (18)
46	Communication 10	The company overall, provides information with which I am satisfied	Removed (19)
47	Empathy 1	Staff at this company understand my viewpoint	Removed (20)
48	Empathy 2	Staff at this company understand my goals	Removed (21)
49	Empathy 3	Staff at this company understand my needs	Removed (22)
50	Empathy 4	Staff at this company care about my feelings	Removed (23)
51	Empathy 5	Staff at this company show sympathy when I have problems	Removed (24)
52	Empathy 6	Staff at this company provide support when I have problems	Removed (25)
53	Empathy 7	Staff at this company give me personalized attention	Removed (26)
54	Shared Values 1	Staff at this company share the same values as me	
55	Shared Values 2	Staff at this company share the same worldview as me	
56	Shared Values 3	Staff at this company believe in the same things that I believe in	
57	Shared Values 4	Staff at this company have the same opinion as me about most things	
58	Shared Values 5	Staff at this company have the same feelings as me about things around us	

After two rounds of EFA, 26 items were removed as shown in Table 5.20. The final round of EFA was performed for the remaining 32 items of relationship marketing variables to reach a meaningful factor structure. Prior to performing PCA, the suitability of data for factor analysis was assessed. Inspection of the correlation matrix revealed the presence of many coefficients of r = 0.3 or above, and no values exceeding 0.80, which indicates fit of the data for factor analysis (Hair *et al*., 2010; Pallant, 2010).

The KMO value was very high at 0.904, exceeding the value of 0.6 recommended by Tabachnick and Fidell (2007), Field (2009) and Pallant (2010). Additionally, the Bartlett's Test of Sphericity reached statistical significance, supporting the factorability of the correlation matrix. The Chi square of 7165.771 with 496 df and significance 0.000 implies that the correlations between 32 items are (overall) significantly different from zero, and there is a high level of homogeneity among variables (Field, 2009; Hair *et al*., 2010). Accordingly, these data satisfy the fundamental requirements for factor analysis (Hair *et al*., 2010). KMO and Bartlett's test are provided in Table 5.21.

Table 5-21: KMO and Bartlett's test of EFA for RM variables

KMO and Bartlett's Test		
Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		.904
Bartlett's Test of Sphericity	Approx. Chi-Square	7165.771
	df	496
	Sig.	.000

Principal Components Analysis revealed the presence of eight factors (components), with eigenvalues exceeding 1.0, explaining approximately 37.466%, 9.456%, 7.588%, 5.587%, 4.805%, 4.191%, 3.399% and 3.222% of the variance respectively, and the eight factors explained 75.714% of variance in total. The cumulative percentage of the variance for the eight factors is considered more than satisfactory, compared with the 60% threshold suggested as satisfactory in social sciences (Hair *et al*., 2010, p. 109).

The communalities for all items were above 0.5, the cut-off point suggested by Field (2009) also the mean value of all communalities is 0.757, well above the recommended cut-off point of 0.6. Thus, none of the items were removed as a result of their communalities.

All items loaded significantly on a single factor. Factor loadings were all higher than 0.6 on their own factors as recommended by Hair *et al*. (2010). Items of six components conflict handling, reciprocity, shared values, commitment, organisational trust, and equity, loaded on their respective factors as shown in Table 5.22. However, the communication items revealed two distinct factors, with items 2, 3, and 4 loaded on one factor and items, 6, 7, and 8 loaded on another factor. It was thus decided that communication should split into two dimensions in the later analysis. The first factor, with items 6, 7, and 8 (provides regularly updated information on new developments, provides regularly updated information about benefits of products or/and services, and provides regularly updated information about the events, or/and changes that may affect me), was renamed ‘Communication Process’ as these items really represent the communication dimension of the relationship marketing construct. Also it was decided to rename the factor with items 2, 3, and 4 (provides reliable information, provides accurate information, and provides complete information) ‘Communication Quality’, as these items represent the quality of the communication with customers.

The factor loadings for retained items within conflict handling, reciprocity, shared values, commitment, communication, organisational trust, communication quality and equity ranged from .634 to .805, .647 to .859, .710 to .930, .699 to .792, .806 to .887, .721 to .883, .613 to .783, and .649 to .778 respectively, as shown in Table 5.22.

The reliability of each factor was also tested using Cronbach’s alpha. The Cronbach Alpha values for the eight factors reflect satisfactory internal consistency for those items, as all exceed 0.8, which is above the usual cut-off level of 0.7 recommended by Nunnally and Bernstein (1994) (see Table 5.22).

CITC was used to evaluate whether all measures demonstrated a dominant loading on the hypothesised factor and did not have significant cross-loadings. The results for all items were above 0.6, comfortably exceeding the threshold of 0.4 recommended by Nunnally and Bernstein (1994).

Table 5-22: The results of final EFA and reliability analysis for RM variables

No.	Items	Components (Factors)								Com*	Reliability	
		F1	F2	F3	F4	F5	F6	F7	F8		CITC*	α*
Factor (1) Conflict Handling												.887
1	Conflict Handling 5	.805								.775	.772	
2	Conflict Handling 7	.737								.741	.727	
3	Conflict Handling 6	.659								.756	.781	
4	Conflict Handling 4	.635								.601	.642	
5	Conflict Handling 8	.634								.682	.721	
Factor (2) Reciprocity												.891
6	Reciprocity 3		.859							.784	.785	
7	Reciprocity 2		.850							.773	.788	
8	Reciprocity 1		.828							.728	.726	
9	Reciprocity 4		.810							.742	.753	
10	Reciprocity 6		.647							.621	.623	
Factor (3) Shared Values												.928
11	Shared Values 3			-.930						.843	.846	
12	Shared Values 4			-.894						.857	.857	
13	Shared Values 5			-.891						.834	.832	
14	Shared Values 2			-.818						.813	.828	
15	Shared Values 1			-.710						.737	.696	
Factor (4) Commitment												.854
16	Commitment 7				.792					.836	.808	
17	Commitment 8				.756					.732	.638	
18	Commitment 6				.699					.732	.739	
Factor (5) Communication process												.858
19	Communication 8					.887				.797	.707	
20	Communication 6					.842				.801	.750	
21	Communication 7					.806				.785	.740	

No.	Items	Components (Factors)								Com*	Reliability	
		F1	**F2**	**F3**	**F4**	**F5**	**F6**	**F7**	**F8**		**CITC***	**α***
Factor (6) Organisational Trust												.909
22	Organisational Trust 1						.883			.790	.790	
23	Organisational Trust 3						.802			.774	.794	
24	Organisational Trust 5						.797			.743	.740	
25	Organisational Trust 2						.774			.766	.790	
26	Organisational Trust 4						.721			.734	.738	
Factor (7) Communication Quality												.863
27	Communication Quality 4							.783		.848	.791	
28	Communication Quality 3							.746		.812	.802	
29	Communication Quality 2							.613		.659	.639	
Factor (8) Equity												.847
30	Equity 5								.778	.809	.686	
31	Equity 4								.691	.726	.604	
32	Equity 6								.649	.594	.664	
Mean Communalities										**.757**		
Eigenvalues		11.989	3.026	2.428	1.788	1.538	1.341	1.088	1.031			
% of Variance		37.466	9.456	7.588	5.587	4.805	4.191	3.399	3.222			
Cumulative % of Variance		37.466	46.923	54.51	60.098	64.903	69.093	72.492	75.714			

Notes:
Kaiser-Meyer-Olkin (KMO) Measure Sampling Adequacy = .904
Bartlett test of sphericity is significancant at p. = 0.000
Only loading above 0.6 are displayed and variables are sorted by highest loading
Com* means Communalities
CITC* means Corrected Item-Total Correlations
α* means Cronbach Alpha

5.3.4. Results of EFA for relationship quality

The fourth exploratory factor analysis was performed for the relationship quality variable. Based on the literature, relationship quality can be measured by four items. Table 5.23 indicates the items used in this research to measure the relationship quality.

Table 5-23: Relationship quality items submitted to EFA

No.		Variable	Items
1	RQ	relationship quality 1	My relationship with the company meets my goals
2		relationship quality 2	My relationship with the company fulfils my expectations
3		relationship quality 3	My relationship with the company is strong
4		relationship quality 4	My relationship with the company is excellent

Exploratory Factor Analyses were performed for relationship quality. The four items of the relationship quality variable were subjected to PCA. Prior to performing PCA, the suitability of data for factor analysis was assessed through inspection of the correlation matrix which revealed the presence of many coefficients of 0.3 or above, indicating interrelationships among variables needed for factor analysis, and no values exceeded 0.80, which shows no problem of multicollinearity or singularity and the data were fit for factor analysis (Hair *et al*., 2010; Pallant, 2010).

Bartlett's test of sphericity showed an approximate Chi square of 681.418 with 6 df and significance 0.000. The overall measure of sampling adequacy (KMO) was 0.780 which is higher than the cut-off point of 0.6 recommended by Tabachnick and Fidell (2007), Field (2009) and Pallant (2010). Thus, the sample data satisfied the fundamental requirements for factor analysis.

The communalities for all items were above 0.5, which is satisfactory (Field, 2009) and the mean value of all communalities was 0.738, well above the recommended cut-off point of 0.6, as shown in Table 5.24

Principal Components Analysis revealed the presence of one factor, with eigenvalue equal 2.952, explaining 73.810% of the total variance. The cumulative percentage is considered more than satisfactory, based on the criterion of 60%, which is regarded as satisfactory in social sciences (Hair *et al*., 2010).

Table 5-24: Results of EFA and reliability analysis for relationship quality

No.	Items	Factor	Com*	Reliability	
				CICT*	(α) *
Factor (1) Relationship Quality					**.880**
1	Relationship Quality 3	.885	.784	.787	
2	Relationship Quality 4	.869	.756	.763	
3	Relationship Quality 1	.854	.729	.733	
4	Relationship Quality 2	.827	.683	.693	
Mean Communalities			**.738**		
Eigenvalues		2.952			
% of Variance		73.810			
Cumulative % of Variance		73.810			

Notes:
Kaiser-Meyer-Olkin (KMO) Measure Sampling Adequacy = .780
Bartlett test of sphericity is significancant at p. = 0.000
Only loading above 0.6 are displayed and variables are sorted by highest loading
Com* means Communalities
CITC* means Corrected Item-Total Correlations
α* means Cronbach Alpha

As only one factor was extracted for relationship quality, the factor matrix or unrotated solution was examined instead of the pattern matrix or rotated solution. Factor solutions are shown in Table 5.24. All items are loading substantially on only one factor. There are no cross loadings. The factor loadings for all items within the relationship quality factor ranged from .827 to .885, all exceeding the minimum loading criterion 0.6 as recommended by Hair *et al*. (2010). The reliability of the factor was tested. Cronbach's alpha was 0.880, which met the acceptable reliability level of 0.70 (Hair *et al*., 2010). CITC values are satisfactory and range from 0.693 to 0.787 all exceeding the minimum loading criterion of .40.

5.3.5. Results of EFA for customer retention

The final exploratory factor analysis was performed for the customer retention variable. Based on the literature, there are six questionnaire items were used to measure customer retention, as shown in Table 5.25.

Table 5-25: Customer retention items submitted for EFA

No.	Variable	Items
1	customer retention 1	I have the intention to re-purchase from this company in future
2	customer retention 2	I will continue to purchase from this company
3	customer retention 3	I expect my relationship with this company to last for a long time
4	customer retention 4	I am willing to buy from this company for a premium price to reduce purchasing risk
5	customer retention 5	I usually pay less attention to the competitors offers
6	customer retention 6	I recommend this company to all my social network (friends, colleagues and relatives)

Exploratory Factor Analyses were performed for customer retention (6 items). Prior to conducting factor analysis, the suitability of the data was assessed. Examination of the correlation matrix revealed that many correlation coefficients exceeded 0.30, but were not higher than 0.80, indicating some interrelationships among variables, but no extreme multicollinearity or singularity (Field, 2009).

The measure of sampling adequacy was 0.811. Additionally, the Bartlett test of sphericity indicated statistical significance, which meant that enough correlations existed among the variables to proceed (Hair *et al*., 2010). All the results supported the factorability of the correlation matrix, and that factor analysis was appropriate for the data. The communalities for all items were above the 0.5 threshold suggested by Field (2009) while the mean value of all communalities was 0.715, well above the recommended cut off point of 0.6, as shown in Table 5.26.

Principal Components Analysis revealed the presence of one factor, with eigenvalue equal 3.282, explaining 71.48% of the total variance, which is more than satisfactory, compared to the suggested cut-off of 60% (Hair *et al*., 2010).

Since only one factor was extracted for the customer retention variable, the factor matrix or unrotated solution was examined instead of the pattern matrix or rotated solution. The factor solution is shown in Table 5.26. All items are loading substantially on only one factor, with no cross loadings. The factor loadings for all items ranged from 0.662 to 0.927, all exceeding the minimum loading criterion of 0.6 recommended by Hair *et al*. (2010). Cronbach's alpha is 0.813, indicating acceptable reliability (Hair *et al*., 2010). CITC values are satisfactory and range from 0.520 to 0.694 all exceeding the minimum loading criterion of 0.40.

Table 5-26: The results of EFA and reliability analysis for customer retention

No.	Items	Factor	Com*	Reliability	
				CITC*	(α)*
Factor (1) Customer Retention					**.813**
1	Customer Retention 5	.927	.818	.694	
2	Customer Retention 3	.898	.781	.613	
3	Customer Retention 1	.864	.742	.606	
4	Customer Retention 2	.864	.716	.577	
5	Customer Retention 4	.811	.716	.557	
6	Customer Retention 6	.662	.517	.520	
Mean Communalities			**.715**		
Eigenvalues		3.282			
% of Variance		71.479			
Cumulative % of Variance		71.479			

Notes:
Kaiser-Meyer-Olkin (KMO) Measure Sampling Adequacy = 0.811
Bartlett test of sphericity is significancant at p. = 0.000
Only loading above 0.6 are displayed and variables are sorted by highest loading
Com* means Communalities
CITC* means Corrected Item-Total Correlations
α* means Cronbach Alpha

Part Two: Hypotheses Testing

5.4. Introduction

Data purification and data reduction were completed in part one of this chapter. This part focuses on quantitative data analysis to test the hypotheses to answer the research questions 1, 2, and 3 related to the second phase of this research. Table 5.27 shows the contents of this part, together with the statistics analysis used in this part.

Table 5-27: The contents of part two

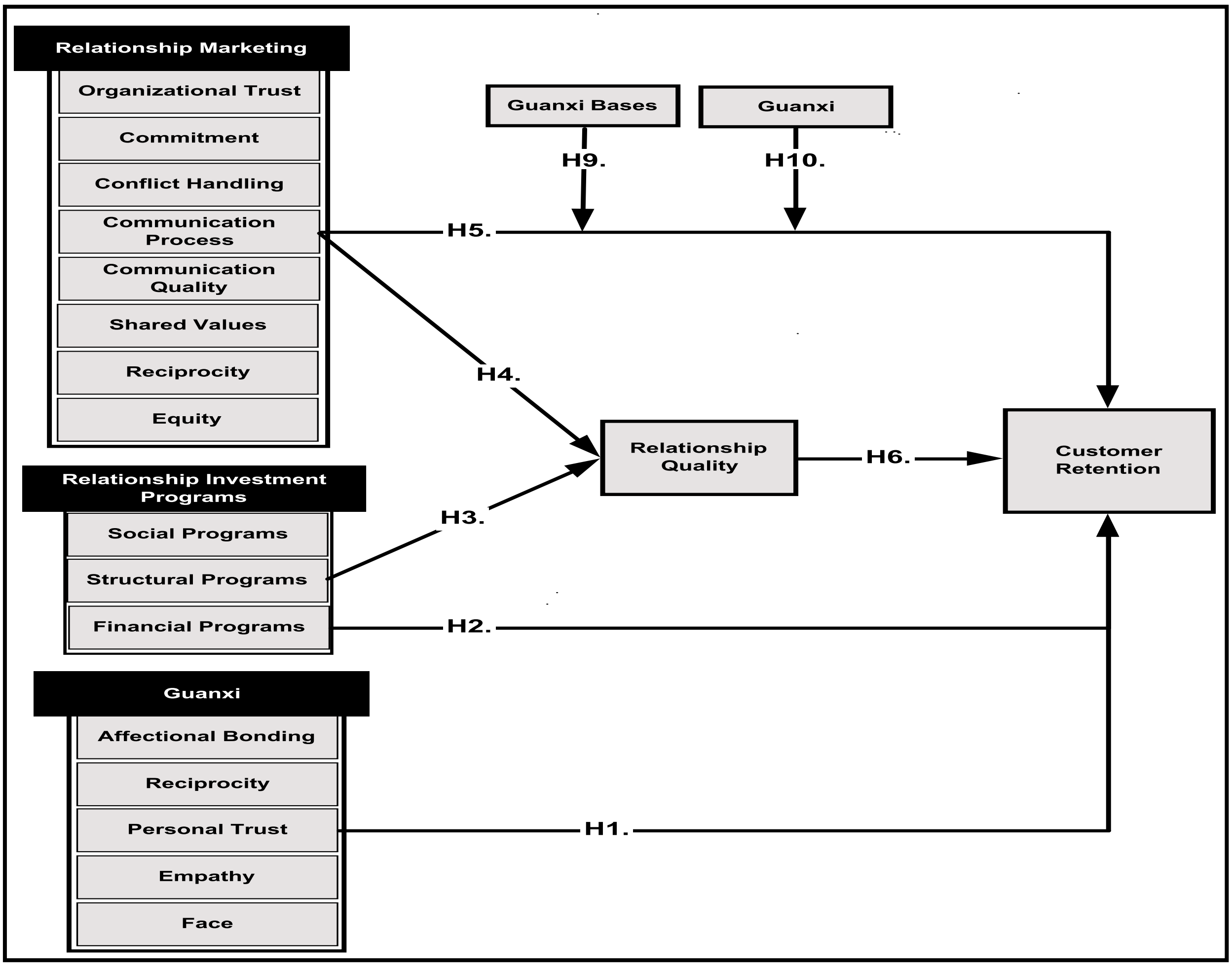
Contents	Statistics Analysis Used
Testing The Empirical Model to answer The Research Questions 1, 2 and 3:	
Testing Hypotheses from 1 to 6: The Direct Relationships	- Correlation - Multiple regression
Testing Hypotheses 7 and 8: The Indirect Relationships (Mediators)	- Correlation - Multiple regression - Hierarchal multiple regression - Bootstrapping method for intervention relationships
Testing Hypotheses 9 and 10: Testing the Interaction Relationships (Moderators)	- Correlation - Multiple regression - Hierarchal multiple regression - Bootstrapping method for interaction relationships

5.5. Hypotheses testing of the empirical model

The updated empirical research models after the results of the EFA are shown in Figure 5.1a and b. Figure 5.1a shows all the direct relationships (hypotheses 1 to 6) and interaction relationships (hypotheses 9 and 10) among the research variables. Figure 5.1b shows all the intervention (indirect) relationships (hypotheses 7 and 8). Moreover, all the ten research hypotheses are shown in Table 5.28.

Figure 5-1: The empirical research models

A) The empirical research model (direct and interaction relationships)



B) The research empirical model (indirect effect)

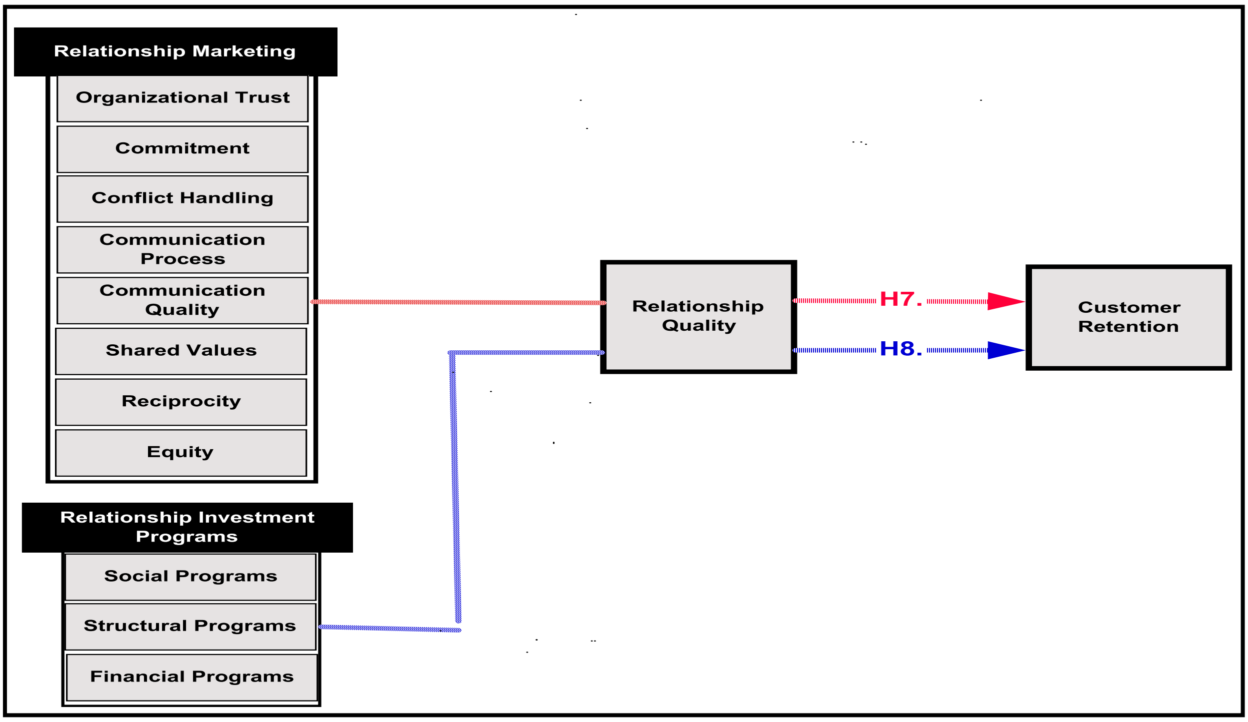


Table 5-28: Research hypotheses based on the empirical model

Hypotheses For The Direct Relationships – Figure (5.1a)
H1. There is a significant positive relationship between *shabakat al-alakat* (*guanxi*-type relationships in Egypt) and customer retention. **H1a.** There are significant positive relationships of affectional bonding, reciprocity, personal trust, empathy, and face with customer retention.
H2. There is a significant positive relationship between relationship investment programmes and customer retention. **H2a.** There are significant positive relationships of relationship investment social programmes, structural programmes and financial programmes with customer retention.
H3. There is a significant positive relationship between relationship investment programmes and relationship quality. **H3a.** There are significant positive relationships of relationship investment social programmes, structural programmes and financial programmes with relationship quality.
H4. There is a significant positive relationship between relationship marketing and relationship quality. **H4a.** There are significant positive relationships of organisational trust, commitment, conflict handling, communication process, communication quality, shared values, reciprocity, and equity with relationship quality.
H5. There is a significant positive relationship between relationship marketing and customer retention. **H5a.** There are significant positive relationships of organisational trust, commitment, conflict handling, communication process, communication quality, shared values, reciprocity, and equity with customer retention.
H6. There is a significant positive relationship between relationship quality and customer retention.
Hypotheses For The Intervening Relationships (Mediators) – Figure (5.1b)
H7. Relationship quality mediates the relationship between relationship marketing and customer retention.
H8. Relationship quality mediates the relationship between relationship investment programmes and customer retention.
Hypotheses For The Interaction Relationships (Moderators) – Figure (5.1a)
H9. There is a significant difference in the impact of relationship marketing on customer retention between the different bases of *shabakat al-alakat* (*guanxi* base)
H10. There is a significant difference in the impact of relationship marketing on customer retention according to the strength of *shabakat al-alakat (guanxi*-type relationships in Egypt)

5.5.1. Correlation analysis

Prior to hypothesis testing, correlation analysis was conducted to gain some insights into the relationships among all the variables used in the analysis. The correlation matrix of correlation coefficients among the variables (Tables 5.29 to 5.32) revealed significantly positive relationships between each pair of variables. Whilst the analysis will proceed further with greater rigor and sophistication, this will be borne in mind in subsequent interpretation.

***First,* the correlation of *shabakat al-alakat* with customer retention**

The five variables of *shabakat al-alakat* (*guanxi*-type relationship in Egypt) are statistically correlated with customer retention as shown in Table 5.29. Specifically, affectional bonding (r = .316, $p < 0.01$), reciprocity (r = .132, $p < 0.05$), personal trust (r = .315, $p < 0.01$), empathy (r = .325, $p < 0.01$), and face (r = .512, $p < 0.01$). Overall, *shabakat al-alakat* has a positive relationship with customer retention (r = .390, $p < 0.01$).

All of the five variables of *shabakat al-alakat* have a positive relationship with customer retention. Three variables; affectional bonding, personal trust, and empathy have positive correlation coefficients greater than .30 with all $p < 0.01$, which is regarded as indicating a medium association with customer retention. Face has a large positive correlation coefficient (greater than .5) with customer retention, while reciprocity has a small correlation with customer retention.

The correlation results seem to imply that the more affectional bonding, reciprocity, personal trust, empathy and face exist between the staff members and the customers from their network, the greater will be customer retention. These results provide early and superficial indication, which will be examined further in the analysis that follows.

Table 5-29: Correlation matrix of *shabakat al-alakat* with customer retention

Shabakat Al-alakat **Variables**	**Customer Retention**
Affectional Bonding	.316**
Reciprocity	.132*
Personal Trust	.351**
Empathy	.325**
Face	.512**
Total *shabakat al-alakat*	.390**

Pearson correlation coefficient used
*. Correlation is significant at the 0.05 level (1-tailed).
**. Correlation is significant at the 0.01 level (1-tailed).
N= 305

***Second*, the correlation of relationship investment programmes with both relationship quality and customer retention**

The three relationship investment programmes are statistically correlated with relationship quality and customer retention as shown in Table 5.30 The social programmes are significantly correlated with relationship quality (r = .430, $p < 0.01$) and customer retention (r = .413, $p < 0.01$).

The correlation between structural programmes and both relationship quality and customer retention are 0.485 and 0.482 respectively. Also the financial programmes are significantly correlated with relationship quality and customer retention. Specifically, r = .534 ($p < 0.01$) for relationship quality and for customer retention r = .537 ($p < 0.01$).

In general, the social and structural programmes have a positive medium correlation with relationship quality and customer retention. The financial programmes have a positive large correlation with both relationship quality and customer retention.

The previous results seem to imply that the more emphasis is placed on the three types of relationship investment programmes the better relationship quality and customer retention will be. These results provide early and superficial indication and will be examined further in the analysis that follows.

Table 5-30: Correlation matrix of relationship investment programmes with relationship quality and customer retention

Relationship Investment Programmes	Relationship Quality	Customer Retention
Social programmes	.430**	.413**
Structural programmes	.485**	.482**
Financial programmes	.534**	.537**

Pearson correlation coefficient used
**. Correlation is significant at the 0.01 level (1-tailed).
N= 305

***Third*, the correlation of relationship marketing with both relationship quality and customer retention**

Relationship marketing is statistically correlated with relationship quality and customer retention as shown in Table 5.31. The eight variables of relationship marketing are significantly correlated with relationship quality. Specifically, reciprocity (r = .294, $p < 0.01$), equity (r = .605, $p < 0.01$), commitment (r = .700, $p < 0.01$), organisational trust (r = .631, $p < 0.01$), conflict handling (r = .511, $p < 0.01$), communication quality (r = .558, $p < 0.01$), communication process (r = .401, $p < 0.01$), and Shared values (r = .399, $p < 0.01$). Also the eight variables of relationship marketing are significantly correlated with customer retention. Specifically, reciprocity (r = .375, $p < 0.01$), equity (r = .568, $p < 0.01$), commitment (r = .649, $p < 0.01$), organisational trust (r = .677, $p < 0.01$), conflict handling (r = .483, $p < 0.01$), communication quality (r = .512, $p < 0.01$), communication process (r = .403, $p < 0.01$), and shared values (r = .478, $p < 0.01$). Over all, relationship marketing overall has a positive strong relationship with both relationship quality(r = .692, $p < 0.01$) and customer retention (r = .723, $p < 0.01$).

In line with expectations, all of the eight relationship marketing variables have a positive relationship (with medium to large correlations) with relationship quality and customer retention. Five variables; equity, commitment, organisational trust, conflict handling and communication quality have positive correlation coefficients greater than .50 ($p < 0.01$), with both relationship quality and customer retention, which is regarded as a large association. Three variables; reciprocity, communication process and shared values have medium positive correlation coefficients (greater than .290, $p < 0.01$) with both relationship quality and customer retention.

Three variables; equity, organisational trust, and commitment, have the largest correlations with both relationship quality and customer retention.

In line with earlier qualitative perspectives, the quantitative results seems to imply that the more emphasis is placed on building trust and commitment, achieving equity, handling conflicts and increasing the quality of communication the more customer retention and relationship quality with the customers will be achieved. These results provide early and superficial indication and will be examined further in the analysis that follows.

Table 5-31: Correlation matrix for relationship marketing with relationship quality and customer retention

Relationship Marketing Variables	Relationship Quality	Customer Retention
Reciprocity	.294**	.375**
Equity	.605**	.586**
Commitment	.700**	.649**
Organisational Trust	.631**	.677**
Conflict Handling	.511**	.483**
Communication Quality	.558**	.512**
Communication Process	.401**	.403**
Shared Values	.399**	.478**
Total Relationship Marketing	.692**	.723**

Pearson correlation coefficient used
**. Correlation is significant at the 0.01 level (1-tailed).
N= 305

***Fourth*, the correlation between relationship quality and customer retention**

Relationship quality is significantly correlated with customer retention with a correlation coefficient r = 0.745 ($p < 0.01$) as shown in Table 5.32. In general, relationship quality and customer retention have a positive large correlation, thus the better the relationship quality with the customer, the greater the customer retention. This result provides early and superficial indication and will be examined further in the analysis that follows.

Table 5-32: Correlation matrix for relationship quality with customer retention

The Variable	Customer Retention
Relationship Quality	**.745****

Pearson correlation coefficient used
**. Correlation is significant at the 0.01 level (1-tailed).
N= 305

Examination of linear relationships among variables in correlation analysis yielded a general understanding of the interrelationships between variables, as well as the direction of each correlation. However, the interpretation of these correlations and their directions cannot be expressed in any causal way (Field, 2009). Hypotheses will be tested in the next section.

5.5.2. Testing hypotheses for direct relationships

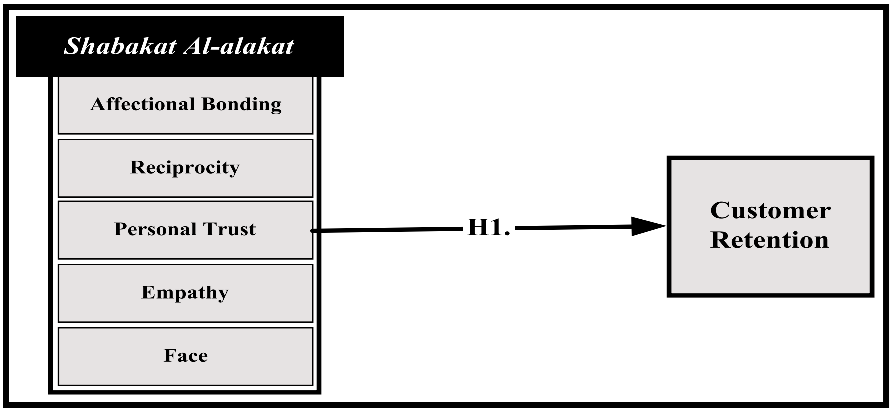
Multiple regression analyses were conducted in order to test the hypotheses. The precise set of independent variables were entered into the regression model and specified by the researcher based on theoretical justification rather than selected by the SPSS programme, such as stepwise estimation or forward addition and backward elimination. This confirmatory specification approach allows the researcher to have total control over the variable selection. Problems from specification errors due to either omission or inclusion of independent variables are minimized because the selection of variables is based on the literature and theoretically supported (Field, 2009; Hair *et al*., 2010). The results from multiple regression analysis, the interpretation of the results, and the discussion for each hypothesis are shown below.

5.5.2.1. Hypothesis 1

H1. There is a significant positive relationship between *shabakat al-alakat* (*guanxi*-type relationships in Egypt) and customer retention

> **H1a.**There are significant positive relationships of affectional bonding, reciprocity, personal trust, empathy, and face with customer retention.

Figure 5-2: Visualising hypothesis1 before testing



To test the first hypothesis (Figure 5.2), five variables of *shabakat al-alakat* were used as independent variables while customer retention was used as the dependent variable. All variables were derived from factor analysis. After estimation of the regression model, the regression assumptions were tested identified via examination of the residual plots, and outliers and influential observations via standardized residual values, Cook's distance, and Mahalanobis distances. Corrective actions and re-estimation of the regression model are required if substantial violations of the assumptions are found or influential observations are determined (Hair *et al*., 2010). It was found that there were no serious assumption violation; however, 10 cases were identified as influential observations and outliers, that could have excessive influence on the result; hence, they were deleted from the analysis. The regression model was re-estimated after the deletion of the influential cases. The results are shown in Table 5.33.

Table 5-33: The result of multiple regression analysis for hypothesis 1

Variables of *shabakat al-alakat* are independent variables and customer retention is the dependent variable						
Coefficient of Determination (R^2)			0.226			
Adjusted R^2 (Wherry's equation)			0.213			
Adjusted R^2 (Stein's equation)			0.200			
Std. Error of the estimate			0.536			
Durbin Watson			1.703			
F-value			16.913			
Significance			.000			
Variables	**Unstandardized Coefficients**		**Standardized Coefficients**		**Collinearity Statistics**	
	B	**Std. Error**	**Beta**	**t-value**	**Tolerance**	**VIF**
Constant	1.511	.272		5.562		
Affectional Bonding	.020	.041	.026	.490	.973	1.027
Personal Trust	.233	.055	.260	4.229***	.708	1.413
Empathy	.076	.056	.090	1.362	.617	1.620
Face	.178	.055	.208	3.231**	.649	1.541
Reciprocity	.081	.038	.114	2.157*	.952	1.050

***Significant at the 0.001 level. **Significant at the 0.01 level. *Significant at the 0.05 level.
N=295

The adjusted R^2 according to Wherry's equation is .213, which means approximately 21 percent of the possible variance in customer retention is associated with a set of *shabakat al-alakat* variables. It is found that the regression model is statistically significant with F value of 16.913 (P < 0.001). Thus *shabakat al-alakat* significantly explains customer retention.

"The adjusted R^2 gives idea of how well the model generalises and ideally, its value [should] be the same as, or very close to, the value of R^2." In this model the difference for the final model is very small (in fact the difference between the values is R^2 – adjusted R^2 = 0.013). "This shrinkage means that if the model were derived from the population rather than a sample it would account for approximately [1%] less variance in the outcome" (Field, 2009, p. 235).

Moreover, adjusted $\boldsymbol{R^2}$ $\textbf{Stein's equation} = \mathbf{1} - \left[\left(\frac{295-1}{295-5-1}\right)\left(\frac{295-2}{295-5-2}\right)\left(\frac{295+1}{295}\right)\right](\mathbf{1} - \mathbf{0.226}) = \mathbf{0.2}$ this value is very similar to the observed value of R^2 (0.226) indicating that the cross-validity of this model is very good (Field, 2009).

The regression coefficients of affectional bonding and empathy are not statistically significant. It implies that these two variables have no generalisable effect on customer retention beyond this sample; hence, they should not be used for prediction or explanation purposes. However, the regression coefficients of personal trust, face and reciprocity are found to be significantly different from zero with t-values of 4.229, 3.231, and 2.157 respectively. It can be confidently concluded that personal trust, face and reciprocity have a statistically significant effect in the regression model with a high degree of certainty (95%); thus, they should be included in the regression equation. The regression coefficients of personal trust, face and reciprocity are .233, .178 and .81 respectively which represents a positive relationship between *shabakat al-alakat* through its variables and customer retention. In addition it is clear that personal trust has the largest contribution in the regression equation and customer retention variance compared to other variables, with a Beta value of 0.260, followed by face (0.208), and reciprocity (0.114).

After this initial analysis Field (2009) suggests repeating the regression analysis after removing any predictors that were not statistically significant in the initial analysis. Thus the multiple regression was repeated after removing two variables affectional bonding and empathy. The results are shown in Table 5.34.

Table 5-34: The result of repeated multiple regression analysis for hypothesis 1

Variables of *shabakat al-alakat* are an independent variables and customer retention is the dependent variable						
Coefficient of Determination (R^2)			0.221			
Adjusted R^2 (Wherry's equation)			0.213			
Adjusted R^2 (Stein's equation)			0.202			
Std. Error of the estimate			0.536			
Durbin Watson			1.719			
F-value			27.521			
Significance			.000			
Variables	**Unstandardized Coefficients**		**Standardized Coefficients**		**Collinearity Statistics**	
	B	**Std. Error**	**Beta**	**t-value**	**Tolerance**	**VIF**
Constant	1.502	.237		6.325		
Personal Trust	.256	.052	.285	4.938***	.805	1.242
Face	.211	.050	.246	4.228***	.791	1.264
Reciprocity	.085	.037	.119	2.270*	.967	1.035

***Significant at the 0.001 level. **Significant at the 0.01 level. *Significant at the 0.05 level.
N= 295

The regression assumptions were tested via examination of the residual plots, and the outliers and influential observations identified via standardized residual values, Cook's distance, and Mahalanobis distances. No serious assumption violation was found.

The repeated multiple regression analysis provides an adjusted R^2 (Wherry's) is .213, which means approximately 21 percent of the possible variance in the customer retention is associated with a set of *shabakat al-alakat* variables. It is found that the regression model is statistically significant with *F* value of 27.521 (P < 0.001). Thus *shabakat al-alakat* significantly explains the customer retention.

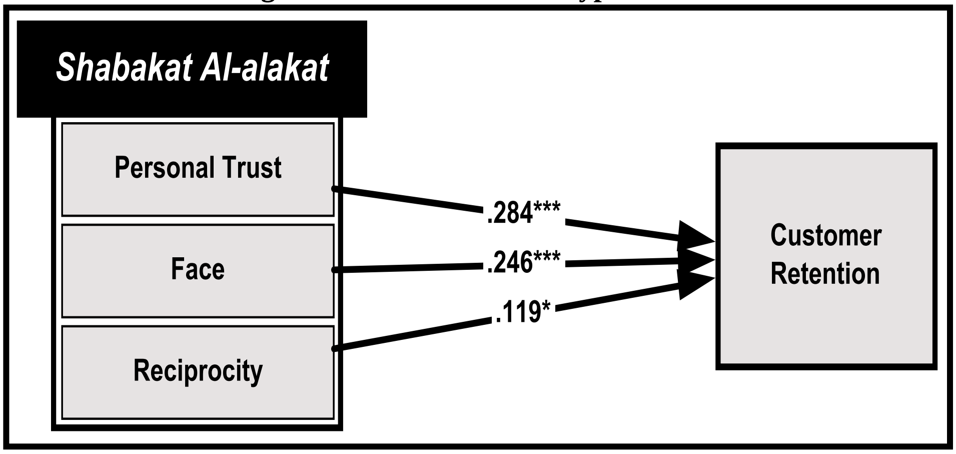
In this repeated model the difference between R^2 and adjusted R^2 is very small (in fact the difference between the values is R^2 – adjusted R^2 = 0.008). This shrinkage means that if the model were derived from the population rather than a sample it would account for approximately 0.8% less variance in the outcome (Field, 2009, p. 235). Moreover, adjusted R^2 using Stein's formula is 0.202. The value is very similar to the observed value of R^2 (0.221) indicating that the cross-validity of this model is very good (Field, 2009).

The regression coefficients of personal trust, face and reciprocity are again found to be significantly different from zero with the t-value of 4.938, 4.228 and 2.270 respectively. It can be confidently concluded that personal trust, face and reciprocity have a statistically significant effect in the regression model with a high degree of certainty (95%) as shown in Figure 5.3; thus, they should be included in the regression equation.

The regression coefficients of personal trust, face and reciprocity are 0.256, 0.211 and 0.085 respectively, which represent a positive relationship between *shabakat al-alakat* through its variables and customer retention.

In addition it is clear that personal trust has the largest contribution in the regression equation and customer retention variation compared to other variables, with a Beta value of 0.285, followed by face (0.246) then reciprocity (0.097) as shown in Figure 5.3. **Finally, all the previous results provide support for hypothesis 1, and partial support for H1a.**

Figure 5-3: The results of hypothesis 1



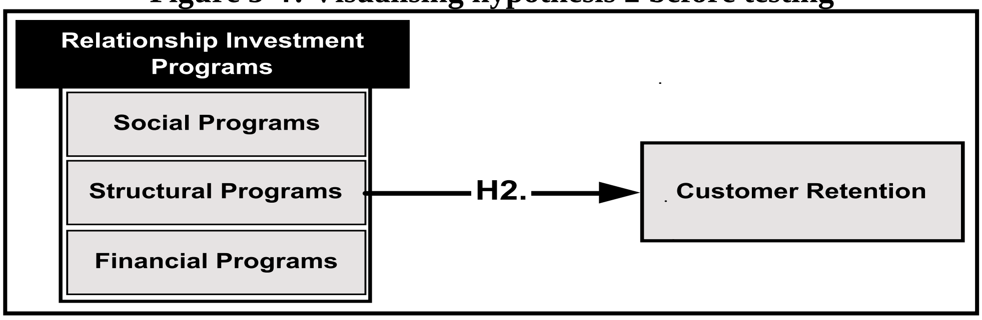
***Significant at the 0.001 level. **Significant at the 0.01 level. *Significant at the 0.05 level.

5.5.2.2. Hypothesis 2

H2. There is a significant positive relationship between relationship investment programmes and customer retention.

> **H2a.**There are significant positive relationships of relationship investment social programmes, structural programmes and financial programmes with customer retention.

Figure 5-4: Visualising hypothesis 2 before testing



To test the second hypothesis (Figure 5.4), three relationship investment programmes were used as independent variables while customer retention was used as the dependent variable. All variables were derived from factor analysis. After estimation of the regression model, the regression assumptions were tested via examination of the residual plots, and the outliers and influential observations identified via standardized residual values, Cook's distance, and Mahalanobis distances. No serious assumption violation was found; however, some cases were identified as influential observations and outliers, that would have excessive influence on the result; hence, they were deleted from the analysis. The regression model was re-estimated after the deletion of the influential cases. The results are shown in Table 5.35.

Table 5-35: The result of multiple regression analysis for hypothesis 2

RI programmes are independent variables and customer retention is the dependent variable						
Coefficient of Determination (R^2)			0.318			
Adjusted R^2 (Wherry's equation)			0.311			
Adjusted R^2 (Stein's equation)			0.310			
Std. Error of the estimate			0.502			
Durbin Watson			1.735			
F-value			45.143			
Significance			.000			
Variables	**Unstandardized Coefficients**		**Standardized Coefficients**		**Collinearity Statistics**	
	B	**Std. Error**	**Beta**	**t-value**	**Tolerance**	**VIF**
Constant	2.232	.121		18.504		
Social Programmes	.041	.040	.067	1.043	.566	1.768
Structural Programmes	.162	.056	.232	2.914**	.369	2.707
Financial Programmes	.215	.051	.319	4.204***	.407	2.456

***Significant at the 0.001 level. **Significant at the 0.01 level. *Significant at the 0.05 level.
N=300

The adjusted R^2 (Wherry's) is .311, which means 31 percent of the possible variance in the customer retention is associated with relationship investment programmes. It is found that the regression model is statistically significant with F value of 45.143 ($P < 0.001$). Thus relationship investment programmes significantly explain the customer retention.

In this model the difference between R^2 and adjusted R^2 is very small (in fact the difference between the values is R^2– adjusted R^2 = 0.007). This shrinkage means that if the model were derived from the population rather than a sample it would account for 0.7% less variance in the outcome (Field, 2009, p. 235). Moreover, adjusted R^2 according to Stein's formula is 0.31. The value of adjusted R^2 according to Stein's equation is very similar to the observed value of R^2 (0.318) indicating that the cross-validity of this model is very good (Field, 2009).

The regression coefficients of structural and financial programmes are found to be significantly different from zero with t values of 2.914 and 4.204 respectively. It can be confidently concluded that structural and financial programmes have a statistically significant effect in the regression model with a high degree of certainty (95%). Thus, these types of programmes are making a statistically significant unique contribution to the equation and they should be included in the regression equation. The regression coefficients of structural and financial programmes are 0.162 and 0.215 respectively which represents the positive relationship between relationship investment programmes and customer retention. However, the regression coefficient of social programmes is not statistically significant. It implies that social program have no generalisable effect on customer retention beyond this sample. This variable does not make a significant unique contribution to the prediction of the customer retention; hence, it should not be used for prediction or explanation purposes. In line with expectation, financial programmes has the largest contribution to the regression equation and customer retention variation (Beta value = 0.319) compared to structural programmes (Beta value = 0.232).

Following Field (2009) suggestion, multiple regression was repeated after removing social programmes. The regression results are shown in Table 5.36.

Table 5-36: The result of repeated multiple regression analysis for hypothesis 2

RI programmes are independent variables and customer retention is the dependent variable						
Coefficient of Determination (R^2)			0.315			
Adjusted R^2 (Wherry's equation)			0.310			
Adjusted R^2 (Stein's equation)			0.303			
Std. Error of the estimate			0.502			
Durbin Watson			1.736			
F-value			67.150			
Significance			.000			
Variables	**Unstandardized Coefficients**		**Standardized Coefficients**		**Collinearity Statistics**	
	B	**Std. Error**	**Beta**	**t-value**	**Tolerance**	**VIF**
Constant	2.253	.119		18.974		
Structural Programmes	.183	.052	.262	3.536***	.426	2.347
Financial Programmes	.226	.050	.336	4.524***	.426	2.347

***Significant at the 0.001 level. **Significant at the 0.01 level. *Significant at the 0.05 level.
N=300

The regression assumptions were tested via examination of the residual plots, and the outliers and influential observations identified via standardized residual values, Cook's distance, and Mahalanobis distances. It was found that there is no serious assumption violation.

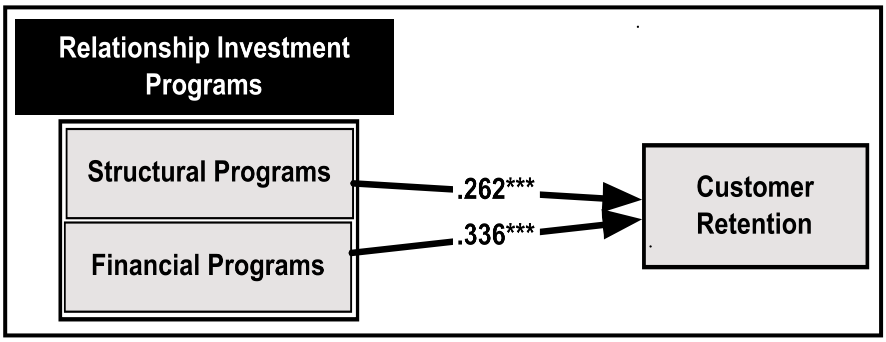
The repeated multiple regression analysis provides an adjusted R^2 (Wherry's) is .310, which means 31 percent of the possible variation in the customer retention is associated with relationship investment programmes. It is found that the regression model is statistically significant with F value of 67.150 ($P < 0.001$). Thus, relationship investment programmes significantly explain customer retention.

In this repeated model the difference between R^2 and adjusted R^2 is very small (in fact the difference between the values is R^2 – adjusted R^2 = 0.005). This shrinkage means if the model were derived from the population rather than a sample it would account for approximately 0.5% less variance in the outcome (Field, 2009, p. 235). Moreover, adjusted R^2 according to Stein's formula is 0.303. The value is very similar to the observed value of R^2 (0.315) indicating that the cross-validity of this model is very good (Field, 2009).

The regression coefficients of structural and financial programmes are again found to be significantly different from zero with t values of 3.536 and 4.524 respectively ($P < 0.001$). It can be confidently concluded that structural and financial programmes have a statistically significant effect in the regression model with a high degree of certainty (95%); thus, these types of programmes are making a statistically significant unique contribution to the equation and they should be included in the regression equation. The regression coefficients of structural and financial programmes are 0.183 and 0.226 respectively, which represents a positive relationship between relationship investment programmes and customer retention.

In line with expectation, financial programmes has the largest contribution in the regression equation (Beta value = 0.336) and customer retention variation compared to structural programmes (Beta value = 0.262) as shown in Figure 5-5. **Finally, all the previous results provide support for hypothesis 2, and offer partial support for H2a.**

Figure 5-5: The results of hypothesis 2



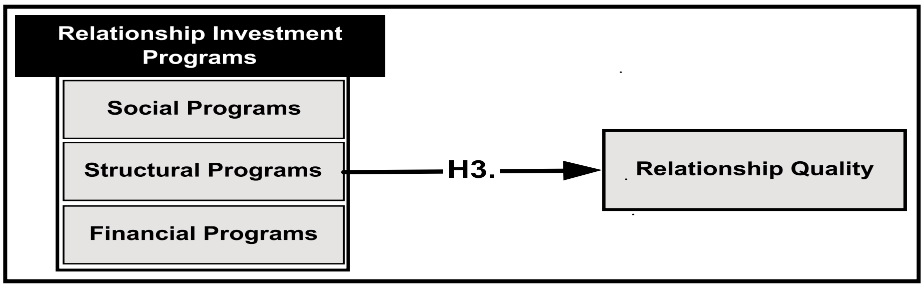
***Significant at the 0.001 level.

5.5.2.3. Hypothesis 3

H3. There is a significant positive relationship between relationship investment programmes and relationship quality.

H3a. There are significant positive relationships of relationship investment social programmes, structural programmes and financial programmes with relationship quality.

Figure 5-6: Visualising Hypothesis 3 before Testing



To test the third hypothesis (Figure 5.6), three relationship investment programmes were used as independent variables while relationship quality was used as the dependent variable. All variables were derived from factor analysis. After estimation of the regression model, the regression assumptions were tested via examination of the residual plots, and outliers and influential observations identified via standardized residual values, Cook's distance, and Mahalanobis distances. Corrective actions and re-estimation of the regression model were not required, as no substantial violations of the assumptions were found or influential observations determined (Hair *et al*., 2010). The results are shown in Table 5.37.

Table 5-37: The results of multiple regression analysis for hypothesis 3

RI programmes are independent variables and relationship quality is the dependent variable						
Coefficient of Determination (R^2)		0.337				
Adjusted R^2 (Wherry's equation)		0.330				
Adjusted R^2 (Stein's equation)		0.326				
Std. Error of the estimate		0.526				
Durbin Watson		1.990				
F-value		49.228				
Significance		.000				
Variables	**Unstandardized Coefficients**		**Standardized Coefficients**		**Collinearity Statistics**	
	B	**Std. Error**	**Beta**	**t-value**	**Tolerance**	**VIF**
Constant	2.257	.126		17.855		
Social Programmes	.047	.042	.071	1.119	.566	1.768
Structural Programmes	.182	.058	.245	3.115***	.369	2.707
Financial Programmes	.230	.054	.322	4.297***	.407	2.456

***Significant at the 0.001 level. **Significant at the 0.01 level. *Significant at the 0.05 level.
N= 305

The adjusted R^2 (Wherry's) is .330, which means 33 percent of the possible variation in the relationship quality is associated with relationship investment programmes. It is found that the regression model is statistically significant with F value of 49.228 ($P < 0.001$). Thus relationship investment programmes significantly explain relationship quality.

In this model the difference between R^2 and adjusted R^2 is 0.007. This shrinkage means if the model were derived from the population rather than a sample it would account for 0.7% less variance in the outcome (Field, 2009, p. 235). Moreover, R^2 according to Stein's formula is 0.326. The value of adjusted R^2 according to Stein's equation is very similar to the observed value of R^2 (0.337) indicating that the cross-validity of this model is very good (Field, 2009)

The regression coefficients of structural and financial programmes are found to be significantly different from zero with t values of 3.115 and 4.297 respectively ($P < 0.001$). It can be confidently concluded that structural and financial programmes have a statistically significant effect in the regression model with a high degree of certainty (95%); thus, these types of programmes are making a statistically significant unique contribution to the equation and they should be included in the regression equation. The regression coefficients of structural and financial programmes are 0.182 and 0.230 respectively, which represent a positive relationship between relationship investment programmes and relationship quality. However, the regression coefficient of social programmes is not statistically significant, which implies that social programmes has no generalisable effect on the relationship quality beyond this sample and it is not making a significant unique contribution to the prediction of the relationship quality with the customer; hence, it should not be used for prediction or explanation purposes. Financial programmes has the largest contribution in the regression equation and relationship quality variation (Beta value = 0.322) compared to the structural programmes (Beta value = 0.245).

Field (2009) suggests repeating the regression analysis after removing any predictors that were not statistically significant in the initial analysis. Thus, the multiple regression was repeated after removing social programmes. The regression results are shown in Table 5.38.

Table 5-38: The results of repeated multiple regression analysis for hypothesis 3

RI programmes are Independent Variables and Relationship Quality is the Dependent Variable						
Coefficient of Determination (R^2)	0.334					
Adjusted R^2 (Wherry's equation)	0.329					
Adjusted R^2 (Stein's equation)	0.325					
Std. Error of the estimate	0.526					
Durbin Watson	1.992					
F-value	73.153					
Significance	.000					
Variables	**Unstandardized Coefficients**		**Standardized Coefficients**		**Collinearity Statistics**	
	B	**Std. Error**	**Beta**	**t-value**	**Tolerance**	**VIF**
Constant	2.282	.125		18.323		
Structural Programmes	.206	.054	.277	3.781***	.426	2.347
Financial Programmes	.243	.052	.339	4.634***	.426	2.347

***Significant at the 0.001 level. **Significant at the 0.01 level. *Significant at the 0.05 level.
N= 305

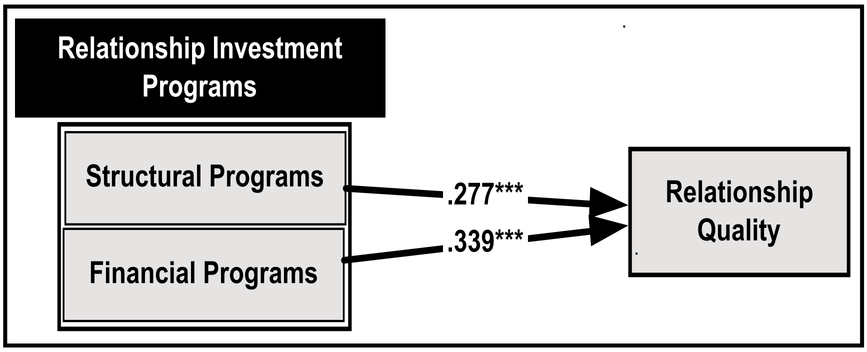
The regression assumptions were tested via examination of the residual plots, and outliers and influential observations identified via standardized residual values, Cook's distance, and Mahalanobis distances. It was found that there is no serious assumption violation.

The repeated multiple regression analysis provides an adjusted R^2 (Wherry's) is .329, which means approximately 33 percent of the possible variation in the relationship quality is associated with relationship investment programmes. It is found that the regression model is statistically significant with an F value of 73.153 (P < 0.001). Then relationship investment programmes significantly explain relationship quality.

In this repeated model the difference between R^2 and adjusted R^2 is 0.005. This shrinkage means if the model were derived from the population rather than a sample it would account for approximately 0.5% less variance in the outcome (Field, 2009, p. 235). Moreover, R^2 according to Stein's formula is 0.325. The value is very similar to the observed value of R^2 (0.334) indicating that the cross-validity of this model is very good.

The regression coefficients of structural and financial programmes are again found to be significantly different from zero with t values of 3.781 and 4.634 respectively (P < 0.001). It can be confidently concluded that structural and financial programmes have a statistically significant effect in the regression model with a high degree of certainty (95%); thus, these types of programmes are making a statistically significant unique contribution to the equation and they should be included in the regression equation. The regression coefficients of structural and financial programmes are 0.206 and 0.243 respectively, which represents a positive relationship between relationship investment programmes and relationship quality. Financial programmes has the largest contribution at the regression equation and relationship quality variation (Beta value = 0.339) compared to structural programmes (Beta value = 0.277) as shown in Figure 5.7. **Finally, all the previous results provide support for hypothesis 3, and offer partial support for H3a.**

Figure 5-7: The results of hypothesis 3



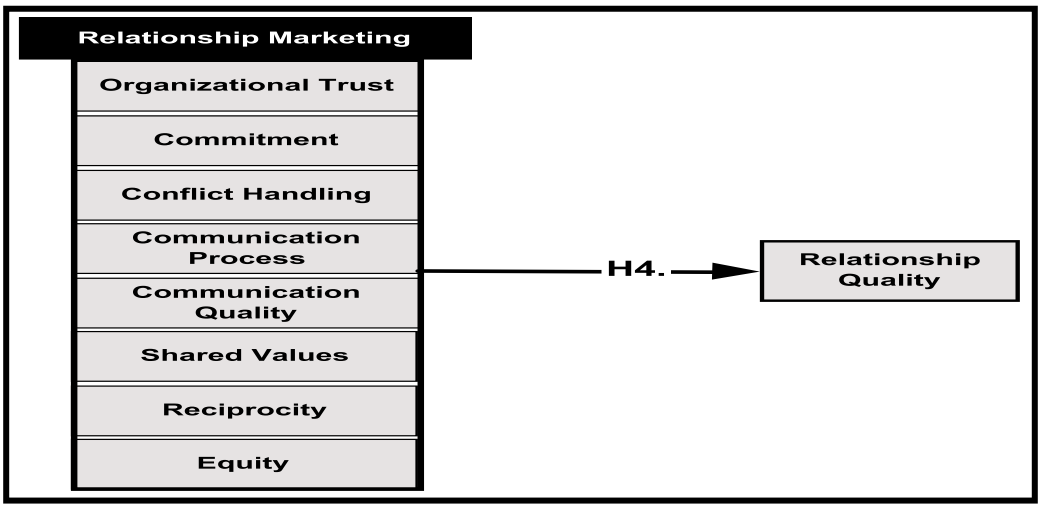
***Significant at the 0.001 level. **Significant at the 0.01 level. *Significant at the 0.05 level.

5.5.2.4. Hypothesis 4

H4. There is a significant positive relationship between relationship marketing and relationship quality

H4a. There are significant positive relationships of organisational trust, commitment, conflict handling, communication process, communication quality, shared values, reciprocity, and equity with relationship quality

Figure 5-8: Visualising hypothesis 4 before testing



To test the fourth hypothesis (Figure 5.8), eight relationship marketing variables were used as an independent variables while relationship quality was used as a dependent variable. All variables were derived from factor analysis. After estimation of the regression model, the regression assumptions were tested via examination of the residual plots, and outliers and influential observations identified via standardized residual values, Cook's distance, and Mahalanobis distances. Corrective actions and re-estimation of the regression model are required; if substantial violations to the assumptions are found or influential observations are determined (Hair *et al*., 2010). Although, no serious assumption violation was found; however, 10 cases were identified as influential observations and outliers, which could have excessive influence on the result; hence, they were deleted from the analysis. The regression model was re-estimated after the deletion of the influential cases. The results are shown in Table 5.39.

Table 5-39:The results of multiple regression analysis for hypothesis 4

Relationship marketing is the independent variable and relationship quality is the dependent variable						
Coefficient of Determination (R^2)			0.680			
Adjusted R^2 (Wherry's equation)			0.671			
Adjusted R^2 (Stein's equation)			0.660			
Std. Error of the estimate			0.368			
Durbin Watson			2.027			
F-value			75.922			
Significance			.000			
Variables	**Unstandardized Coefficients**		**Standardized Coefficients**		**Collinearity Statistics**	
	B	**Std. Error**	**Beta**	**t-value**	**Tolerance**	**VIF**
Constant	.062	.167		.370		
Reciprocity	.011	.028	.015	.401	.773	1.294
Equity	.195	.047	.192	4.160***	.525	1.904
Commitment	.391	.045	.404	8.727***	.521	1.918
Organisational Trust	.358	.052	.327	6.888***	.497	2.011
Conflict Handling	.010	.057	.010	.180	.383	2.611
Communication Quality	.036	.053	.036	.684	.402	2.490
Communication	.031	.042	.033	.749	.585	1.711
Shared Values	.051	.036	.058	1.414	.666	1.502

***Significant at the 0.001 level. **Significant at the 0.01 level. *Significant at the 0.05 level.
N= 295

As shown in Table 5.39 the adjusted R^2 (Wherry's) is .67, which means 67 percent of the possible variation in the relationship quality is associated with a set of relationship marketing variables. It is found that the regression model is statistically significant with *F*-value of 75.922 (P < 0.001). Thus, relationship marketing significantly explains the relationship quality.

In this model the difference between R^2 and adjusted R^2 is 0.009). This shrinkage means if the model were derived from the population rather than a sample it would account for approximately 0.9% less variance in the outcome (Field, 2009, p. 235).

Moreover, R^2 according to Stein's formula is 0.66 which is very similar to the observed value of R^2 (0.68) indicating that the cross-validity of this model is very good (Field, 2009).

The regression coefficients of equity, commitment and organisational trust are found to be significantly different from zero with t values of 4.160, 8.727, and 6.888 respectively ($P < 0.001$). It can be confidently concluded that equity, commitment and organisational trust have a statistically significant effect in the regression model with a high degree of certainty (95%); thus, they should be included in the regression equation. The regression coefficients of equity, commitment and organisational trust are 0.195, 0.391, and 0.358 respectively, which represent a positive relationship between relationship marketing and relationship quality. In addition it is clear that commitment has the largest contribution at the regression equation and relationship quality variation compared to other variables, with a Beta value of 0.404, followed by organisational trust (0.327), and equity (0.192) respectively. However, the regression coefficients of reciprocity, conflict handling, communication quality, communication process, and shared values are not statistically significant. This implies that these five variables have no generalisable effect on the relationship quality beyond this sample; hence, they should not be used for prediction or explanation purposes.

Following Field (2009) suggestion to repeat the regression analysis after removing any predictors that were not statistically significant in the initial analysis, multiple regression was repeated after removing five variables; reciprocity, conflict handling, communication quality, communication process, and shared values, as shown in Table 5.40.

Table 5-40: The results of repeated multiple regression analysis for hypothesis 4

Relationship marketing is the independent variable and relationship quality is the dependent variable						
Coefficient of Determination (R^2)	0.675					
Adjusted R^2 (Wherry's equation)	0.671					
Adjusted R^2 (Stein's equation)	0.670					
Std. Error of the estimate	0.368					
Durbin Watson	2.066					
F-value	201.281					
Significance	.000					
Variables	**Unstandardized Coefficients**		**Standardized Coefficients**		**Collinearity Statistics**	
	B	**Std. Error**	**Beta**	**t-value**	**Tolerance**	**VIF**
Constant	.012	.157		.074		
Equity	.202	.045	.199	4.482***	.568	1.761
Commitment	.412	.042	.426	9.739***	.585	1.710
Organisational Trust	.384	.045	.350	8.453***	.651	1.536

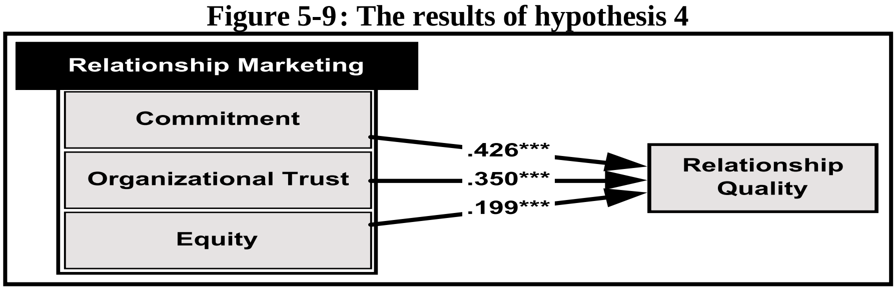
***Significant at the 0.001 level. **Significant at the 0.01 level. *Significant at the 0.05 level. - N=295

The regression assumptions were tested via examination of the residual plots, and outliers and influential observations identified via standardized residual values, Cook's distance, and Mahalanobis distances. It was found that there is no serious assumption violation.

As shown in Table 5.40, the repeated multiple regression analysis provides an adjusted R^2 (Wherry's) is .67, which means 67 percent of the possible variation in the relationship quality is associated with a set of relationship marketing variables. It is found that the regression model is statistically significant with F-value of 201.281 (P < 0.001). Thus, relationship marketing significantly explains the relationship quality. In this repeated model the difference between R^2 and adjusted R^2 is 0.004. This shrinkage means if the model were derived from the population rather than a sample it would account for approximately 0.4% less variance in the outcome (Field, 2009, p. 235). Moreover, R^2 according to Stein's formula is 0.67 which is very similar to the observed value of R^2 (0.675) indicating that the cross-validity of this model is very good (Field, 2009, p.235).

The regression coefficients of equity, commitment and organisational trust are again found to be significantly different from zero with t values of 4.482, 9.739, and 8.453 respectively (P < 0.001). It can be confidently concluded that equity, commitment and organisational trust have a statistically significant effect in the regression model with a high degree of certainty (95%); thus, they should be included in the regression equation. The regression coefficients of equity, commitment and organisational trust are 0.202, 0.412, and 0.384 respectively, which represents a positive relationship between relationship marketing and relationship quality. In addition it is clear that commitment has the largest contribution in the regression equation and the relationship quality variation compared to other variables, with a Beta value of 0.426, followed by organisational trust (0.350), and equity (0.199) respectively, as shown in Figure 5.9. **Finally, all the previous results provide support for hypothesis 4, and offer partial support for H4a.**

Figure 5-9: The results of hypothesis 4



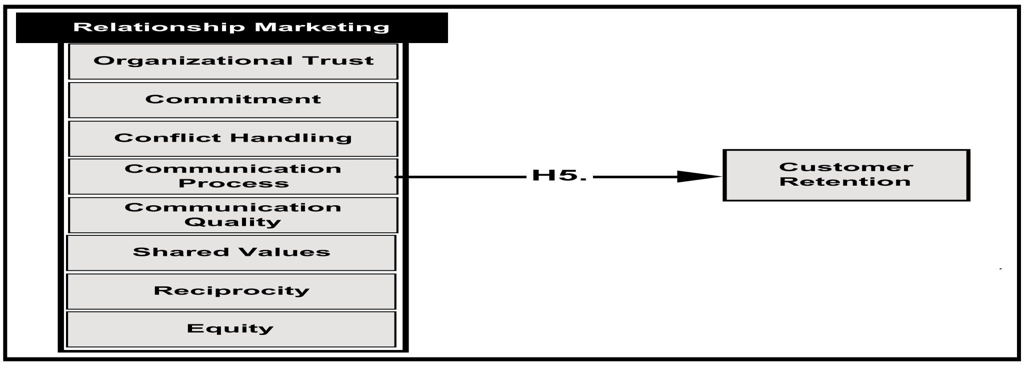
***Significant at the 0.001 level.

5.5.2.5. Hypothesis 5

H5. There is a significant positive relationship between relationship marketing and customer retention.

H5a. There is a significant positive relationship of organisational trust, commitment, conflict handling, communication process, communication quality, shared values, reciprocity, and equity with customer retention.

Figure 5-10: Visualising hypothesis 5 before testing



To test the fifth hypothesis (Figure 5.10), eight relationship marketing variables were used as independent variables while customer retention was used as the dependent variable. All variables were derived from factor analysis. After estimation of the regression model, the regression assumptions were tested via examination of the residual plots, and outliers and influential observations identified via standardized residual values, Cook's distance, and Mahalanobis distances. It was found that there is no serious assumption violation; however, 8 cases were identified as influential observations and outliers, that may have excessive influence on the result; hence, they were deleted from the analysis. The regression model was re-estimated after the deletion of the influential cases. The results are shown in Table 5.41.

Table 5-41: The results of multiple regression analysis for hypothesis 5

Relationship marketing is the independent variable and customer retention is the dependent variable						
Coefficient of Determination (R^2)			0.658			
Adjusted R^2 (Wherry's equation)			0.648			
Adjusted R^2 (Stein's equation)			0.640			
Std. Error of the estimate			0.358			
Durbin Watson			1.756			
F-value			68.756			
Significance			.000			
Variables	**Unstandardized Coefficients**		**Standardized Coefficients**		**Collinearity Statistics**	
	B	**Std. Error**	**Beta**	**t-value**	**Tolerance**	**VIF**
Constant	.005	.162		.029		
Reciprocity	.076	.028	.108	2.754***	.773	1.294
Equity	.167	.046	.174	3.649***	.525	1.904
Commitment	.229	.044	.251	5.249***	.521	1.918
Organisational Trust	.438	.051	.425	8.659***	.497	2.011
Conflict Handling	.109	.055	.111	1.978*	.383	2.611
Communication Quality	.016	.052	.017	.315	.402	2.490
Communication	.022	.041	.024	.541	.585	1.711
Shared Values	.133	.035	.160	3.775***	.666	1.502

***Significant at the 0.001 level. **Significant at the 0.01 level. *Significant at the 0.05 level. - N= 297

The adjusted R^2 (Wherry's) is .648, which means approximately 65 percent of the possible variation in the customer retention is associated with a set of relationship marketing variables. It is found that the regression model is statistically significant with an F value of 68.756 (Sig. = 0.000; P < 0.001). Then relationship marketing significantly explains customer retention.

In this model the difference between R^2 and adjusted R^2 is 0.01. This shrinkage means if the model were derived from the population rather than a sample it would account for approximately 1% less variance in the outcome (Field, 2009, p. 235). Adjusted R^2 according to Stein's formula is 0.64 which is very similar to the observed value of R^2 (0.658) indicating that the cross-validity of this model is very good (Field, 2009).

The regression coefficients of reciprocity, equity, commitment, organisational trust, conflict handling, and shared values were found to be significantly different from zero with t-values of 2.754, 3.649, 5.249, 8.659, 1.978 and 3.775 respectively. It can be confidently concluded that reciprocity, equity, commitment, organisational trust, conflict handling, and shared values have a statistically significant effect in the regression model with a high degree of certainty (95%); thus, they should be included in the regression equation. The regression coefficients of reciprocity, equity, commitment, organisational trust, conflict handling, and shared values are 0.076, 0.167, 0.229, 0.438, 0.109, and 0.133 respectively, which represents a positive relationship between relationship marketing through its variables and customer retention. However, the regression coefficients of communication quality and communication process are not statistically significant. It implies that these two variables have no generalisable effect on customer retention beyond this sample; hence, they should not be used for prediction or explanation purposes.

In addition it is clear that organisational trust has the largest contribution in the regression equation and customer retention variation compared to other variables, with a Beta value of 0.425, followed by commitment (0.251), equity (0.174), shared values (0.160), conflict handling (0.111) and reciprocity (0.108).

After this initial analysis Field (2009) suggests repeating the regression analysis after removing any predictors that were not statistically significant in the initial analysis. The multiple regression was repeated after removing two variables, communication process and communication quality. The regression results are shown in Table 5.42.

The regression assumptions were tested via examination of the residual plots, and outliers and influential observations identified via standardized residual values, Cook's distance, and Mahalanobis distances. It was found that there is no serious assumption violation.

The repeated multiple regression analysis provides an adjusted R^2 (Wherry's) is .65, which means approximately 65 percent of the possible variation in the customer retention is associated with the set of relationship marketing variables. It is found that the regression model is statistically significant with an F value of 92.082 (P < 0.001). Thus, relationship marketing significantly explains the customer retention.

In this repeated model the difference between R^2 and adjusted R^2 is 0.007. This shrinkage means if the model were derived from the population rather than a sample it would account for approximately 0.7% less variance in the outcome (Field, 2009, p. 235). Also the adjusted R^2 using Stein's formula is 0.65 which is very similar to the observed value of R^2 (0.657) indicating that the cross-validity of this model is very good.

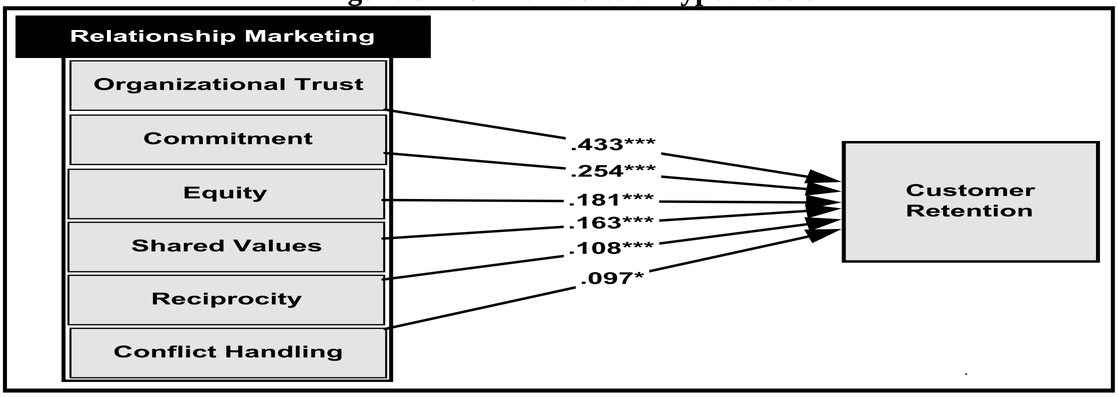
Table 5-42: The results of repeated multiple regression analysis for hypothesis 5

Relationship marketing is the independent variable and customer retention is the dependent variable						
Coefficient of Determination (R^2)		0.657				
Adjusted R^2 (Wherry's equation)		0.650				
Adjusted R^2 (Stein's equation)		0.650				
Std. Error of the estimate		0.357				
Durbin Watson		1.748				
F-value		92.082				
Significance		.000				
Variables	**Unstandardized Coefficients**		**Standardized Coefficients**		**Collinearity Statistics**	
	B	**Std. Error**	**Beta**	**t-value**	**Tolerance**	**VIF**
Constant	.015	.159		.094		
Reciprocity	.076	.027	.108	2.760***	.776	1.289
Equity	.173	.044	.181	3.891***	.551	1.815
Commitment	.232	.043	.254	5.350***	.527	1.899
Organisational Trust	.446	.048	.433	9.252***	.543	1.843
Conflict Handling	.095	.048	.097	1.974*	.496	2.017
Shared Values	.135	.035	.163	3.891***	.681	1.469

***Significant at the 0.001 level. **Significant at the 0.01 level. *Significant at the 0.05 level. - N= 297

The regression coefficients of reciprocity, equity, commitment, organisational trust, conflict handling, and shared values are again found to be significantly different from zero with t-values of 2.76, 3.891, 5.350, 9.252, 1.974 and 3.891 respectively. It can be confidently concluded that reciprocity, equity, commitment, organisational trust, conflict handling, and shared values have a statistically significant effect in the regression model with a high degree of certainty (95%) as shown in Figure 5.11; thus, they should be included in the regression equation. The regression coefficients of reciprocity, equity, commitment, organisational trust, conflict handling, and shared values are 0.076, 0.173, 0.232, 0.446, 0.095, and 0.135 respectively, which represents a positive relationship between relationship marketing through its variables and customer retention. In addition it is clear that organisational trust has the largest contribution in the regression equation and customer retention variation compared to other variables, with a Beta value of 0.433, followed by commitment (0.254), equity (0.181), shared values (0.163), reciprocity (0.108) and conflict handling (0.097), as shown in Figure 5.11. **Finally, all the previous results provide support for hypothesis 5, and offer partial support for H5a.**

Figure 5-11: The results of hypothesis 5

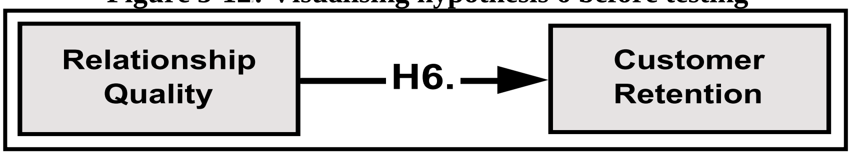


***Significant at the 0.001 level. **Significant at the 0.01 level. *Significant at the 0.05 level.

5.5.2.6. Hypothesis 6

H6. There is a significant positive relationship between relationship quality and customer retention.

Figure 5-12: Visualising hypothesis 6 before testing



To test the sixth hypothesis (Figure 5.12), relationship quality was used as the independent variable while customer retention was used as the dependent variable. All variables were derived from factor analysis. After estimation of the regression model, the regression assumptions were tested via examination of the residual plots, and outliers and influential observations identified via standardized residual values, Cook's distance, and Mahalanobis distances. It was found that there is no serious assumption violation; however, 13 cases were identified as influential observations and outliers, that may have excessive influence on the result; hence, they were deleted from the analysis. The regression model is re-estimated after the deletion of the influential cases. The results are shown in Table 5.43.

Table 5-43: The results of multiple regression analysis for hypothesis 6

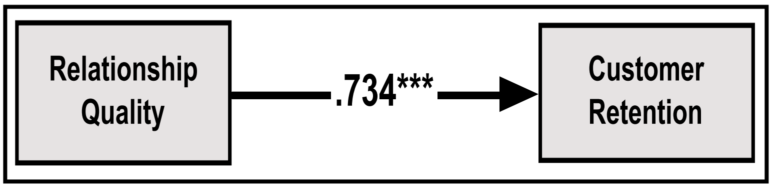
Relationship quality is the independent variable and customer retention is the dependent variable	
Coefficient of Determination (R^2)	0.539
Adjusted R^2 (Wherry's equation)	0.537
Adjusted R^2 (Stein's equation)	0.535
Std. Error of the estimate	0.410
Durbin Watson	1.705
F-value	338.758
Significance	.000

Variables	**Unstandardized Coefficients**		**Standardized Coefficients**		**Collinearity Statistics**	
	B	**Std. Error**	**Beta**	**t-value**	**Tolerance**	**VIF**
Constant	1.018	.141		7.209		
Relationship Quality	.686	.037	.734	18.405***	1.000	1.000

***Significant at the 0.001 level. **Significant at the 0.01 level. *Significant at the 0.05 level. - N = 292

The adjusted R^2 (Wherry's) is .537, which means approximately 54 percent of the possible variation in the customer retention is associated with relationship quality. It is found that the regression model is statistically significant with an *F* value of 338.758 (*P* < 0.001). Thus, relationship quality significantly explains customer retention. In this model the difference between R^2 and adjusted R^2 is 0.002. This shrinkage means if the model were derived from the population rather than a sample it would account for 0.2% less variance in the outcome (Field, 2009, p. 235). Moreover, R^2 according to Stein's formula is 0.535 which is very similar to the observed value of R^2 (0.539) indicating that the cross-validity of this model is very good (Field, 2009). The regression coefficient of relationship quality is found to be significantly different from zero with a *t* value of 18.405. It can be confidently concluded that relationship quality has a statistically significant effect in the regression model with a high degree of certainty (95%); thus, relationship quality is making a statistically significant unique contribution to the regression equation. The regression coefficient and Beta value of relationship quality are 0.686 and 0.734 respectively, which represents a positive relationship between relationship quality and customer retention as shown in Figure 5.13. **Finally, all the previous results provide support for hypothesis 6.**

Figure 5-13: The results of hypothesis 6



***Significant at the 0.001 level.

5.5.2.7. Summary of the hypotheses testing results

The first set of hypotheses which are related to the direct relationships are all supported. A summary of the results of these hypotheses is shown in Table 5.44.

Table 5-44: Summary of the results of the first set of hypotheses (direct relationships)

Hypotheses of The Direct Relationships	**Results**
H1. There is a significant positive relationship between *shabakat al- alakat* (*guanxi*-type relationships in Egypt) and customer retention	**Supported overall**
H1a. There are significant positive relationships of affectional bonding, reciprocity, personal trust, empathy, and face with customer retention	Personal trust (√)*, face (√) and reciprocity (√) are statistically significant. Affectional bonding (×)* and empathy (×) are not statistically significant.
H2. There is a significant positive relationship between relationship investment programmes and relationship quality.	**Supported overall**
H2a. There are significant positive relationships of relationship investment social programmes, structural programmes and financial programmes with relationship quality.	Financial programmes (√) and structural programmes (√) are statistically significant. Social programmes (×) are not statistically significant.
H3. There is a significant positive relationship between relationship investment programmes and customer retention.	**Supported overall**
H3a. There are significant positive relationships of relationship investment social programmes, structural programmes and financial programmes with customer retention.	Financial programmes (√) and structural programmes (√) are statistically significant. Social programmes (×) are not statistically significant.
H4. There is a significant positive relationship between relationship marketing and relationship quality.	**Supported overall**
H4a. There are significant positive relationships of organisational trust, commitment, conflict handling, communication process, communication quality, shared values, reciprocity, and equity with relationship quality.	Organisational trust (√), commitment (√), and equity (√) are statistically significant. Conflict handling (×), communication process (×), communication quality (×), shared values (×), and reciprocity (×) are not statistically significant.
H5. There is a significant positive relationship between relationship marketing and customer retention.	**Supported overall**
H5a. There are significant positive relationships of organisational trust, commitment, conflict handling, communication process, communication quality, shared values, reciprocity, and equity with customer retention.	Organisational trust (√), commitment (√), equity (√), shared values (√), reciprocity (√) and conflict handling (√) are statistically significant. Communication process (×) and communication quality (×) are not statistically significant.
H6. There is a significant positive relationship between relationship quality and customer retention.	**Supported overall**

(√) statistically significant

(×) statistically not significant

5.5.3. Testing hypotheses for intervening relationships (mediation effect)

This part will focus on testing the hypotheses, which examine the mediating role of relationship quality on the association between relationship marketing and customer retention as well as its effect on the relationship between relationship investment programmes and customer retention. There are two hypotheses developed based on intervention relationships as shown in Table 5-45.

Table 5-45: Research hypotheses of indirect relationships

Hypotheses for the interventions relationships (mediators)
H7. Relationship quality mediates the relationship between relationship marketing and customer retention.
H8. Relationship quality mediates the relationship between relationship investment programmes and customer retention

The mediating effect will be initially assessed based on Baron and Kenney (1986) method, also called the causal steps approach. According to Baron and Kenney (1986, p. 1176), "a variable functions as a mediator when it meets the following conditions: (a) variations in levels of the independent variable significantly account for variations in the presumed mediator, (b) variations in the mediator significantly account for variations in the dependent variable, and (c) when a and b are controlled, a previously significant relation between the independent and dependent variables is no longer significant [or it is significantly decreased]".

Accordingly, three regression models (regression equations) should be estimated to test the mediation effect as follows: "*first*, regressing the mediator on the independent variable; *second*, regressing the dependent variable on the independent variable; and *third*, regressing the dependent variable on both the independent variable and the mediator. Separate coefficients for each equation should be estimated and tested. To establish mediation, the following conditions must hold: *first*, the independent variable must affect the mediator in the first equation; *second*, the independent variable must be shown to affect the dependent variable in the second equation; and *third*, the mediator must affect the dependent variable in the third equation. If these conditions all hold in the predicted direction, then the effect of the independent variable on the dependent variable must be less in the third equation than in the second. Perfect mediation holds if the independent variable has no effect when the mediator is controlled" (Baron and Kenney, 1986, p. 1177)

However, as with many statistical techniques, the causal steps approach is not without its critics (Fairchild and McQuillin, 2010; Hayes, 2009), the causal steps approach is low in power (Fritz and MacKinnon, 2007). Thus, another modern and advanced approach was used instead of as a supplement to Baron and Kenney's method. This method is called bootstrap (Hayes, 2009; Preacher and Hayes, 2008). Bootstrap provides a significance test for the indirect effect of the independent variable on the dependent variable via the mediator/s. Hayes (2009, pp. 412, 413) argues that

> *"Simulation research shows that bootstrapping is one of the more valid and powerful methods for testing intervening variable effects and, for this reason alone, it should be the method of choice. One of the beauties of bootstrapping is that the inference is based on an estimate of the indirect effect itself; [also] it makes no assumptions about the shape of the sampling distribution of the indirect effect, thereby getting around this problem. ..Additionally, no standard error is needed to make the inference, rendering the controversy about how to best estimate the standard error of the indirect effect moot. Finally, it is a very general approach, in that it can be used for making inferences about indirect effects in any intervening variable model, regardless of how complex and how numerous the paths between X and Y. Bootstrapping is being used with increasing frequency, although it is sometimes reported as a supplement to the causal steps approach rather than instead of it."*

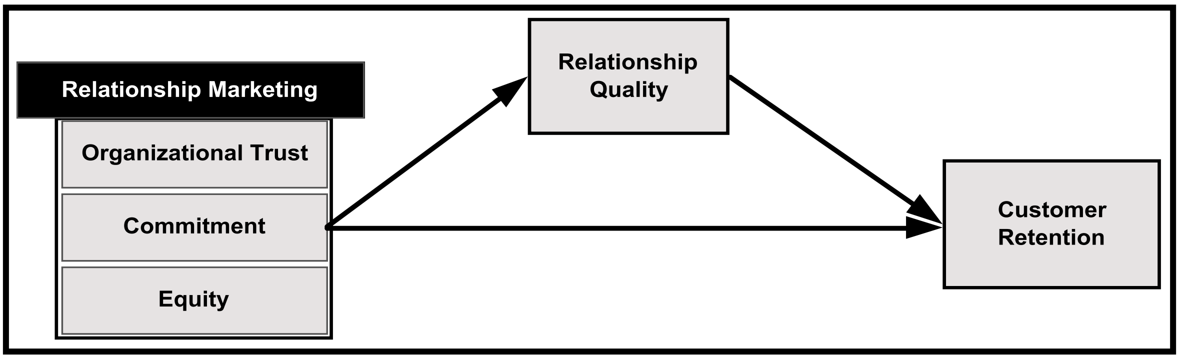
In this section the bootstrapping method will be applied following Hayes and Preacher (2012) using SPSS macros, which are available to download to the SPSS program from http://www.afhayes.com/spss-sas-and-mplus-macros-and-code.html. This macros offer great flexibility in testing indirect effects allowing for the examination of complex mediation pathways.

5.5.3.1. Hypothesis 7

H7. Relationship quality mediates in the relationship between relationship marketing and customer retention.

Based on Baron and Kenney's (1986) method the seventh hypothesis (Figure 5.14) was tested. Relationship quality was the mediator variable, relationship marketing was the independent variable and customer retention was the dependent variable. Relationship marketing was measured through only three variables; equity, commitment and organisational trust, which were proved to have a significant positive relationship with both relationship quality and customer retention (sections 5.5.2.4 and 5.5.2.5), as shown in Figure 5.14.

Figure 5-14: Visualising hypothesis 7 before testing



According to Baron and Kenney (1986), the three regression equations which provide the tests for the intervention/mediation effect were carried out as shown in the Table 5.46.

Table 5-46:The results of hypothesis 7 using Baron and Kenney's method

	Relationship Quality		Customer Retention			
Independent Variables	**Stage 1**		**Stage 2**		**Stage 3**	
	B	**t**	**B**	**t**	**B**	**t**
Constant	.012	.074	.138	.871	.135	.877
Equity	.202	4.482***	.201	4.415***	.152	3.313***
Commitment	.412	9.739***	.270	6.328***	.169	3.547***
Organisational Trust	.384	8.453***	.447	9.756***	.353	7.108***
Relationship Quality (mediator)					.244	4.251***
R^2	.675		.626		.648	
Adjusted R^2	.671		.622		.643	
Std. Error	.368		.371		.361	
F-value	201.281***		162.441***		133.493***	
Change R^2					.022	
Change in F-value					18.068***	

***Significant at the 0.001 level. **Significant at the 0.01 level. *Significant at the 0.05 level.

After estimation of the regression models, the regression assumptions were tested via examination of the residual plots, and outliers and influential observations identified via standardized residual values, Cook's distance, and Mahalanobis distances. It was found that there was no serious assumption violation; however, some cases were identified as influential observations and outliers, that may have excessive influence on the result; hence, they were deleted from the analysis. The regression models were re-estimated after the deletion of the influential cases.

As shown in Table 5.46, stage 1 empirically tests how the independent variables (equity, commitment and organisational trust) significantly affect the mediator (relationship quality). Stage 1 gives evidence of fulfilment of the first condition to establish relationship quality as a mediator in the association of relationship marketing with customer retention.

The results indicate that equity, commitment and organisational trust (independent variables) significantly affect relationship quality (mediator). The regression coefficients of equity, commitment and organisational trust are found to be significantly different from zero with t values of 4.482, 9.739 and 8.453 respectively ($P < 0.001$). It can be confidently concluded that equity, commitment and organisational trust have a statistically significant effect in the regression model with a high degree of certainty (95%). The regression coefficients of equity, commitment and organisational trust are 0.202, 0.412 and 0.384 respectively, which represent the positive relationships between them as independent variables with relationship quality.

Stage 2 empirically tests how the independent variables (equity, commitment and organisational trust) significantly affect the dependent variable (customer retention) in the absence of the mediator (relationship quality). Stage two gives evidence of achieving the second condition to establish relationship quality as a mediator variable. The results indicate that equity, commitment and organisational trust (independent variables) significantly affect customer retention (dependent variable). The regression coefficients of equity, commitment and organisational trust are found to be significantly different from zero with t values of 4.415, 6.328 and 9.756 respectively ($P < 0.001$). It can be confidently concluded that equity, commitment and organisational trust have a statistically significant effect in the regression model with a high degree of certainty (95%). The regression coefficients of equity, commitment and organisational trust are 0.201, 0.270 and 0.447 respectively, which represent the positive relationships between them as independent variables and customer retention as a dependent variable.

Stage 3 empirically tests how the independent variables (equity, commitment and organisational trust) significantly affect the dependent variable (customer retention) in the presence of the mediator (relationship quality). Stage 3 gives evidence of achieving the third condition to establishing relationship quality as a mediator variable. From Table 5.46, it is observed that there is an increase in the coefficient of determination R^2 from .622 at stage 2 to .643 at stage 3. Moreover, the results indicate that the mediator (relationship quality) has significant unique effects on the dependent variable (customer retention) with a t value of 4.251 ($P < 0.001$) and the regression coefficients is 0.244. Also the results indicate that equity, commitment and organisational trust (independent variables) significantly affect customer retention (dependent variable) after adding the relationship quality (mediator) as the t values and regression coefficients for them are (3.313, 0.152), (3.547, 0.169) and (7.108, 0.353) respectively ($P < 0.001$).

In addition, it is notable that when relationship quality (mediator) is added into the model, the results indicate that the effects of equity, commitment and organisational trust on customer retention are still significant but less than their effect without adding relationship quality to the model. The equity regression coefficient is reduced from 0.201 to 0.152, the commitment regression coefficient reduced from 0.270 to 0.169 and the organisational trust regression coefficient reduced from 0.447 to 0.353. Such an increase in R^2 and decrease in beta coefficients provides evidence for the mediation effect of relationship quality. This implies that relationship quality partially mediates the relationships of equity, commitment and organisational trust with customer retention. Thus, equity, commitment and organisational trust have a direct positive relationship with customer retention and an indirect positive relationship through relationship quality.

In conclusion, relationship marketing has a direct and indirect (via relationship quality) positive relationship with customer retention. In other words there is a partially mediating effect of relationship quality in the association of relationship marketing as an independent variable with customer retention as a dependent variable.

Moreover, by applying bootstrapping (based on 1000 samples yield 95% confidence intervals for the relative indirect effects that exclude zero) exactly the same results were found as by Baron and Kenney's method, as shown in Table 5.47.

Table 5-47: The results of hypothesis 7 using bootstrapping method

	Relationship Quality		**Customer Retention**			
Independent Variables	**Stage 1**		**Stage 2**		**Stage 3**	
	B	**t**	**B**	**t**	**B**	**t**
Constant	.0116	.0736	.138	.8705	.1352	.8773
Equity	.202	4.4823***	.201	4.4147***	.1516	3.313***
Commitment	.412	9.7386***	.2701	6.3282***	.1694	3.5471***
Organisational Trust	.383	8.4526***	.4466	9.7563***	.3539	7.1075***
Relationship Quality (mediator)					.2442	4.2506***
R^2	.675		.6261		.6480	
Adjusted R^2	.671		.6223		.6432	
F-value	201.281***		162.4407***		133.493***	
Change R^2					.022	
Change in F-value					18.068***	

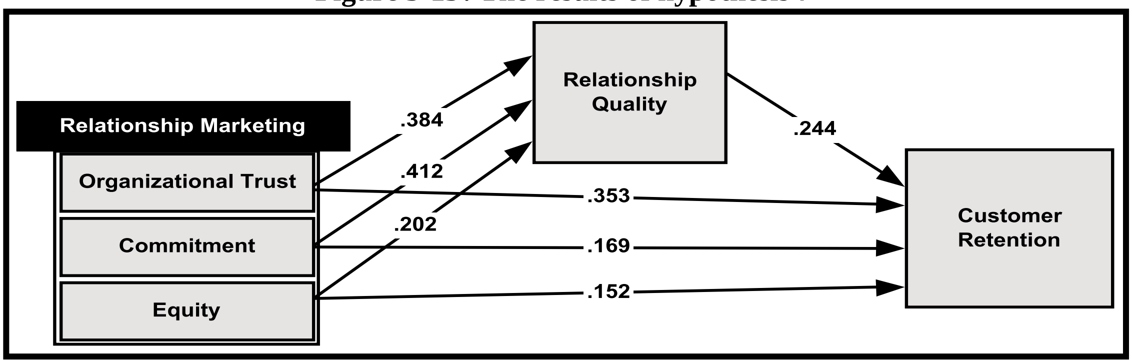
Indirect Effect/s Through: Relationship Quality				
Independent Variables	**Effect**	**SE(boot)**	**LLCI**	**ULCI**
Equity	.0494	.0187	.0178	.0908
Commitment	.1007	.0339	.0432	.1752
Organisational Trust	.0937	.0296	.0390	.1618

***Significant at the 0.001 level. **Significant at the 0.01 level. *Significant at the 0.05 level

The bootstrapping results in Table 5.47 indicate that equity, commitment and organisational trust influence customer retention directly and indirectly through relationship quality. The total and direct effects of equity on customer retention are .2010 (P <0.001) and .1516 (P <0.01), respectively. The total indirect effect of equity on customer retention is .0494 with 95% percentile bootstrap CI of .0178 to .0908. Thus the difference between the total and direct effect of equity on customer retention is statistically significant, as the percentile confidence interval does not include zero. Hence, the indirect effect is statistically significant at the 0.05 level (Hayes, 2009; Preacher and Hayes, 2008). Moreover, the total and direct effects of commitment on customer retention are .2701 (P <0.001) and .1694 (P <0. 001), respectively. The total indirect effect of commitment on customer retention is .1007 with 95% percentile bootstrap CI of .0432 to .1752. Thus the difference between the total and direct effect of commitment on customer retention is statistically significant, as the percentile confidence interval does not include zero. Accordingly, the indirect effect is statistically significant at the 0.05 level (Hayes, 2009; Preacher and Hayes, 2008). In addition, the total and direct effects of organisational trust on customer retention are .4466 (P <0.001) and .3529 (P <0. 001), respectively. The total indirect effect of organisational trust on customer retention is .0937 with 95% percentile bootstrap CI of .0390 to .1618. Thus the difference between the total and direct effect of organisational trust on customer retention is statistically significant, as the percentile confidence interval does not include zero. Accordingly, the indirect effect is statistically significant at the 0.05 level (Hayes, 2009; Preacher and Hayes, 2008).

In conclusion, there is a mediating effect of relationship quality in the association of relationship marketing as an independent variable and customer retention as a dependent variable, as shown in Figure 5.15. The results in Tables 5.46 and 5.47 provide support for hypothesis 7.

Figure 5-15: The results of hypothesis 7

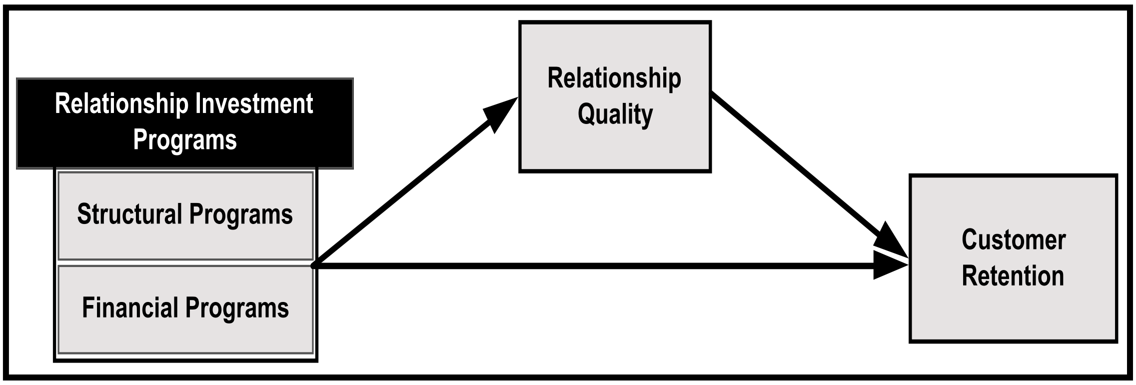


5.5.3.2. Hypothesis 8

H8. Relationship quality mediates in the relationship between relationship investment programmes and customer retention.

Hypothesis 8 was tested based on Baron and Kenney's method (1986) and is visualized in Figure 5.16. It assumes relationship quality will play the mediator role in the association of relationship investment programmes (independent variables) with customer retention (dependent variable). Relationship investment programmes were measured through two types of programmes; structural and financial programmes, which were proved to have a significant positive relationship with both relationship quality and customer retention in sections 5.5.2.2 and 5.5.2.3, as shown in Figure 5.16.

Figure 5-16: Visualising hypothesis 8 before testing



According to Baron and Kenney (1986), the three regression equations, which provide the tests for the mediation effect, are shown in Table 5.48.

Table 5-48: The results of hypothesis 8 using Baron and Kenney's method

	Relationship Quality		Customer Retention			
Independent Variables	**Stage 1**		**Stage 2**		**Stage 3**	
	B	**t**	**B**	**t**	**B**	**t**
Constant	2.282	18.323	2.253	18.974	.950	6.800
Structural Programmes	.206	3.781***	.183	3.536***	.066	1.547
Financial Programmes	.243	4.634***	.226	4.524***	.087	2.103*
Relationship Quality (mediator)					.571	12.764***
R^2	.334		.315		.561	
Adjusted R^2	.329		.310		.556	
Std. Error	.526		.502		.402	
F-value	73.153***		67.150***		123.903***	
Change R^2					.246	
Change in F-value					162.930***	

***Significant at the 0.001 level. **Significant at the 0.01 level. *Significant at the 0.05 level

After estimation of the regression models, the regression assumptions were tested via examination of the residual plots, and outliers and influential observations identified via standardized residual values, Cook's distance, and Mahalanobis distances. It was found that there is no serious assumption violation; however, some cases were identified as influential observations and outliers, that may have excessive influence on the result; hence, they were deleted from the analysis. The regression model is re-estimated after the deletion of the influential cases.

As shown in Table 5.48, stage 1 empirically tests how the independent variables (structural programmes and financial programmes) significantly affect the mediator (relationship quality). Stage 1 gives evidence of achieving the first condition to establish relationship quality as a mediator variable in the association of the relationship of investment programmes with customer retention.

The results indicate that structural programmes and financial programmes (independent variables) significantly affect relationship quality (mediator). The regression coefficients of structural programmes and financial programmes are found to be significantly different from zero with t values of 3.781 and 4.634 respectively ($P < 0.001$). It can be confidently concluded that structural programmes and financial programmes have a statistically significant effect in the regression model with a high degree of certainty (95%); the regression coefficients of structural programmes and financial programmes are 0.206 and 0.243 respectively which represents the positive relationship between them as independent variables with relationship quality.

Stage 2 empirically tests how the independent variables (structural programmes and financial programmes) significantly affect the dependent variable (customer retention) in the absence of the mediator (relationship quality) and gives evidence of achieving the second condition to establish relationship quality as a mediator variable. The results indicate that structural programmes and financial programmes (independent variables) significantly affect customer retention (dependent variable). The regression coefficients of structural programmes and financial programmes are found to be significantly different from zero with t values of 3.536 and 4.524 respectively ($P < 0.001$). It can be confidently concluded that structural programmes and financial programmes have a statistically significant effect in the regression model with a high degree of certainty (95%); the regression coefficients of structural programmes and financial programmes are 0.183 and 0.226 respectively, which represents the positive relationship between them as independent variables and customer retention as a dependent variable.

Step 3 empirically tests how the independent variables (structural programmes and financial programmes) significantly affect the dependent variable (customer retention) in the presence of the mediator (relationship quality). Stage 3 gives evidence for achieving the third condition for establishing relationship quality as a mediator variable. From Table 5.48, it is observed that there is a huge increase in the coefficient of determination (R^2) from .315 at stage 2 to .561 at stage 3. Moreover, the results indicate that the mediator (relationship quality) has significant unique effects on the dependent variable (customer retention) with a t value of 12.764 ($P < 0.001$) and regression coefficient of 0.571.

Also the results indicate that structural programmes (independent variable) is not significantly affect customer retention any more after adding relationship quality to the model, as t value and regression coefficients are (1.547, 0.066) respectively. These results indicate that relationship quality fully mediates the relationship between structural programmes and customer retention. In other words, structural programmes have only an indirect positive relationship with customer retention via relationship quality and have not any direct association with customer retention.

Meanwhile, the results indicate that financial programmes hardly significantly affect relationship customer retention (dependent variable) after adding the relationship quality (mediator), as t value and regression coefficients for them are (2.103, 0.087) ($P < 0.05$). In addition, it is noticed that when relationship quality (mediator) is added into the model, the results indicate that the effect of financial programmes on customer retention shrinks greatly and is less than their effect without adding relationship quality to the model, as the regression coefficient is reduced from 0.226 to 0.087. The increase in R^2 and decrease in financial programmes' beta coefficients implies the mediation effect of relationship quality. Thus, relationship quality partially mediates the relationship between financial programmes and customer retention. Therefore, financial programmes have a direct positive relationship with customer retention and an indirect positive relationship via relationship quality. Moreover, by applying bootstrapping according to Hayes (2009) and Preacher and Hayes (2008) (based on 1000 samples yield 95% confidence intervals for the relative indirect effects that exclude zero) exactly the same results as with Baron and Kenney's method were found, as shown in Table 5.49.

Table 5-49: The results of hypothesis 8 using bootstrapping method

	Relationship Quality		Customer Retention			
Independent Variables	**Stage 1**		**Stage 2**		**Stage 3**	
	B	**t**	**B**	**t**	**B**	**t**
Constant	2.2818	18.3227	2.253	18.9739	.9497	6.8001
Structural Programmes	.2055	3.7815***	.1833	3.5364***	.0659	1.5472
Financial Programmes	.243	4.6344***	.2262	4.5242***	.0874	2.1030*
Relationship Quality (mediator)					.5714	12.7644***
R^2	.3338		.315		.561	
Adjusted R^2	.3292		.3103		.556	
F-value	73.1527***		67.1503***		123.903***	
Change R^2					.246	
Change in F-value					162.930***	

Indirect effect/s through: relationship quality				
Independent Variables	**Effect**	**SE(boot)**	**LLCI**	**ULCI**
Structural Programmes	.1174	.0347	.0481	.1897
Financial Programmes	.1389	.0363	.0674	.2163

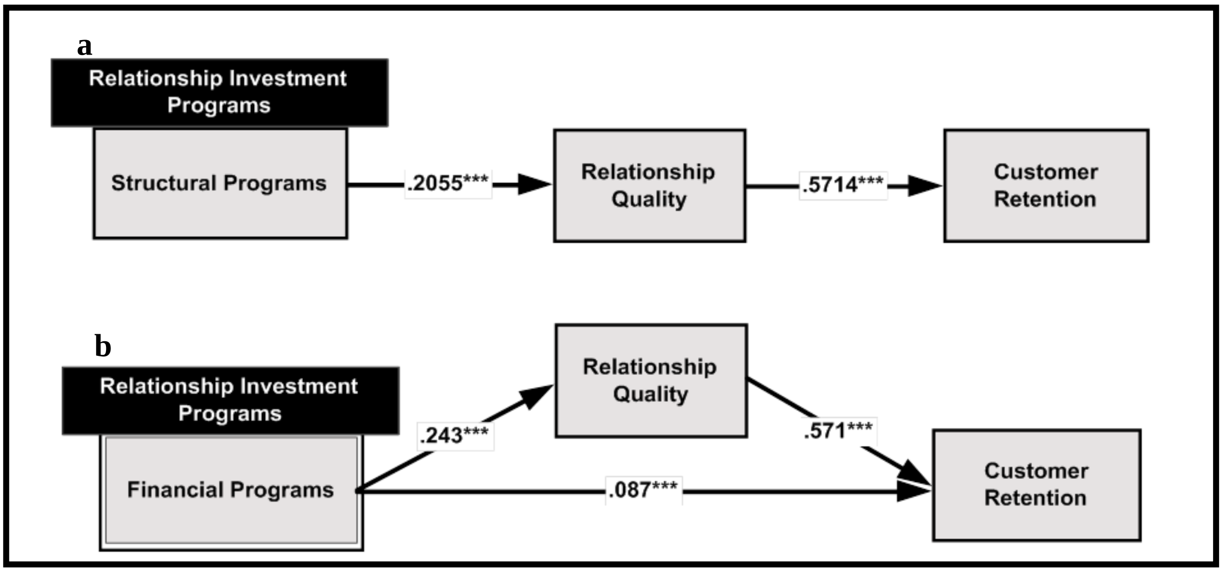
***Significant at the 0.001 level. **Significant at the 0.01 level. *Significant at the 0.05 level

The bootstrapping results at Table 5.49 confirmed that structural programmes have just an indirect effect on customer retention via relationship quality, whereas relationship quality fully mediates the relationship between structural programmes and customer retention. The total indirect effect of structural programmes on customer retention is .1174 with 95% percentile bootstrap CI of .0481 to .1897. The percentile confidence interval does not include zero; thus, the indirect effect is statistically significant at the 0.05 level (Hayes, 2009; Preacher and Hayes, 2008).

Moreover, the bootstrapping results indicate that financial programmes directly and indirectly influence customer retention through relationship quality. The total and direct effects of financial programmes on customer retention are .2263 (P <0.001) and .0874 (P <0.05), respectively. The total indirect effect of financial programmes on customer retention is .1389 with 95% percentile bootstrap CI of .0674 to .2163. Thus, the difference between the total and direct effect of financial programmes on customer retention is statistically significant, as the percentile confidence interval does not include zero. Hence, the indirect effect is statistically significant at the 0.05 level (Hayes, 2009; Preacher and Hayes, 2008).

In conclusion, there is a fully mediating effect of relationship quality in the relationship between structural programmes and customer retention. In addition, there is a partially mediating effect of relationship quality in the relationship between financial programmes and customer retention, as shown in Figure 5.17. The results in Tables 5.48 and 5.49 provide support for hypothesis 8.

Figure 5-17: The results of hypothesis 8



5.5.3.3. Summary of the hypotheses testing results

The second set of hypotheses, related to intervention relationships (indirect effects) and the mediator role of relationship quality are all supported. A summary of the results of these hypotheses is shown in the following Table 5.50.

Table 5-50: Summary of the results of the second set of hypotheses (intervention relationships)

Hypotheses for the intervention relationships (mediator)
H7. Relationship quality (RQ) mediates in the relationship between relationship marketing and customer retention. **Results : Supported overall** -RQ partially mediates all the relationship
H8. Relationship quality (RQ) mediates in the relationship between relationship investment programmes and customer retention. **Results: Partially supported** - RQ fully mediates the relationship between structural programmes and customer retention. - RQ partially mediates the relationship between financial programmes and customer retention.

5.5.4. Testing hypotheses for interaction relationships (moderation effect)

This part will focus on testing the hypotheses for interaction relationships, and examines the moderating role of both (I) bases of *shabakat al-alakat* (*guanxi* base) and (II) *guanxi*-type relationships in Egypt (*al-alakat* between the customer and the member of staff who invited him/her to be a customer) on the association between relationship marketing and customer retention. There are two hypotheses developed with regard to the interaction relationships as shown in Table 5.51.

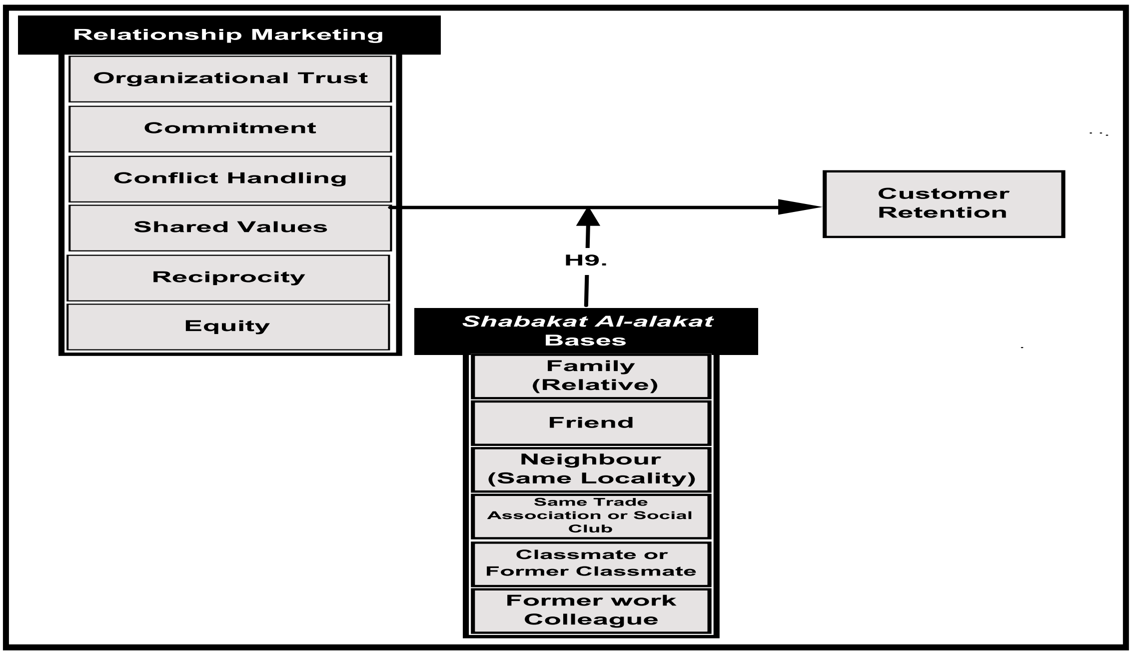
Table 5-51: Research hypotheses based on interaction relationships

Hypotheses for interaction relationships (moderators)
H9. There is a significant difference in the impact of relationship marketing on customer retention between the different bases of *shabakat al-alakat* (*guanxi* base)
H10. There is a significant difference in the impact of relationship marketing on customer retention according to the strength of *shabakat al-alakat (guanxi*-type relationships in Egypt)

5.5.4.1. Hypothesis 9

In order to test this hypothesis, regression analysis using the bootstrapping interaction procedure by Hayes and Matthes (2009) was performed to test the combined effect of relationship marketing and different bases of *shabakat al-alakat* on customer retention. Figure 5.18 illustrates the moderated relationship proposed in hypothesis 9. The bootstrapping method was applied using SPSS macros which are available to download to the SPSS program from http://www.afhayes.com/spss-sas-and-mplus-macros-and-code.html.

Figure 5-18: Visualising hypothesis 9 before testing



Six variables of relationship marketing only were used. The other two variables, communication process and communication quality, did not have statistically significant influence on customer retention (the results of hypothesis 5 section 5.5.2.5). Moreover, relationship marketing was centered before calculating the interaction term with shabakat al-alakat bases (Hayes and Matthes, 2009; Hair *et al*., 2010). The six bases of *shabakat al-alakat* were transformed to five dummy variables before starting the regression analysis and calculating the interaction with relationship marketing variables

(Hayes and Matthes, 2009; Hair *et al*., 2010). Customer retention, which is the dependent variable, was kept as its original scale.

In order to assess the interaction effect through the significance of R^2 change, an unmoderated regression which contained only two predictors was first entered as model 1, while a moderated regression which included two predictors and the interaction term was entered as model 2.

With the six variables of relationship marketing and five groups of *shabakat al-alakat* bases, 30 moderated regression equations were estimated. Of the 30 equations, there were none in which the change in R^2 was statistically significant, which indicated no presence of any interaction effect for bases of *shabakat al-alakat* in the relationship between relationship marketing and customer retention as shown in Table 5.52.

Table 5-52: The results of the 30 equations of moderator effect

Eq*	RM Variable (Independent)	Base (Moderator)	Change R^2	Change in F-value	Significance value	Significance
1	Organisational Trust	Family	.0002	.1136	.7364	Insignificant
2	Organisational Trust	Friend	.0027	1.5073	.2205	Insignificant
3	Organisational Trust	Neighbour	.0005	.2889	.5913	Insignificant
4	Organisational Trust	TA or SC*	.0001	.0504	.8226	Insignificant
5	Organisational Trust	Classmate /FC*	.0003	.1626	.6871	Insignificant
6	Commitment	Family	.0001	.0276	.8682	Insignificant
7	Commitment	Friend	.0000	.0056	.9405	Insignificant
8	Commitment	Neighbour	.0040	2.0957	.1488	Insignificant
9	Commitment	TA or SC	.0016	.8239	.3648	Insignificant
10	Commitment	Classmate /FC	.0050	2.6192	.1066	Insignificant
11	Conflict handling	Family	.0008	.3160	.5744	Insignificant
12	Conflict handling	Friend	.0010	.4096	.5227	Insignificant
13	Conflict handling	Neighbour	.0038	1.4995	.2217	Insignificant
14	Conflict handling	TA or SC	.0001	.0467	.8290	Insignificant
15	Conflict handling	Classmate /FC	.0003	.1128	.7372	Insignificant
16	Shared values	Family	.0001	.0296	.8635	Insignificant
17	Shared values	Friend	.0003	.1255	.7234	Insignificant
18	Shared values	Neighbour	.0026	1.0421	.3082	Insignificant
19	Shared values	TA or SC	.0026	1.0170	.3141	Insignificant
20	Shared values	Classmate /FC	.0011	.4254	.5147	Insignificant
21	Reciprocity	Family	.0049	1.7216	.1905	Insignificant
22	Reciprocity	Friend	.0002	.0605	.8059	Insignificant
23	Reciprocity	Neighbour	.0002	.0825	.7741	Insignificant
24	Reciprocity	TA or SC	.0024	.8414	.3597	Insignificant
25	Reciprocity	Classmate /FC	.0086	3.0368	0.824	Insignificant
26	Equity	Family	.0022	1.0046	.3170	Insignificant
27	Equity	Friend	.0046	2.1360	.1449	Insignificant
28	Equity	Neighbour	.0025	1.1641	.2815	Insignificant
29	Equity	TA or SC	.0041	1.9218	.1667	Insignificant
30	Equity	Classmate /FC	.0003	.1230	.7260	Insignificant

TA or SC*: Same Trade Association or Social Club
Classmate /FC*: Classmate or former Classmate
Eq.*: Equation

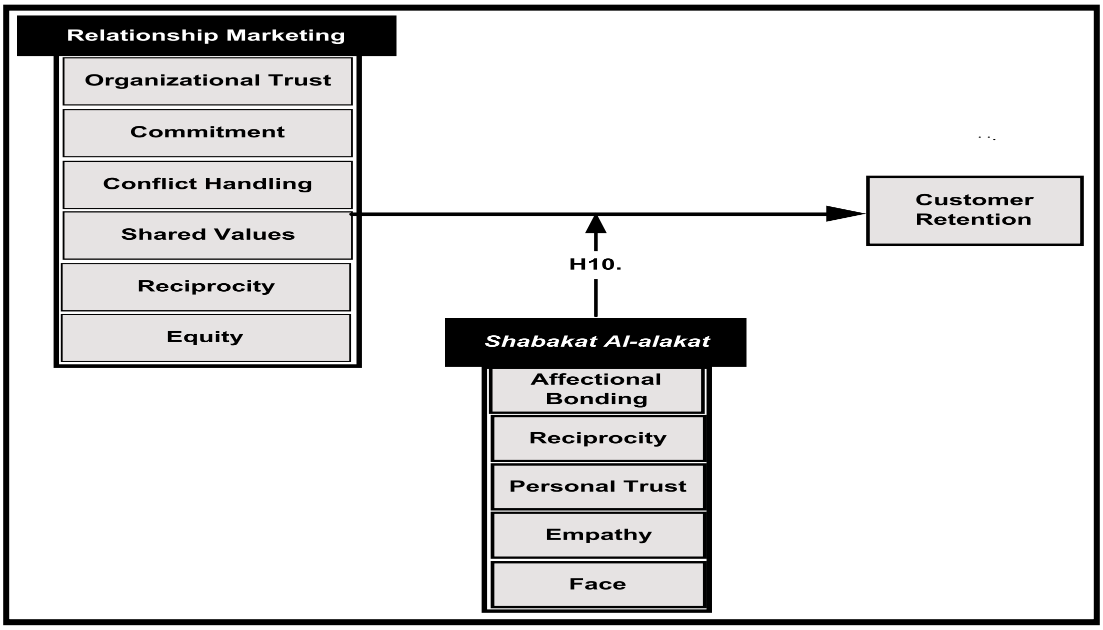
Accordingly, there are none of the *shabakat al-alakat* bases have a significant interaction effect in the relationship between relationship marketing and customer retention. In other words, there is no indication of the presence of interaction effect for bases of *shabakat al-alakat* in the relationship between relationship marketing and customer retention

5.5.4.2. Hypothesis 10

H10. There is a significant difference in the impact of relationship marketing on customer retention according to strength of the *shabakat al-alakat* (*guanxi*-type relationships in Egypt).

In order to test this hypothesis, regression analysis using the bootstrapping interaction procedure by Hayes and Matthes (2009) was performed to test the combined effect of relationship marketing and *guanxi*-type relationships in Egypt on customer retention. Figure 5.19 illustrates the interaction relationship proposed in hypothesis 10.

Figure 5-19: Visualising hypothesis 10 before testing



Six variables of relationship marketing only were used. The other two variables, communication process and communication quality have no statistically significant influence on customer retention (the results of hypothesis 5 section 5.5.2.5). Moreover, relationship marketing was centered before calculating the interaction term with the variables of *shabakat al-alakat*. The five variables of *shabakat al-alakat* were also centered before starting the regression analysis and calculating the interaction with relationship marketing variables (Hayes and Matthes, 2009; Hair *et al*., 2010). Hence, all the predictors in the moderated regression equation were centered. Customer retention, which is the dependent variable, was kept as its original scale.

In order to assess the interaction effect through the significance of R^2 change, an unmoderated regression which contained only two predictors was first entered as model 1, while a moderated regression which includeed two predictors and the interaction term was entered as model 2. With the six variables of relationship marketing and five variables of *shabakat al-alakat*, 30 moderated regression equations were estimated.

Of the 30 equations, there were only six in which the change in R^2 was statistically significant indicating the presence of an interaction effect of *shabakat al-alakat* in the relationship between relationship marketing and customer retention. The explanations for these six equations are shown below.

***First:* the results of the interaction between relationship marketing-organisational trust and *shabakat al-alakat*-reciprocity.**

The results of the moderated regression analysis for *shabakat al-alakat*-reciprocity as a moderator in the relationship between relationship marketing-organisational trust and customer retention are shown in Table 5.53.

Table 5-53: The results of hypothesis 10 using bootstrapping method

	Customer Retention			
Independent Variables	**Model 1**	**Model 2**		
		B	**t**	**Sig.**
Constant		3.5670	136.33	0.0000
RM Organisational Trust (RMOT)		.6877	16.095	0.0000
***Shabakat al-alakat* -Reciprocity**		.0472	1.445	0.1495
Interaction		.0995	2.0392	0.0423
R^2	.4672	.4745		
F-value		90.5898***		
Change R^2		.0073		
Change in F-value		4.1582*		
Sig.		0.0423		

Conditional Effect of Focal Predictor at Values of the Moderator Variable

RE	b	se	t	p	LLCI(b)	ULCI(b)
-.8531	.6029	.0525	11.4902	.0000	.4996	.7061
.0000	.6877	.0427	16.0950	.0000	.6036	.7718
.8531	.7726	.0660	11.6987	.0000	.6426	.9025

***Significant at the 0.001 level. **Significant at the 0.01 level. *Significant at the 0.05 level

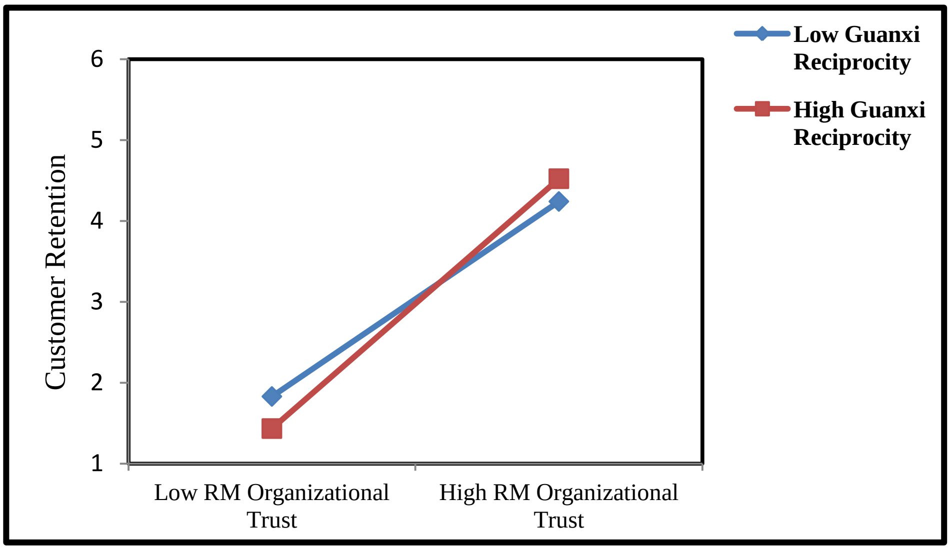
The change in R^2 was used to assess the interaction between relationship marketing-organisational trust and *shabakat al-alakat*-reciprocity. It was found that the R^2 without the interaction term is 0.4672 (model 1) while R^2 with the interaction term is 0.4745 (model 2), resulting in 0.0073 change in R^2 which is statistically significant at the level of 0.05. It means the interaction accounts for .73% of the variance in the customer retention. Also it is noted that the significance of the change in R^2 is the same as that of B3, indicating the presence of a significant moderator effect.

The higher order coefficient (B3) is .0995 which is positive and significant at the level of 0.05 ($P < 0.05$), indicating the presence of an interaction effect. It implies that the slope of customer retention on the relationship marketing-organisational trust is predicted to increase by 0.0995 units when the *shabakat al-alakat*-reciprocity is increased by one more unit. It means that there is an interaction effect between relationship marketing-organisational trust and *shabakat al-alakat*-reciprocity on customer retention.

It is suggested that plotting the significant interaction is useful for interpretation. To describe interactions, regression lines of the dependent variable on the independent variable at meaningful values of the moderator are plotted (Tabachnick and Fidell, 2007). Thus, the relationships between relationship marketing-organisational trust and customer retention were plotted at two levels of the *shabakat al-alakat*-reciprocity, specifically, high and low levels. A convenient set is suggested where the moderator values are the sample mean and one standard deviation below and above the mean of the moderator for low and high levels respectively (Cohen, Cohen, West and Aiken, 2003).

Two regression lines are plotted to demonstrate the interaction effect in Figure 5.20. It is found that these regression lines are not parallel, which confirms the occurrence of interaction power. It implies that the higher *shabakat al-alakat*-reciprocity, the higher the positive relationship between relationship marketing-organisational trust and customer retention. In other words, the amount of reciprocity involved in the personal relationship affects the influence of relationship marketing-organisational trust on customer retention. **Finally, the previous result provides partial support for H10, where there is interaction between RM-organisational trust and *shabakat al-alakat*-reciprocity.**

Figure 5-20: Regression lines predicting customer retention from RM-organisational trust at two levels of *shabakat al-alakat*-reciprocity



***Second*: the results of the interaction between relationship marketing-reciprocity and *shabakat al-alakat*-reciprocity.**

The results of the moderated regression analysis for *shabakat al-alakat*-reciprocity as a moderator in the relationship between relationship marketing-reciprocity and customer retention are shown in Table 5.54.

Table 5-54: The results of hypothesis 10 using bootstrapping method

		Customer Retention		
Independent Variables	**Model 1**	**Model 2**		
		B	**t**	**Sig.**
Constant		3.5186	105.29	0.0000
RM Reciprocity		.2969	7.7379	0.0000
***shabakat al-alakat*-Reciprocity**		.0008	.0206	0.9835
Interaction		.2146	5.2693	0.0000
R^2	0.1405	.2131		
F-value		27.1766***		
Change R^2		.0726		
Change in F-value		27.7654***		
Sig.		0.0000		

Conditional effect of focal predictor at values of the moderator variable

RE	b	se	t	p	LLCI(b)	ULCI(b)
-.8531	.1139	.0466	2.4437	.0151	.0222	.2056
.0000	.2969	.0384	7.7379	.0000	.2214	.3724
.8531	.4799	.0564	8.5030	.0000	.3689	.5910

***Significant at the 0.001 level. **Significant at the 0.01 level. *Significant at the 0.05 level

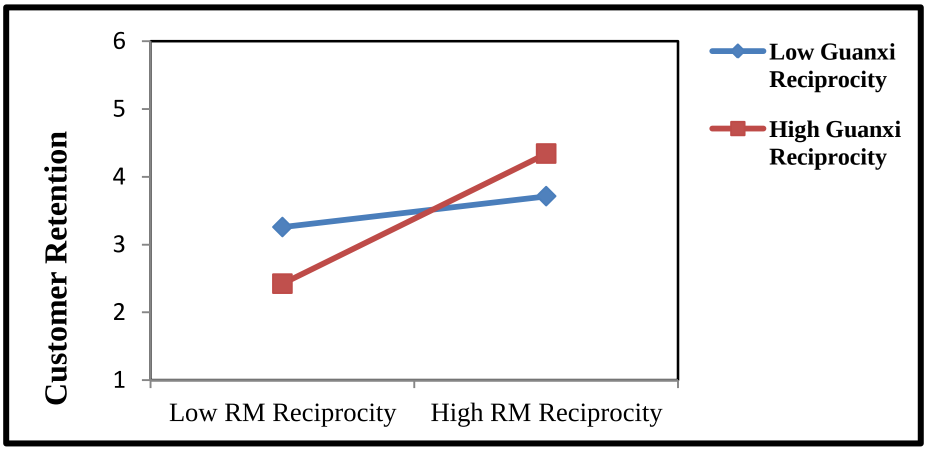
The change in R^2 is used to assess the interaction between relationship marketing-reciprocity and *shabakat al-alakat*-reciprocity. It is found that the R^2 without the interaction term is 0.1405 (model 1) while R^2 with the interaction term is 0.2131 (model 2), resulting in 0.0726 change in R^2 which is statistically significant at the level of 0.001. It means the interaction accounts for 7.3% of the variance in the customer retention. It is noted that the significance of the change in R^2 is the same as that of B3, indicating the presence of a significant moderator effect.

The higher order coefficient (B3) is .2146 which is positive and significant at the level of 0.001 ($P < 0.001$), indicating the presence of an interaction effect. It implies that the slope of customer retention on the relationship marketing-reciprocity is predicted to increase by 0.2146 units when the *shabakat al-alakat*-reciprocity increases by one more unit, meaning that there is an interactive effect between relationship marketing-reciprocity and *shabakat al-alakat*-reciprocity on customer retention.

As advised by Tabachnick and Fidell (2007), the relationships between relationship marketing-reciprocity and customer retention were plotted at two levels of the *shabakat al-alakat*-reciprocity, high and low levels. A convenient set is suggested as the moderator values are the sample mean and one standard deviation below and above the mean of the moderator for low and high levels respectively (Cohen *et al*., 2003).

Two regression lines are plotted to demonstrate the interaction effect in Figure 5.21. The lines are not parallel, which confirms the occurrence of interaction power. It implies that the higher is *shabakat al-alakat*-reciprocity, the higher the positive relationship between relationship marketing-reciprocity and customer retention. **Finally, the previous result provides partial support for H10, where there is interaction between RM-reciprocity and *shabakat al-alakat*-reciprocity.**

Figure 5-21: Regression lines predicting customer retention from RM-reciprocity at two levels of *shabakat al-alakat*-reciprocity



***Third:* the results of the interaction between relationship marketing-commitment and *shabakat al-alakat*-reciprocity.**

The results of the moderated regression analysis for *shabakat al-alakat*-reciprocity as a moderator in the relationship between relationship marketing-commitment and customer retention are shown in Table 5.55.

Table 5-55: The results of hypothesis 10 using bootstrapping method

	Customer Retention			
Independent Variables	**Model 1**	**Model 2**		
		B	**t**	**Sig.**
Constant		3.5616	113.4542	0.0000
RM Commitment		.4980	9.6875	0.0000
***Shabakat al-alakat* -Reciprocity**		.0303	.7788	0.4367
Interaction		.1417	2.2294	0.0265
R^2	0.2395	.2519		
F-value		33.7831***		
Change R^2		.0124		
Change in F-value		4.9704*		
Sig.		0.0265		

Conditional effect of focal predictor at values of the moderator variable

RE.	b	se	t	p	LLCI(b)	ULCI(b)
-.8531	.3771	.0685	5.5090	.0000	.2424	.5118
.0000	.4980	.0514	9.6875	.0000	.3968	.5992
.8531	.6189	.0805	7.6885	.0000	.4605	.7773

***Significant at the 0.001 level. **Significant at the 0.01 level. *Significant at the 0.05 level

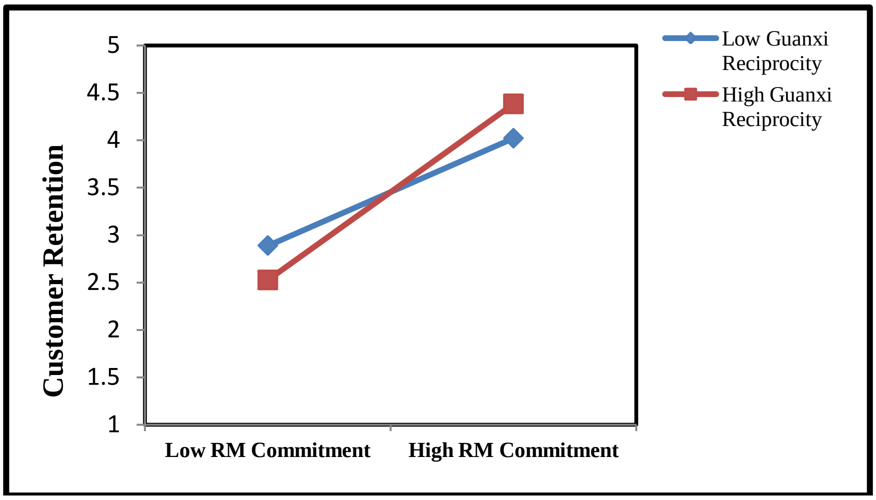
The change in R^2 was used to assess the interaction between relationship marketing-commitment and *shabakat al-alakat*-reciprocity. R^2 without interaction term is 0.2395 (model 1) while R^2 with interaction term is 0.2519 (model 2), resulting in 0.0124 change in R^2 which is statistically significant at the level of 0.05. It means the interaction accounts for 1.24% of the variance in the customer retention. The significance of the change in R^2 is the same as that of B3, indicating the presence of a significant moderator effect.

The higher order coefficient (B3) is .1417 which is positive and significant at the level of 0.05 ($P < 0.05$), indicating the presence of an interaction effect. It implies that the slope of customer retention on the relationship marketing-commitment is predicted to increase by 0.1417 units when the *shabakat al-alakat*-reciprocity increase by one more unit, meaning that there is an interactive effect between relationship marketing-commitment and *shabakat al-alakat*-reciprocity on customer retention.

The relationships between relationship marketing-commitment and customer retention were plotted at two levels of the *shabakat al-alakat*-reciprocity, high and low, as described earlier. The regression lines plotted to demonstrate the interaction effect are shown in Figure 5.22.

These regression lines are not parallel, which confirms the occurrence of interaction power. It implies that the higher is *shabakat al-alakat*-reciprocity, the higher the positive relationship between relationship marketing-commitment and customer retention, in other words, the amount of reciprocity involved in the personal relationship affects the of influence of relationship marketing-commitment on customer retention. **Finally, the previous result provides partial support for H10, where there is interaction between RM-commitment and *shabakat al-alakat*- reciprocity.**

Figure 5-22: Regression lines predicting customer retention from RM-commitment at two levels of *shabakat al-alakat*-reciprocity



***Fourth*: the results of the interaction between relationship marketing-shared values and *shabakat al-alakat*-reciprocity.**

The results of the moderated regression analysis for *shabakat al-alakat*-reciprocity as a moderator in the relationship between relationship marketing-shared values and customer retention are shown in Table 5.56.

Table 5-56: The results of hypothesis 10 using bootstrapping method

Customer Retention				
Independent Variables	**Model 1**	**Model 2**		
		B	**t**	**Sig.**
Constant		3.5564	115.0397	0.0000
RM Shared Values		.3964	9.6213	0.0000
***Shabakat al-alakat* -Reciprocity**		.0090	.2356	0.8139
Interaction		.1859	3.9772	0.0001
R^2	.2349	.2731		
F-value		37.6965***		
Change R^2		.0382		
Change in F-value		15.8183***		
Sig.		0.0001		

Conditional effect of focal predictor at values of the moderator variable

RE.	b	se	t	p	LLCI(b)	ULCI(b)
-.8531	.2378	.0563	4.2230	.0000	.1270	.3487
.0000	.3964	.0412	9.6213	.0000	.3153	.4775
.8531	.5549	.0583	9.5154	.0000	.4402	.6697

***Significant at the 0.001 level. **Significant at the 0.01 level. *Significant at the 0.05 level

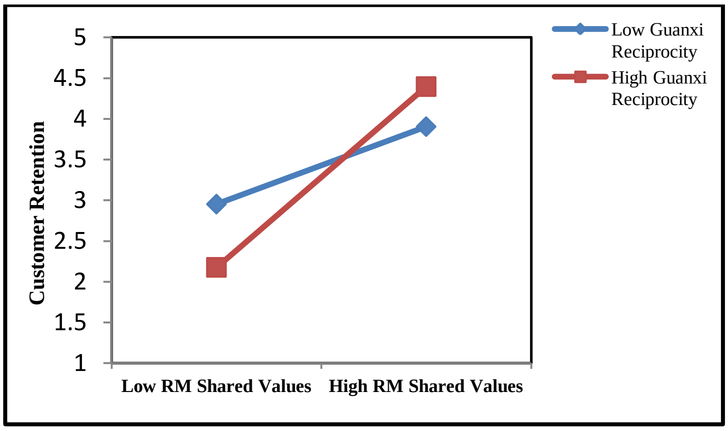
The change in R^2 is used to assess the interaction between relationship marketing-shared values and *shabakat al-alakat*-reciprocity. It is found that the R^2 without the interaction term is 0.2349 (model 1) while R^2 with the interaction term is 0.2731 (model 2), resulting in 0.0382 change in R^2 which is statistically significant at the level of 0.001. It means the interaction accounts for 3.82% of the variance in the customer retention. The significance of the change in R^2 is the same as that of B3, indicating the presence of a significant moderator effect.

The higher order coefficient (B3) is .1859 which is positive and significant at the level of 0.001 ($P < 0.001$), indicating the presence of an interaction effect. It implies that the slope of customer retention on the relationship marketing-shared values is predicted to increase by 0.1859 units when the *shabakat al-alakat*-reciprocity increases by one more unit, meaning that there is an interactive effect between relationship marketing-shared values and *shabakat al-alakat*-reciprocity on customer retention.

The relationships between relationship marketing-shared values and customer retention were plotted at two levels of the *shabakat al-alakat*-reciprocity, high and low, as described previously. Two regression lines are plotted to demonstrate the interaction effect in Figure 5.23. These regression lines are not parallel, which confirms the occurrence of interaction power. It implies that the higher *shabakat al-alakat*-reciprocity, the higher the positive relationship between relationship marketing-shared values and customer retention. In other words, the amount of reciprocity involved in the personal relationship affects the influence of relationship marketing shared values on customer retention.

Finally, the previous result provides partial support for H10, where there is interaction between RM-shared values and *shabakat al-alakat*- reciprocity.

Figure 5-23: Regression lines predicting customer retention from RM-shared values at two levels of *shabakat al-alakat*-reciprocity



***Fifth:* the results of the interaction between relationship marketing-commitment and *shabakat al-alakat*-personal trust.**

The results of the moderated regression analysis for *shabakat al-alakat*-personal trust as a moderator in the relationship between relationship marketing-commitment and customer retention are shown in Table 5.57.

Table 5-57: The results of hypothesis 10 using bootstrapping method

	Customer Retention			
Independent Variables	**Model 1**	**Model 2**		
		B	**t**	**Sig.**
Constant		3.5528	128.9860	0.0000
RM Commitment		.5317	13.0571	0.0000
***shabakat al-alakat*-Personal Trust**		.1752	4.2090	0.0000
Interaction		.1274	2.3045	0.0219
R^2	.4489	.4585		
F-value		84.9689***		
Change R^2		.0096		
Change in F-value		5.3108*		
Sig.		0.0219		

Conditional effect of focal predictor at values of the moderator variable

PT.	b	se	t	p	LLCI(b)	ULCI(b)
-.6716	.4461	.0585	7.6305	.0000	.3311	.5612
.0000	.5317	.0407	13.0571	.0000	.4515	.6118
.6716	.6172	.0515	11.9826	.0000	.5159	.7186

***Significant at the 0.001 level. **Significant at the 0.01 level. *Significant at the 0.05 level

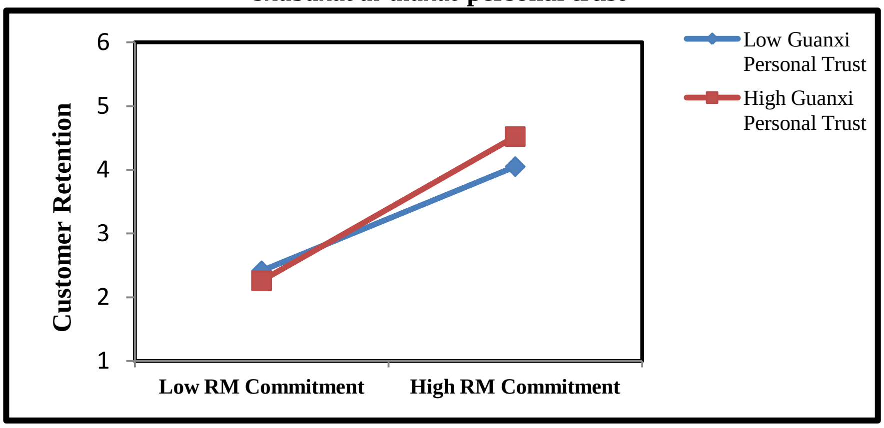
The change in R^2 is used to assess the interaction between relationship marketing-commitment and *shabakat al-alakat*-personal trust. The R^2 without the interaction term is 0.4489 (model 1) while R^2 with the interaction term is 0.4585 (model 2), resulting in 0.0096 change in R^2 which is statistically significant at the level of 0.05. It means the interaction accounts for .96% of the variance in the customer retention. The significance of the change in R^2 is the same as that of B3, indicating the presence of a significant moderator effect.

The higher order coefficient (B3) is .1274 which is positive and significant at the level of 0.05 ($P < 0.05$), indicating the presence of an interaction effect. It implies that the slope of customer retention on the relationship marketing-commitment is predicted to increase by 0.1274 units when the *shabakat al-alakat*-personal trust increases by one more unit. This means that there is an interactive effect between relationship marketing-commitment and *shabakat al-alakat*-personal trust on customer retention.

The relationships between relationship marketing-commitment and customer retention were plotted at two levels of the *shabakat al-alakat*-personal trust, high and low. Two regression lines are plotted to demonstrate the interaction effect in Figure 5.24. These regression lines are not parallel, which confirms the occurrence of interaction power. It implies that the higher *shabakat al-alakat*-personal trust, the higher the positive relationship between relationship marketing-commitment and customer retention. In other words, the amount of personal trust involved in the personal relationship affects the influence of relationship marketing-commitment on customer retention.

Finally, the previous result provides partial support for H10, where there is interaction between RM-commitment and *shabakat al-alakat*- personal trust.

Figure 5-24: Regression lines predicting customer retention from RM-commitment at two levels of *shabakat al-alakat*-personal trust



***Sixth:* the results of the interaction between relationship marketing-reciprocity and *shabakat al-alakat*-face.**

The results of the moderated regression analysis for *shabakat al-alakat*-face as a moderator in the relationship between relationship marketing-reciprocity and customer retention are shown in Table 5.58.

Table 5-58: The results of hypothesis 10 using bootstrapping method

Customer Retention				
Independent Variables	**Model 1**	**Model 2**		
		B	**t**	**Sig.**
Constant		3.5539	112.9533	0.0000
RM Reciprocity		.2170	6.1466	0.0000
***Shabakat al-alakat* -Face**		.2941	6.7403	0.0000
Interaction		.1245	2.8011	0.0054
R^2	0.2438	.2630		
F-value		35.8132***		
Change R^2		.0192		
Change in F-value		7.8464**		
Sig.		0.0054		

Conditional effect of focal predictor at values of the moderator variable

Face	b	se	t	p	LLCI(b)	ULCI(b)
-.7279	.1264	.0478	2.6470	.0085	.0324	.2204
.0000	.2170	.0353	6.1466	.0000	.1476	.2865
.7279	.3077	.0480	6.4044	.0000	.2132	.4022

***Significant at the 0.001 level. **Significant at the 0.01 level. *Significant at the 0.05 level

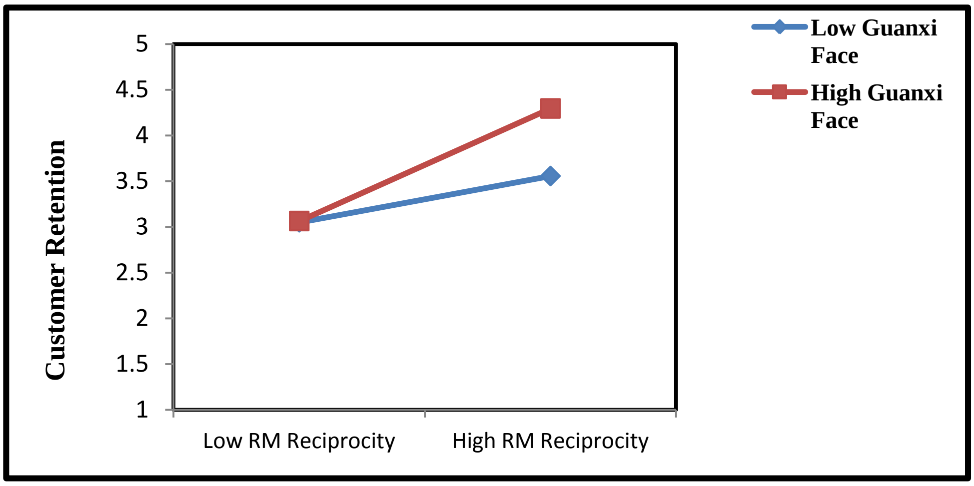
The change in R^2 is used to assess the interaction between relationship marketing-reciprocity and *shabakat al-alakat*-face. The R^2 without the interaction term is 0.2438 (model 1) while R^2 with the interaction term is 0.263 (model 2), resulting in 0.0192 change in R^2 which is statistically significant at the level of 0.01. It means the interaction accounts for 1.9% of the variance in the customer retention. The significance of the change in R^2 is the same as that of B3, indicating the presence of a significant moderator effect.

The higher order coefficient (B3) is .1245 which is positive and significant at the level of 0.01 ($P < 0.01$), indicating the presence of an interaction effect. It implies that the slope of customer retention on the relationship marketing-reciprocity is predicted to increase by 0.1245 units when the *shabakat al-alakat*-face increases by one more unit. It means that there is an interactive effect between relationship marketing-reciprocity and *shabakat al-alakat*-face on customer retention.

The relationships between relationship marketing-reciprocity and customer retention were plotted at two levels of the *shabakat al-alakat*-face, high and low. Two regression lines are plotted to demonstrate the interaction effect in Figure 5.25. These regression lines are not parallel, which confirms the occurrence of interaction power. It implies that the higher *shabakat al-alakat*-face, the higher the positive relationship between relationship marketing-reciprocity and customer retention. In other words, the amount of face involved in the personal relationship affects the influence of relationship marketing-reciprocity on customer retention.

Finally, the previous result provides partial support for H10, where there is interaction between RM-reciprocity and *shabakat al-alakat*-face.

Figure 5-25: Regression lines predicting customer retention from RM-reciprocity at two levels of *shabakat al-alakat*-face



5.5.4.3. Summary of the hypotheses testing results

The results of the third sets of hypotheses, which related to the interaction effects and examined the moderator role of both bases and variables of *shabakat al-alakat* are shown in Table 5.59.

Table 5-59: Summary of the results of the third sets of hypotheses

Hypotheses of the interaction effect (moderator)
H9. There is a significant difference in the impact of relationship marketing on customer retention between the different bases of *shabakat al-alakat* (*guanxi* base)
Result: Not Supported
H10. There is a significant difference in the impact of relationship marketing on customer retention according to the strength of the *shabakat al-alakat (guanxi*-type relationships in Egypt)
Results: Partially Supported, there are interactions between
1- RM-organisational trust and *shabakat al-alakat*-reciprocity
2- RM-reciprocity trust and *shabakat al-alakat*-reciprocity
3- RM-commitment trust and *shabakat al-alakat*-reciprocity
4- RM-shared values and *shabakat al-alakat*-reciprocity
5- RM-commitment and *shabakat al-alakat*-personal trust
6- RM-reciprocity and *shabakat al-alakat*-face

Part Three: Frequencies and Crosstabulation

5.6. Introduction

This part focuses on quantitative data analysis through counting frequencies and Crosstabulation to answer the fourth research question of the second phase of this research, which is:

Q4: Could the proposed research model help the organisation retain its customers and avoid the problem of employees taking all their personal contacts (their *guanxi* network) when leaving the company?

As part of the data collection, part five of the questionnaire (Table 5.60) was designed to answer this research question. The study used frequencies to indicate the main reasons which make customers of SMEs stay with or leave the company after the person who introduced this company to them left the company and ask them to switch with him/her. Additionally, a crosstabulation test was conducted to discover whether there is a significant association between the customer's decision to stay with or leave the company after the introduced person leaves the company with all of: *shabakat al-alakat* base; length of relationship with the introduced person; length of time being a company's customer; gender; and age.

Table 5-60: Part five of the questionnaire

A- If the person who introduced this company to you left the company and asked you to switch with him/her, would you still buy from this company?

1- ☐ Yes *please go to questions* **B** then **D**

2- ☐ No *please go to questions* **C** then **D**

B- I would still buy from this company for one or more of the following reasons (you can choose more than one answer) Note: please answer this question if your answer for question **A** was **Yes,**

- ☐ I am satisfied with this company.
- ☐ The company built a good relationship with me.
- ☐ The company offers me a lot compared to other companies.
- ☐ What the company did for me is enough to keep me as a customer.
- ☐ This company is the best option available now.
- ☐ Other reason/s (please specify).

C- I would leave this company for one or more of the following reasons (you can choose more than one answer) Note: please answer this question if your answer for question **A** was **No,**

- ☐ I do not want to stay with this company if the contact person leaves the company
- ☐ I cannot stay with this company, if the contact person asks me to switch with him/her
- ☐ I am not satisfied with this company
- ☐ The company did not build a good relationship with me
- ☐ The company did not offer me a lot compared to other companies
- ☐ What the company did for me is not enough to keep me as a customer
- ☐ This company is not the best option available now
- ☐ Other reason/s (please specify)

5.7. Frequencies

As shown in Table 5.61, in response to question (A) 80.7% (246 of 305) of the respondents answered (Yes). They would still buy from the company even if the person who introduced the company to them left the company and asked them to switch with him/her. Approximately, 19% (59 of 305) of the respondents answered (No), they would leave the company.

Table 5-61: Respondents' answers to question (A)

Answer	Frequency	Percent
Yes	246	80.7
No	59	19.3
Total	305	100.0

In respect to question (B) about the reasons why respondents stay with the company after the person who introduced the company to them left the company and asked them to switch with him/her, the answers and frequencies were as shown in Table 5.62.

Table 5-62: The reasons why respondents stay with the company

The reasons for staying at the company	Frequency	Percent
1- I am satisfied with this company	210	31.6
2- The company built a good relationship with me	190	28.6
3- The company offers me a lot compared to other companies	96	14.5
4- What the company did for me is enough to keep me as a customer	84	12.7
5- This company is the best option available now	84	12.7
6- Others	0.0	0.0
Total	664	100.0

Among 5 reasons and 246 respondents answered (Yes), 210 respondents indicated that they were satisfied with the company, 190 respondents mentioned that the company had built a good relationship with them, 180 (96 and 84) expressed that the company offered a lot for them and this was enough. Moreover, 84 of the answers were that the company was the best option available for the respondents. It is worth mentioning that this question allowed multiple response, so the frequencies total more than 246, as some respondents chose more than one answer.

Regarding question (C) about the reasons why respondents would leave the company after the person who introduced the company to them left the company and asked them to switch with him/her, the answers and frequencies were as shown in Table 5.63.

Table 5-63: The reasons why respondents leave the company

The Reasons For Leaving The Company	Frequency	Percent
1- The company did not build a good relationship with me	30	24%
2- I cannot stay with this company, if the contact person asks me to switch with him/her	27	21%
3- What the company did for me is not enough to keep me as a customer	20	15%
4- I do not want to stay with this company if the contact person leaves the company	15	12%
5- I am not satisfied with this company	15	12%
6- This company is not the best option available now	11	9%
7- The company did not offer me a lot compared to other companies	9	7%
8-others	0	0%
Total	127	100.0

Among seven reasons and 59 respondents, 15 respondents indicated they would not stay with the company if the contact person left the company, 27 of the respondents mentioned that they could not refuse the contact person's invitation to switch with him/her, 15 respondents expressed that they were not satisfied with this company. Moreover, 59 (30, 9 and 20), of respondents left the company because the company had not built a good relationship with them and did not spend enough effort to keep them. Eleven of the respondents mentioned that there were other companies better than this company. This question allowed multiple response, so the frequencies total more than 59, as some respondents chose more than one answer.

5.8. Crosstabulation

A crosstabulation test was conducted to discover whether or not there is a significant association between the customer's decision to stay with or leave the company after the introduced person left the company with all of the *shabakat al-alakat* bases, length of relationship with the introduced person, length of time being a company customer, gender, and age.

***First,* crosstabulation for stay with/leave the company vs. *shabakat al-alakat* base**

A crosstabulation test was conducted to discover whether or not there was a significant association between the customers' decision to stay with or leave the company after the introduced person left the company and the relationship bases with the introduced person (*shabakat al-alakat* bases). The assumption of Chi-Square that at least 80 percent of cells have expected frequencies of 5 or more was fulfilled; the footnote below the Chi–Square test table indicates that 2 (16%) cells have expected counts less than 5, thus there is no violation of the Chi-Square test assumption (Pallant, 2010).

A Chi-Square test for independence indicated no significant association between relationship bases with the introduced person (*shabakat al-alakat* bases) and the customer's decision to stay with or leave the company after the introduced person left the company. Chi-Square X^2 (5, n=305) = 10.343, P = 0.066 and Cramer's V = 0.18 as shown in Table 5.64.

Table 5-64: The results of Chi-Square tests

	Value	df	Sig.
Pearson Chi-Square	10.343	5	.066
Cramer's V	.184		.066
N of Valid Cases	305		

Finally, the result indicated no association between the customers' decision to stay with or leave the company after the introduced person left the company and the relationship bases with the introduced person (*shabakat al-alakat* bases).

Second, crosstabulation for stay with/leave the company vs. the length of relationship with the introduced person.

A crosstabulation test was conducted to discover whether or not there was a significant association between the length of relationship with the introduced person and the customers' decision to stay with or leave the company after the introduced person left the company. The footnote below the Chi–Square test table indicates that only (10%) cell has an expected count less than 5, thus there is no violation of the Chi-Square test assumption (Pallant, 2010).

A Chi-Square test for independence indicated a significant association between the length of the relationship with the introduced person and the customers' decision to stay with or leave the company after the introduced person left the company.

As shown in Table 5.65, Chi-Square X^2 (4, n=305) = 12.545, P = 0.014 and Cramer's V = 0.203. As the length of the relationship between the customer and the introduced person increased, the customer's tendency to leave also increased when the person who introduced the company left the company. The percentage of people who said they would leave is 13.3% when the period of the relationship is under 5 years while this percentage increases to 40.6 % when the period of the relationship increases to 20 years or more. Thus, there is a positive relationship between the duration of the relationship with the introduced person and the customer's tendency to leave the company, as shown in Table 5.66.

Cramer's V was found to be 0.20, which means a medium correlation between the length of the relationship with the introduced person and the customers' decision to stay with or leave the company after the introduced person left the company.

Table 5-65: The results of Chi-Square tests

	Value	df	Sig.
Pearson Chi-Square	12.545	4	.014
Cramer's V	.203		.014
N of Valid Cases	305		

Table 5-66: Crosstabulation results

The length of relationship with the introduced person * stay/leave if the introduced person left the company crosstabulation

The length of relationship with the introduced person		Stay/Leave the Company		Total
		1- Yes	2- No	
1 -Under 5 years	**Count**	85	13	98
	% within The long of the relationship	86.7%	13.3%	100.0%
	% within Stay or No	34.6%	22.0%	32.1%
	% of Total	27.9%	4.3%	32.1%
2 - 5-10 years	**Count**	96	20	116
	% within The long of the relationship	82.8%	17.2%	100.0%
	% within Stay or No?	39.0%	33.9%	38.0%
	% of Total	31.5%	6.6%	38.0%
3- 11-15 years	**Count**	28	9	37
	% within The long of the relationship	75.7%	24.3%	100.0%
	% within Stay or No	11.4%	15.3%	12.1%
	% of Total	9.2%	3.0%	12.1%
4 -16-20 years	**Count**	18	4	22
	% within The long of the relationship	81.8%	18.2%	100.0%
	% within Stay or No	7.3%	6.8%	7.2%
	% of Total	5.9%	1.3%	7.2%
5- 20+ years	**Count**	19	13	32
	% within The long of the relationship	59.4%	40.6%	100.0%
	% within Stay or No	7.7%	22.0%	10.5%
	% of Total	6.2%	4.3%	10.5%
Total	**Count**	246	59	305
	% within The long of the relationship	80.7%	19.3%	100.0%
	% within Stay or No	100.0%	100.0%	100.0%
	% of Total	80.7%	19.3%	100.0%

It can therefore be concluded that there is a significant association between the length of relationship with the introduced person and the customer's tendency to leave the company after the introduced person left the company.

***Third*, crosstabulation for stay with/leave the company vs. the length of time being a company's customer**

A crosstabulation test was conducted to discover whether or not there was a significant association between the period of time that the respondent was a customer of the company and the customer's decision to stay with or leave the company after the introduced person left the company. The footnote below the Chi–Square test table indicates that only 1 cell (10%) has an expected count less than 5, thus there is no violation of the Chi-Square test assumption (Pallant, 2010).

A Chi-Square test for independence indicated no significant association between the period of time that the respondent was a company customer and the customer's decision to stay with or leave the company after the introduced person left the company. As shown in Table 5.67 Chi-Square X^2 (4, n=305) = 5.480, P = 0.242 and Cramer's V = .134.

Table 5-67: The results of Chi-Square tests

	Value	df	Sig.
Pearson Chi-Square	5.480	4	.242
Cramer's V	.134		.242
N of Valid Cases	305		

Finally, the result indicated no significant association between the period of time that the respondent was a customer of the company and the customer's decision to stay with or leave the company after the introduced person left the company.

***Fourth*, crosstabulation for stay with/leave the company vs. gender**

A crosstabulation test was conducted to discover whether or not there was a significant association between gender and the customer's decision to stay with or leave the company after the introduced person left the company.

A Chi-Square test for independence (with Yates Continuity Correction) indicated no significant association between gender and the customer's decision to stay with or leave the company after the introduced person left the company. As shown in Table 5.68, Chi-Square X^2(1, n=305) = .736, P = 0.391 and Phi =- 0.058.

In this test the Yates Continuity Correction was used instead of Pearson Chi-Square and Phi instead of Cramer's V because in 2 by 2 tables Continuity Correction should be used. Also, for 2 by 2 tables the most commonly used effect size is the Phi coefficient, while for larger tables the value to report is Cramer's V (Pallant, 2010).

Table 5-68: The results of Chi-Square tests

	Value	df	Sig.
Continuity Correction	.736	1	.391
Phi	-.058		.312
N of Valid Cases	305		

Finally, the result indicated no significant association between the gender and the customer's decision to stay with or leave the company after the introduced person left the company.

***Fifth*, crosstabulation for stay with/leave the company vs. age**

A crosstabulation test was conducted to discover whether or not there was a significant association between age and the customer's decision to stay with or leave the company after the introduced person left the company.

A Chi-Square test for independence indicated no significant association between age and the customer's decision to stay with or leave the company after the introduced person left the company. As shown in Table 5.69, Chi-Square X^2 (1, n=305) = 2.117, P = 0.714 and Cramer's V = 0.083.

Table 5-69: The results of Chi-Square tests

	Value	df	Sig.
Pearson Chi-Square	2.117	4	.714
Cramer's V	.083		.714
N of Valid Cases	305		

Finally, the result indicated no significant association between the age and the customer's decision to stay with or leave the company after the introduced person left the company.

5.9. Summary of part three

Part three of this chapter focuses on quantitative data analysis through counting frequencies and Crosstabulation to answer the fourth research question of the second phase.

The results indicates the main reasons, which make customers of SMEs stay with or leave the company after the person who introduced this company to them left the company and ask them to switch with him/her (Tables 5.36 and 5.64). The results indicated that the main reason which affects the customers' decision is whether the company built a good organisational relationship with them or not, which is in turn affect their satisfaction. In addition, a crosstabulation test was conducted to discover whether or not there is a significant association between the customer's decision to stay with or leave the company after the introduced person leaves the company with all of *shabakat al-alakat* base, length of relationship with the introduced person, length of time being a company's customer, gender, and age. The results indicate that the length of relationship with the introduced person is the only factor, which influence the customer tendency and decision to leave or stay with the company after the introduced person leaves the company.

5.10. Evaluation of the analyses

Power analysis *(1-β)* using G*Power 3.1.3 software was conduct to validate the analysis findings of the second phase of this study. A power test refers to "the probability of rejecting a false null hypothesis (H_0), that is, the probability of obtaining a valid result" (Akter, D'Ambra and Ray, 2010, p. 221). Thus, power *(1-β)* is defined as "the probability of successfully rejecting a null hypothesis" (Akter *et al*., 2010, p. 221)

Power test (*post hoc*) can be carried out using G*Power 3.1.3 to estimate the validity of statistical parameters (Faul *et al*., 2009, Akter *et al*., 2010). The value of 0.80 was used for power analysis as a convention for social science research (Baroudi and Orlikowski 1989; Cohen 1988, 1992). The results showed that the power for all the independent variables in the research model exceeded 0.99, which compellingly exceeds the cut-off value of 0.80 (Baroudi and Orlikowski 1989; Cohen 1992). The power analysis (1-β) for correlation (Figure 5.26) involved one tail, effect size f^2=0.3, α-error probability=.01, total sample size=305, while the power analysis (1-β) for multiple regression analysis (Figure 5.29) involved one tail, effect size f^2=0.15, α-error probability=.01, total sample size=305 and number of predictors = 8.

Figure 5-26: The G*Power distribution plot for correlation analysis

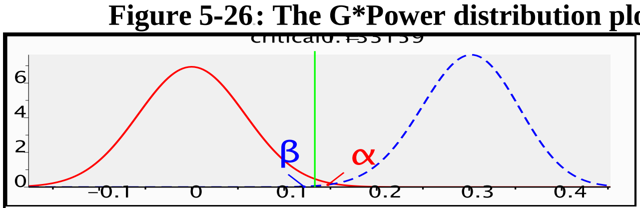
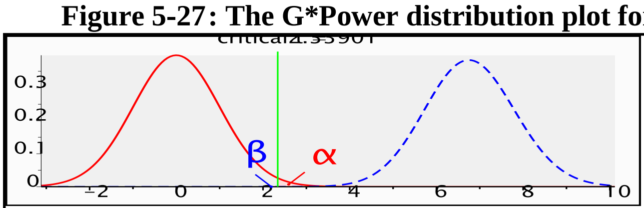


Figure 5-27: The G*Power distribution plot for multiple regression analysis



Chapter Six: Discussion of the Key Findings

Table 6-1: Thesis map

Chapter One: Introduction
Chapter Two: Literature Review
Chapter Three: Research Design and Methodology
Chapter Four: Qualitative Data Analysis and Findings
Chapter Five: Quantitative Data Analysis and Findings
Chapter Six: Discussion of the Key Findings
Chapter Seven: Conclusion

6.1. Introduction

This chapter draws out, discusses and interprets, in the light of the previous literature, the key findings of the qualitative and quantitative analyses. The chapter is structured around the research questions of the two phases of the research. The questions of the first phase were concerned with exploring *guanxi*-type relationships in Egypt; their existence; meaning; names; characteristics; variables and; advantages and disadvantages. Key variables/items of all the stages of the proposed research model and its applicability and effectiveness in the Egyptian SME sector were also explored. The questions of the second phase aimed empirically to test the proposed research model linking *guanxi* with relationship marketing to ensure that the company retains its customers through building the quality organisational type of relationship involved in relationship marketing instead of the personal type of relationship involved in *guanxi*-type relationships. Notably, this is the first study to explore *guanxi*-type relationships, relationship marketing, and the linkage between them in Egypt and the Middle East, as well as the first to propose and empirically test a model linkage between them.

6.2. The comparison of *guanxi* and relationship marketing

Before starting data collection to fulfil the aims of the thesis, it was necessary to critically review the literature related to the concepts of both Chinese *guanxi* and relationship marketing. Accordingly, the first research question and objective achieved through critically examining the separate concepts of *guanxi* and relationship marketing and providing a comprehensive analysis of the similarities and differences between them. While research on the individual concepts is plentiful (e.g. Berry, 2002; Bruhn, 2003; Fan, 2002a, 2002b; Morgan and Hunt, 1994; Su and Littlefield, 2001; Yang and

Wang, 2011; Yen and Barnes, 2011) and both concepts are well known individually, a dearth of critical comparison remains in academic literature. Several scholars (Arias, 1998; Flambard-Ruaud, 2005; Geddie *et al*., 2005; Wang, 2007; Yau *et al*., 2000) consider, in a fragmented manner, the similarities and differences between *guanxi* and relationship marketing and analyse them from various perspectives. However, from reviewing and synthesising prior research on *guanxi* and relationship marketing, no comprehensive analysis of the similarities and differences between *guanxi* and relationship marketing exists. Chapter Two (section 2.18) of this thesis introduced a comprehensive analysis of the similarities and differences between *guanxi* and relationship marketing, which appears in Table 2.9.

Achieving the first research objective assisted in attaining the rest of the research objectives, as a comprehensive comparison helped to understand fully the possible links between the concepts of *guanxi* and relationship marketing and provided the foundation to develop a conceptual model linking them. Accordingly, a novel conceptual model that links *guanxi* and relationship marketing to improve customer recruitment and retention and develop the theoretical and managerial implications of such a linkage has been developed. Prior research infers an association between *guanxi* and relationship marketing, suggests the importance of the link between them, and advises that managers can use the linkages between the approaches to improve customer recruitment and retention (Björkman and Kock, 1995; Geddie *et al*., 2002, 2005). To date, no studies have sought to link the two concepts, and therefore a unified model does not exist.

Thus, this thesis goes beyond the existing literature and augments it by providing a comprehensive analysis of the similarities and differences between *guanxi* and relationship marketing as well as developing a novel conceptual framework linking both of them and helping to improve customer recruitment and retention. Consequently, this finding is one of the original contributions made by this thesis to knowledge. It is hoped that it will augment the literature by incorporating these findings and provide a platform for future research.

6.3. The existence and meaning of *guanxi*-type relationships in Egypt

The purpose of this section is to discuss, with reference to the related literature, the findings of the qualitative analyses used to address the first research question of the qualitative phase.

***Q1:** Do guanxi-type relationships exist in Egypt and if so, what does the term guanxi mean in Egyptian culture?*

The qualitative findings revealed that there are similarities between Egyptian and Chinese culture, especially in the area of social relationships and highlighted that *guanxi*-type relationships exist in Egyptian culture. It was no surprise to find the same *guanxi*-type relationships in Egypt, as Weir and Hutchings (2005) describe the Arab world as a society wholly reliant on a network of interpersonal connections. From a broader perspective, this finding is consistent with the work of a few scholars who argue that similar types of relationship to those involved in *guanxi* are found in the Middle East (Hutchings and Weir, 2006a, 2006b; Smith *et al*., 2012a; Smith *et al*., 2012b).

Of particular note, the respondents in the second phase implicitly supported the idea of the existence of *guanxi*-type relationships in Egypt, by agreeing to participate in the research and confirming they experienced the situation upon which the questionnaire was built and by filling in the second part of the questionnaire.

Valuable information regarding the origins of *guanxi*-type relationships in Egypt was discovered in this research and the findings moved a step beyond the existing literature indicating that in Egypt, the *guanxi*-type relationship emerged basically from the teaching of religions (Islam and Christianity) and thus became rooted in Egyptian society and culture. This finding will be discussed in detail later, in section 6.5. Furthermore, the findings showed the meaning of *guanxi*-type relationships in Egypt to be a person's network of social connections including family, friends, neighbours, colleagues or previous, classmates or previous classmates, and members of the same social club. These social connections are used to facilitate and exchange favours among a network's members and to find a solution to any problem they may face. Exchanging favours is considered a condition for the effectiveness of these social networks and relationships. The basis for exchanging favours is mainly emotional but also instrumental. Moreover, *guanxi*-type relationships are used extensively in Egyptians' daily lives and the overall impressions of them in Egypt are positive rather than negative. This finding about the meaning of *guanxi*-type relationship in Egypt is consistent with the view of Weir and Hutchings (2005, p. 92; 2006, p. 132) about the 'cultural networking and interpersonal connections in the Arab world', which they refer to as *wasta*. In addition, this finding reinforces the view of numerous scholars (e.g. Alston, 1989; Fan, 2002a, 2002b; Osland, 1990; Yang, 1988; Yang 1994; Yi and Ellis, 2000; Xin and Pearce, 1996) who referred to *guanxi* as relationships among people who share common a background (e.g., people from the same hometown or district). Such relationships include unlimited exchange of favours in order to obtaining goods and services, the development of arrangements of reciprocal dependence, and the creation of a sense of responsibility and indebtedness.

6.4. The appropriate name for *guanxi*-type relationships in Egypt

This section discusses, with reference to relevant literature, the findings of the qualitative analyses used to address the second research question of the qualitative phase.

Q2: *What is an appropriate name for guanxi-type relationships in an Egyptian context, does it mean (refer to) wasta, and what are the ethical and unethical practices of guanxi-type relationships in an Egyptian context?*

Interesting findings relating to the name of *guanxi*-type relationships in Egypt were obtained. The findings revealed that *guanxi*-type relationships in Egypt could be called *al-alakat* (relationships) or *shabakat al-alakat* (network of relationships). In the same vein, the word *maaref* (acquaintances) is sometimes used among people in the society as a name for *guanxi*-type relationships. However, the words *al-alakat* (relationships) or *shabakat al-alakat* (network of relationships) are broader and most comprehensive than the word *maaref* (acquaintances). Nevertheless, taking a broader perspective and apart from the critical analysis of the academic meaning of each word and which is more suitable, all three words carry almost the same meaning in the minds of people in Egypt; using any of these words and delivers the same message to listeners. There is no previous literature suggesting any of these terms as synonyms of *guanxi*-type relationships in the Arab world or Egypt with the exception of Yahiaoui and Zoubir (2006), who argue that a social network in North Africa (Tunisia, Algeria, and Morocco) is referred to as *ma'arifa* which is the singular of the word *maaref*. Thus, by introducing the name of *guanxi*-type relationships in Egypt as *shabakat al-alakat*, not *wasta* and *wasta* which is a part of *shabakat al-alakat*, this research moved a step beyond the existing literature (Hutchings and Weir, 2006a, 2006b; Smith, *et al*., 2012a; Smith, *et al*., 2012b; Weir and Hutchings, 2005, 2006), which indicates that *guanxi*-type relationships in the Arab world are known as *wasta*.

As a result of the lack of previous literature about *shabakat al-alakat*, this finding cannot be discussed in the context of prior studies. Only a peripherally pertinent body of knowledge relates to *guanxi* and *wasta.* Accordingly, this finding about the name of *guanxi*-type relationships in Egypt extends the work of Hutchings and Weir (2006a, 2006b); Smith, *et al*. (2012a) and Smith, *et al*. (2012b) who argue that *guanxi*-type relationships in the Arab world are called *wasta.* After Cunningham and Sarayrah (1993, 1994) and Weir (2003a, 2003b) studied the concept of *wasta* in the Middle East, Weir and Hutchings (2005), were the first to draw parallels between *wasta* and *guanxi*-type relationships and introduce *guanxi*-type relationships in the Arab world as *wasta.* Subsequently and based on Hutchings and Weir's perspective, some research was conducted (Hutchings and Weir, 2006a, 2006b; Weir and Hutchings, 2006; Smith, *et al*., 2012a; Smith, *et al*., 2012b) and considered *wasta* to be a type of network in the Arab world equivalent to the Chinese *guanxi.* However, this view is augmented by the findings of this research.

Likewise, respondents in the second phase (during the pre-test, piloting, and questionnaire administration) indirectly and implicitly supported *guanxi*-type relationships in Egypt being considered as *al-alakat* or *shabakat al-alakat* and not *wasta*. During all stages of the research the terms *al-alakat* and *shabakat al-alakat* were received positively without any comment that these terms were not accurate and that there existed a more accurate term referring to the social network in Egypt.

In line with expectations, valuable information about exploring the meaning of *wasta* was discovered and a distinction between ethical and non-ethical *wasta* was developed in this research. The findings showed that *wasta* is an inappropriate synonym for *guanxi*-type relationships in Egypt. It does not correctly express this Egyptian social phenomenon of relationships that is equivalent to Chinese *guanxi*. The origin of the word *wasta* is the word for an intermediary or mediator, an individual who mediates between two parties to reach a result that both parties are happy with. The mediator will impel two people to serve each other or do favours for each other. This supports the position numerous scholars adopt when defining *wasta* as connection or pull and many have viewed it as a form of intercession or mediation (Barnett, Yandle, and Naufal, 2011; Cunningham and Sarayrah, 1993, 1994; Hutchings and Weir, 2006a, 2006b; Mohamed and Mohamed, 2011; Weir, 2003a, 2003b; Weir and Hutchings, 2005, 2006, Smith *et al*, 2012a; Smith *et al*, 2012b).

Moreover, the findings portrayed *wasta* as the action taken by people who have *al-alakat* or *shabakat al-alakat* when they want to facilitate a specific event or facilitate their work. Thus, *wasta* is one of the results or consequences of using *al-alakat* or *shabakat al-alakat*. In other words, *al-alakat* or *shabakat al-alakat* may be considered as the umbrella under which *wasta* functions. There is no previous literature suggesting this relationship between *guanxi*-type relationships in Egypt, *shabakat al-alakat* and *wasta*. Thus, this finding is considered a novel contribution made by this thesis and a basis for subsequent research. Furthermore, the findings showed that the term *wasta* has two aspects: ethical and unethical, a point which is consistent with the view of numerous scholars (Barnett *et al*., 2011; Cunningham and Sarayrah, 1993; Hutchings and Weir, 2006a; Mohamed and Mohamed, 2011; Weir and Hutchings, 2005, 2006, Smith *et al*, 2012a; Smith *et al*, 2012b) who argue that *wasta* has both negative and positive connotations and refer to ‘good’ *wasta* and ‘bad’ *wasta*. Respondents in this study suggested that *wasta* becomes unethical when people try to use bribery or infringe others’ rights. In this context, *wasta* has negative connotations of favouritism, nepotism and corruption. On the other hand, it is considered ethical when individuals use it in a moral way to obtain their rights or objectives (without bribery), which cannot be obtained in any other way, particularly in the presence of bureaucracy and red tape. Thus, this study also adds credence to the *wasta* literature by providing a framework highlighting the borders between good and bad *wasta*, as shown in Chapter Four, section 4.4.1, Table 4.4.

6.5. The key characteristics of *shabakat al-alakat* (*guanxi*-type relationships in Egypt)

This section will discuss, in the light of the relevant literature, the findings of the qualitative analyses used to partially address the third research question of the qualitative phase:

Q3: *What are the* ***key characteristics****, variables, advantages, and disadvantages of guanxi-type relationships in an Egyptian context and SME sector? Can guanxi-type relationships in Egypt play a role in attracting new customers to the SMEs?*

The findings of the first phase revealed that *guanxi*-type relationships in Egypt (*al-alakat*) or (*shabakat al-alakat*) have several characteristics of a cultural and social nature, which make them rich and comprehensive networks. These characteristics mean that *guanxi*-type relationships in Egypt (*al-alakat* or *shabakat al-alakat*) can be described as a social network, between people (personal) to exchange favours according to the emotions (emotional, and subsequently utilitarian) over a long period of time with an unwritten code of commitment (intangible). Moreover, *shabakat al-alakat* is transferable and differs from one context to another (contextual). From a broader perspective, *guanxi*-type relationships in Egypt (*al-alakat* or *shabakat al-alakat*) are similar to the Chinese *guanxi* in most characteristics, except that they have a religious origin while the roots of Chinese *guanxi* are from Confucian teachings. Furthermore, *guanxi*-type relationships in Egypt are mainly emotional rather than utilitarian.

The findings portray Egyptians as an 'emotional people'. The relationships among people in Egypt depend mainly on emotions, particularly between members of the same family, friends, and people from the same locality. This emotional relationship leads to an exchange of favours and benefits for both sides, which make the relationship become utilitarian, although the basis for the relationships is emotional. This point is consistent with Elsharnouby and Parsons (2010, p. 1369) who argue that in Egypt, the emotions in personal relationships (such as friendships) lead to "moral obligation" of parties to give help and exchange favours and this extends to business as well. Similarly, these findings are consistent with Al-Omari (2003, 2009), who views emotions as being prevalent in relationships among people in the Arab world and even in a business context. Consequently, this finding is at odds with the literature of Chinese *guanxi*, where relationships with relatives are highly emotional while relationships with other social units are mainly utilitarian (Fan, 2002a, 2002b; Zhang and Zhang, 2006). In general, the Chinese *guanxi* is utilitarian rather than emotional (Luo, 2007).

Furthermore, as in China, *shabakat al-alakat* in Egypt is intangible; that is, without any written contract or code of practice, where people tacitly understand the roles which govern relationships and exchange favours. This is consistent with the view of Al-Omari (2003, 2009); Barakat (1993) and Hutchings and Weir (2006b), who argue that in the Arab world, the word is the bond, and what people shake hands on is what matters, rather than what people sign. What people sign will only be used in times of conflict. Moreover, in the Arab world, goodwill, trust and mutual respect are worth more than what is written down (Al-Omari, 2003, 2009). The point can be added that people in the Arab world understand and feel obliged to return or reciprocate any favours they receive at the right moment without any written contract. Moreover, this thesis moves a step beyond the existing literature and adds a new dimension to the meaning of the concept of intangibility. The findings show that 'intangible' means that relationships and connections within *shabakat al-alakat* cannot be evaluated or priced. They can be worth a great deal of money, can facilitate many services and bring about considerable benefits worth a great deal, but still cannot be evaluated or counted. Accordingly, it is expected that this finding will provide points to be explored in further research.

Additionally, the findings confirm the relationships within *shabakat al-alakat* to be long-term oriented and passed down from one generation to another. Moreover, the exchange of favours will not be simultaneous, but rather, will take place when required, even long after the original favour. This finding is consistent with the view that in the collective culture of the Arab world the relationships and connections are passed down from one generation to another. People spend time and effort cultivating personal relationships and connections and are always eager to keep long-term relationships and pass them on to the second generation (Al-Omari, 2003, 2009; Barakat, 1993).

As discussed before, the finding also confirmed that *shabakat al-alakat* in Egypt originates from the teachings of religions in Egypt (Islam and Christianity) and is thus rooted and embedded in Egyptian society and has become part of Egyptian culture. From a practical perspective all the practices of *shabakat al-alakat* in Egypt came from and conformed to the teachings of Islam and Christianity, which encourage building relationships with relatives, friends and neighbours and encourage them to help, assist and provide favours to others and, because Egyptians are generally a religious people, they adhere to the teachings of religions. This finding is partially related to, Hutchings and Weir's (2006a, p. 143) and Weir and Hutchings's (2005, p. 92) argument that social networks in the Arab world are "interpersonal connections rooted in strong family and kinship ties," and "supported by [not coming from] Islamic ethics and values". From a broader perspective, Hutchings and Weir (2006a, p. 146) note that in the Arab world, religion, notably Islam, is a guide to action, as religion determines action in every aspect of a people's life, "while Confucianism is a guiding philosophy of action in social and business life for the Chinese people". Furthermore, Egypt is a "Muslim state and accepts Islam as a guiding principle but has adopted Western models of political, legal, and social order" (Hutchings and Weir, 2006a, p. 146). In support of the claims regarding the directive role of religion, Al-Omari (2003, 2009) who stated that Islam always plays a fundamental role in creating a type of unity in everything and that this can be observed throughout the region, in attitudes and behaviours, "Although not all Arabs [or Egyptian] are Muslims, the great majority of them are, and Islam in this respect shapes people's mindsets and opinions at a very deep level in addition to being responsible for many of the behavioural patterns that can be observed throughout the region" (Al-Omari, 2003, p.77). This is an insight that can be explored further in subsequent social network research in the Arab world.

There was sufficient information from phase one of this study to show that *guanxi*-type relationships in Egypt often differ completely in contextual terms between people according to the strength of relationships and according to whether they are in a rural or urban community. In rural societies, people are courteous, and freely give and accept compliments, whereas this is less the case in urban societies. This finding is consistent with the view of Barakat (1993, p. 52) who argues that there are differences as to what is acceptable in the tribe, village and city. What is acceptable in the village could not be accepted in the city and vice versa, and, broadly, there are five value orientations that appear to distinguish the cultures of tribe, village and city: "tribal solidarity, chivalry, hospitality, individuality, and simplicity" Barakat (1993, p. 52). The findings also reveal that the acceptance or refusal of a gift or favour is contextual and depends on many factors, such as to whom the person is giving the gift and what type of relationship exists with him or her. This point is in the same vein as Al-Omari (2003, 2009), who clarifies that there is a difference between giving and accepting gifts in the context of being at home having visitors and being in the office and receiving corporate gifts. Further, even accepting a gift at home depends on the type of visitor and if the person is visiting alone or accompanied by his family.

Finally, the notion that *guanxi*-type relationships in Egypt (*al-alakat* or *shabakat al-alakat*) are ***social networks*** between people (***personal***) that use mediation or *wasta* (***transferable***) has been discussed previously when discussing the names and meaning of *guanxi*-type relationships in Egypt. Moreover, these three characteristics are supported by several scholars discussing social network in the Arab world (Al-Omari, 2003, 2009; Hutchings and Weir, 2006a; Smith *et al*., 2012a; Smith *et al*., 2012b).

It is important to mention that there is no previous literature related ***directly*** to the characteristics of social networks in the Middle East generally or Egypt specifically, despite the fact that there is some literature comparing Chinese *guanxi* with a similar type of networking in the Middle East (termed '*wasta'*) (e.g. Hutchings and Weir, 2006a, 2006b). However, the findings of this section have been discussed in the light and context of the Arabic cultural literature, which has considered some of the characteristics of Middle Eastern societies. Consequently, this finding is considered an original contribution made by this thesis and it is hoped to provide a basis for subsequent research and augment the literature by providing a comprehensive framework incorporating all the characteristics of the *guanxi*-type relationships (*shabakat al-alakat*) in Egypt.

6.6. Key variables of *shabakat al-alakat* (*guanxi*-type relationships in Egypt)

This section will discuss, in the light of the relevant literature, the findings of the qualitative analysis related to understanding and determining what variables constitute *guanxi*-type relationships in Egypt (*shabakat al-alakat*) in order to address the third research question of the qualitative phase.

The literature chapter discussed the *guanxi* variables and noted that, although there is no consensus among *guanxi* authors about what constitutes *guanxi* variables. In a general sense, affection or *ganqing* (Yang, 1994; Wang, 2007), empathy or *renqing* (Yang, 1994; Yau *et al*., 2000), personal trust or *xinyong* (Xin and Pearce, 1996; Tsang, 1998; Buttery and Wang, 1999; Yau *et al*., 2000), face or *mianzi* (Chen, 2001; Simmon and Munch, 1996; Tsang, 1998), reciprocity or *bao* (Geddie *et al.*, 2005; Yau *et al*., 2000) and bonding (Kiong and Kee, 1998; Tsang, 1998; Yau *et al*., 2000) are recognized by their respective scholars as the main variables of *guanxi*. Chapter Four outlined how the *guanxi*-type relationship (*shabakat al-alakat*) in Egypt was a multi-dimensional construct reflected by six variables: bonding, empathy, reciprocity, personal trust, face, and affection. This finding provides a somewhat similar picture to the existing Chinese *guanxi* literature by suggesting that *shabakat al-alakat* in Egypt contains all these variables. Each variable will be discussed in the light of the previous literature.

All these variables reflected both the emotional and utilitarian sides of *shabakat al-alakat*. In other words, as mentioned previously, Egyptian *shabakat al-alakat* is initially emotion-oriented then afterwards tends to be utilitarian and instrumentally driven. The findings revealed that variables such as empathy and affection represent the emotional part of the *guanxi*-type relationships in Egypt (*shabakat al-alakat*) and are often considered as an indicator of the closeness of network members. These emotional variables, however, are not the sole basis of Egyptian *shabakat al-alakat* but utilitarian or instrumental (reciprocity) attachments should also be included in *shabakat al-alakat's* variables as a condition of making this network and relationships effective. The findings reveal that the exchange of favours and services is very common behaviour among Egyptians in the same social network. Good relationships and positive emotions coupled with the expectation of a return of favours are the motives for reciprocity. People in Egypt reciprocate and exchange favours and benefits for many reasons: the expectation of a return of favours, to build a good image and reputation (face-building and/or face-saving) which is important within *shabakat al-alakat,* the position of the person who asks for favours and empathy with others, are all motives for reciprocity.

While instrumentality is a premise of *shabakat al-alakat,* the values and beliefs of human emotions ensure a strong connection between or among parties involved. In other words, *shabakat al-alakat* combines benefits and favour exchange, and affection is most appreciated. This position supports the work of numerous scholars (Chen and Chen, 2004; Hwang, 1987; Lee *et al*., 2001; Su and Littlefield, 2001; Tsang, 1998; Yang, 1995).

It is no surprise that the findings revealed that personal trust is an important variable of *guanxi*-type relationships in Egypt. Trust is not something transient and fortuitous but is built on the past history of the person's behaviours and whether s/he has fulfilled his/her promises and obligations towards others or not. This finding agreed with the views of many scholars; for example, Hyder and Fregidou-Malama (2009, p. 266) indicate that "trust is a cultural requirement in Egypt, and present in all deals." In support of this view, Al-Omari (2003, 2009) asserts that social behaviour in most collective cultures such as are to be found in the Arab world is mainly dependent on personal trust and it is important to establish trust before anything is done, as people in the Arab world want to know others before they deal with them (Hutchings and Weir, 2006a). Moreover, trust in Arab culture precedes business and other transactions (Al-Omari, 2003, 2009; Hutchings and Weir, 2006a).

Furthermore, from a broader perspective, the findings show that people prefer to rely on their social networks and contacts because they trust the members of these networks; thus they are used as a type of protection from fraud, deception and cheating in their daily lives. This point is consistent with Elsharnouby and Parsons (2010, p. 1370), who argue that "Egypt is a risk-averse society, which explains the prominent role of trust in social interactions".

The findings also considered face as one of the important variables of *shabakat al-alakat* in Egypt. These findings are consistent with the considerable body of literature suggesting that face plays a key role in relationships in Arab culture. Al-Omari (2003, 2009) and Barakat (1993) note that collective cultures are sensitive about losing face; people within these cultures find it difficult to say ‘No’ bluntly and directly and so they will use phrases such as ‘it is difficult’ or ‘leave it with me’. By doing so, they are trying to save their face rather than being evasive for the sake of it. “Arabs do not want to cause anyone to lose face, and do not allow others to make [them] lose face” (Al-Omari, 2003, p. 58). Furthermore, “Arabs are always keen to assess new acquaintances based on their family names, [and the person’s position, achievement or job]. The family, rightly or wrongly, also defines the individual; there are ‘good’ families and ‘not so good’ families, and there are powerful, influential or well-known families that are famous [for a particular trait or achievement]” (Al-Omari, 2003, p. 128). In support to this view, Barakat (1993, p. 98) argues that “the success or failure of an individual member becomes that of the family as a whole, [where] every member of the family may be held responsible for the acts of every other member”. Of particular note is that face or personal status codes govern many elements in the Arab world, for example, marriage, divorce, and custody (Allen, 2006).

The findings also showed that in every family, clan or tribe there is one who is the head and responsible for its members. This person is called the provider or boss. He has a very high rank in his network as a result of his previous behaviour and past history. The role of the family provider or boss is to support social relationships, maintain coherence and try to solve social problems between people that will lead to the stability of social relationships. This point is consistent with Hutchings and Weir (2006b, p. 278), who argue that there is “the head of the family in the Arab nations performed *wasta* services [which means always acts as intermediary for members in his family and mediates services] by obtaining for the supplicant what is assumed to be otherwise unattainable.” On a different note, Weir (2007, p. 107) argue that the concept of face is closely related to shame in the Arab world, and that Arab culture may be “characterized as a ‘shame culture’ rather than a ‘guilt culture’. This governs relations in all areas of social life”. In the same vein, Barakat (1993, p. 194) states that “shame is intensely feared among Arabs, and this fear is so pervasive that Arab society has been labeled a shame-oriented one”.

The findings regarding the salient variables which are considered important dimensions of *shabakat al-alakat* add credence to the literature of *guanxi*-type relationships in Egypt and networking in the Arab world. Consequently, these qualitative findings augment the literature by introducing a comprehensive framework incorporating all variables of *guanxi*-type relationships in Egypt (*shabakat al-alakat*) together.

These findings were supported in the second phase of the research where very similar results were identified when exploratory factor analysis (EFA) was conducted to *guanxi*-type relationships variables. The final exploratory factor analysis for the *guanxi*-type relationships variables revealed the presence of a five-factor solution representing bonding and affection, reciprocity, personal trust, empathy and face. Items of four components, reciprocity, personal trust, empathy and face, loaded on their respective factors. However, the EFA resulted in a situation where the items of bonding and affection loaded on a single factor; thus, a new dimension emerged from the data. As a result, it was decided to merge them into one component (factor). This factor was then renamed the ‘affectional bond’.

As the name implies, this factor includes items, which concerned affection and bonding. From this particular perspective, according to the nature of Egyptian culture, the reason why bonding and affection loaded into one factor could be explained by the findings of the qualitative phase of results and provides support for the view that Egyptian people are ‘emotional’. The main reason for bonding among people was found to be affection or emotions. This finding supports the work of several scholars who outlined the essential role that emotions play in the cohesion of people in Arabic culture generally (Al-Omari, 2003, 2009; Barakat, 1993) and several scholars across a range of cultural contexts such as Sheth and Parvatiyar (1995a, 1995b), Chen and Chen (2004), Hwang (1987), Su and Littlefield (2001), Tsang (1998) and Yang (1995).

Therefore, according to the results of the first and second phases of this research, it could be concluded that there are five variables of *guanxi*-type relationships in Egypt: affectional bonding, reciprocity, personal trust, empathy and face. It is clear that the variables of *guanxi*-type relationships in Egypt are interwoven and cannot be separated from each other. Trust is closely related to face, as individuals’ past history determines their image, reputation and classification and influences the trust in them. Building on trust and face, there is reciprocity. Accordingly, to the researcher’s knowledge, this study is one of the first studies to develop a valid and reliable scale to measure *guanxi*-type relationships in Egypt (*shabakat al-alakat*).

6.7. The advantages and disadvantages of *shabakat al-alakat*

This section will discuss, in the light of the relevant literature, the findings of the qualitative analysis related to the advantages and disadvantages of *guanxi*-type relationships in Egypt (*shabakat al-alaka*t) in order to partially address the third research question of the qualitative phase.

The findings of the qualitative analysis confirmed that the success of using *guanxi*-type relationships (*shabakat al-alakat*) yields many business benefits for network members. These benefits include removing governmental obstacles, routine and bureaucratic procedures; providing useful information about new governmental policies, market conditions and competitors; promoting companies; attracting new customers; increasing company sales and, hence, profits; and retaining customers over a long time. All these benefits and more finally result in the success and survival of SMEs and contribute to the enhancement of a company's competitive advantage. Accordingly, *guanxi*-type relationships in Egypt are considered an important element in conducting business in SMEs and a necessary condition for achieving business success. This supports the position adopted by numerous scholars across a range of different contexts (Davies *et al*., 1995; Dunfee and Warren, 2001; Leung *et al*., 1996; Leung and Yeung, 1995; Luo, 1997; Luo and Chen, 1997; Tsang, 1998). Moreover, from a broader perspective, these findings are consistent with the Arabic cultural literature. In the Arab world relationships mean everything, no matter how simple the situation, and pervade the culture of all Arab countries. Additionally, relationships are viewed as power in every crucial decision in Arab life, arising as a direct response to red tape and bureaucracy (Al-Omari, 2003, 2009; Cunningham and Sarayrah, 1993; Hutchings and Weir, 2006a; Smith *et al*, 2012a).

Moreover, it is clear that much of the work outlining the positive influence of *guanxi* in the literature focuses on the perspective of China and other Asian countries, while few comparable studies have been carried out in the Middle East. Thus, this finding adds credence to the *guanxi*-type relationship literature, which highlights the pivotal role *guanxi*-type relationships play in Egyptian SMEs.

On a different note, the literature of Chinese *guanxi* indicates that *guanxi* helps to establish a company's good image and reputation in the marketplace amongst its competitors. Surprisingly, the findings did not support the point that *guanxi*-type relationships in Egypt help in this matter. Moreover, the literature pointed out that

Chinese *guanxi* helps companies to collect arrears and late payments by customers. The findings revealed that this could happen sometimes in very rare cases, when a company employee who collects outstanding payments has a relationship with the late-paying customer, but it is not common. These findings are consistent with Yi and Ellis (2000) who argue that *guanxi* does not help in facilitating payment collection or in building the corporate image. However, this position is at odds with several *guanxi* scholars such as Davies *et al*. (1995) and Fock and Woo (1998) who pointed out that *guanxi* helps in building up the company's reputation/image and smoothes the collection of payments.

Although *al-alakat* is considered an important factor for doing business and is believed to be a necessary condition for achieving business success, it involves some drawbacks, as the findings revealed that *al-alakat* is time consuming when used in business as a tool for marketing; this finding is consistent with authors such as Davies *et al*. (1995) and Leung *et al*. (1996). Moreover, Hutchings and Weir (2006b, p. 278) support this as they argue that in the Arab world the "process of building relationships prior to transacting business is very time-consuming." However, in contrast to the Chinese *guanxi*, the findings revealed that using *shabakat al-alakat* is not expensive, as to utilise and cultivate *al-alakat* in the business base all that is needed are some inexpensive tools like a computer or telephone or mobile contract.

Furthermore, an interesting finding made by this thesis is that *guanxi*-type relationships in Egypt could be a double-edged sword that repels customers rather than attracting them, as, if the company is not trusted, the customers within the same *shabakat al-alakat* will inform each other through negative word of mouth and the news will spread around the social circle, then the customers will withdraw from the company. Thus, the network can be a tool of repulsion rather than attraction. Moreover, the findings showed that sometimes *guanxi*-type relationships in Egypt are used in unethical ways and encourage corruption, nepotism and favouritism when people using *wasta* and try to ask for something that is not their right (others' rights) or even take their rights or achieve their objectives through bribery or in an unethical way. This supports the position adopted by numerous scholars (Cunningham and Sarayrah, 1993; Elsharnouby and Parsons, 2010; Hutchings and Weir, 2006a, 2006b; Weir and Hutchings, 2005, 2006; Smith *et al*, 2012a; Smith *et al*, 2012b).

In conclusion, the main contribution in this thesis is the introduction of a comprehensive framework incorporating the meaning, name, ethical and non-ethical aspects, characteristics, variables, and advantages and disadvantages of *guanxi*-type relationships in Egypt (*shabakat al-alakat* or *al-alakat*), using Chinese *guanxi* as a benchmark, as shown in Figure 6.1. Hutchings and Weir (2006a, 2006b) highlighted that networks in the Arab world generally and *guanxi*-type relationships specifically, have been insufficiently researched, and there is no substantial body of literature examining them. Moreover, they added that no substantial comparisons have been undertaken of the networking style of the two regions, the Chinese and Arab worlds, and that such a comparative analysis of Chinese and Arab behaviour is needed. Thus, these findings represent an original contribution to knowledge. In addition, it is hoped these findings augment the literature and provide a point of reference for subsequent research.

Figure 6-1: Comprehensive framework for the Egyptian *shabakat al-alakat* (*guanxi*-type relationships in Egypt)

Name of *guanxi*-type relationships in Egypt

Name:
Shabakat Al-alakat or Al-alakat

Meaning:
person's network of social connections includes family, friends, neighbours, colleges, previous classmates, and members in the same social club. It contains emotional thus instrumental bases; used to facilitate and exchange the favors between the network's members as a condition of making this network and relationship effective and find a solution to any problem they will face.

Guanxi*-type relationships in Egypt is *al-alakat* not *wasta

Difference between *al-alakat* and *wasta:*
wasta is the action taken by people who have *al-alakat* or *shabakat al-alakat* when they want to facilitate a specific thing or facilitate their work. Thus *guanxi*-type relationships in Egypt are not *wasta. Wasta* is one of the results or consequences of using *al-alakat* or *shabakat al-alakat*.

Two sides of *wasta:*

Ethical *wasta:*
-Getting the person his/her rights without paying any type of bribe

Unethical *wasta:*
-Getting the person his/her rights by paying any type of bribe
-Taking the person something that is not his/her right
-Taking or seize the other's rights

Characteristics of *guanxi*-type relationships in Egypt

- Social network
-Have a religious origin
-Personal
-Intangible
-Reciprocal
-Emotional
-Contextual
-Transferable
-Long-term

Variables of *guanxi*-type relationships in Egypt

-Bonding
-Empathy
-Reciprocity
-Personal trust
-Face
-Affection

Advantages and disadvantages of *guanxi*-type relationships in Egypt

Advantages:
-Removes governmental obstacles and routine procedures.
-Considers to be assets and social capital equals to financial capital.
-Facilitates access to information about the market conditions, demands and competitors.
-Helps the new companies at starting-up time.
-Helps in increasing company sales and profits, gaining valuable feedback, retaining customers over long periods of time.
-Helps in getting raw materials in time of rarities.
-Helps companies in recruit the right employees.
-Helps in handling the problems with the customers
-Considered a sort of trust among people.

Disadvantages:
-Considered time consuming marketing tool.
-Could be used for unethical issues thus, encourage corruption, nepotism and favouritism.

6.8. The role of *shabakat al-alakat* in attracting new customers to the company

The aim of this section is to discuss, with reference to the related literature, the qualitative findings related to the role of *guanxi*-type relationships in Egypt (*shabakat al-alaka*t) in attracting new customers to the company, thus partially addressing the third research question of the qualitative phase.

The first step in the proposed research model suggested the use of various bases of the *guanxi* of firms' employees (e.g., family, friends, locality and colleagues) to attract potential new customers to the organisation. The findings indicated this step as a very important one for the SME in Egypt, particularly at the beginning of the company's life. The findings highlighted that in Egypt, the *shabakat al-alakat* of owner/s and employees plays a pivotal role in attracting new and valuable customers to the companies. This finding is consistent with the theoretical suggestion made by Luo (1997) and Dunfee and Warren (2001) indicating that managers can use *guanxi* to gain access to new customers and encourage their employees to use their personal *guanxi* network by rewarding and promoting them through either commissions or bonuses. Moreover, Hutchings and Weir (2006a) indicate that in Asian and Arab countries, people prefer to deal with people they already know and to establish a relationship before starting a business transaction. This finding confirms that relationships are established before transactions take place (Geddie *et al*., 2005; Yau *et al*., 2000).

Another interesting finding was that in Egypt, an inauguration party is a part of Egyptian culture used as a first step to introduce the company to potential customers and to attract new customers. Firms always have an opening ceremony or an inauguration party and try to attract as many people as they can invite to attend it. This party will let the people know about the company, its products or services and its location. People who attend this inauguration party are the owners' and employees' personal networks, including friends, acquaintances, family, relatives' families and their wives' families. In Egyptian culture, people who attend this party will feel a kind of obligation to help the company concerned, particularly at the beginning and will try to buy from it; they will also tell others about the company and encourage them to buy from it. Moreover, in Egyptian culture, people may be reluctant to buy their products from different sources while there is a member of their social network dealing with the same products. The idea of an inauguration party is very useful, particularly as the firm may expend the entire budget in preparing the shop decoration and buying the stock. Thus, there will be little advertising because the budget is insufficient and the main expenditure is on the inauguration party. In this inauguration party, the owner usually provides chairs, drinks such as tea and cola, cake, sandwiches and a DJ, so the guests can drink, eat and celebrate. This thesis is the first to note this finding, which may augment the literature and be considered a matter for exploration by future researchers.

6.9. The types of relationship marketing investment programmes in the Egyptian SMEs

The purpose of this part is to discuss, in the light of previous related literature, the qualitative findings of the second stage of the proposed research model (using relationship investment programmes) and its effectiveness in SMEs in Egypt. Thus, it answers the fourth research question of the qualitative phase.

After new customers are invited by members of staff and engaged in an initial transaction, in the next step of the proposed model, firms begin applying relationship investment programmes (structural, financial, and social programmes) as a type of inducement or customer relationship investment. Such programmes try to encourage the customers to repeat purchase from the company, further linking the customer to the company.

The findings of the qualitative phase explored the type of relationship investment programmes commonly used in Egyptian SMEs and the component of each program related to the Egyptian culture. From a broader perspective, the findings revealed that managers of Egyptian SMEs apply three types of relationship investment programmes but the components of each program sometimes differ according to the nature of Egyptian culture and of the SME. More specifically, the findings confirmed that the managers of Egyptian SMEs make considerable use of financial programmes, which include free products or simple gifts, free services such as delivery and maintenance, discounts, credit facilities and special offers. Furthermore, the findings showed that the nature of the Egyptian customers is to appreciate receiving free gifts, products or/and services over and above what they have asked for. They make the customers feel that the company has appreciated them and increase their feeling of gratitude. The findings also showed that the managers of the Egyptian SMEs usually apply financial programmes to strengthen relationships with the customers and to encourage the customers to re-purchase and recommend the company to others.

This position is consistent with the considerable body of literature suggesting that economic benefit is an important factor in customers' involvement in a relationship with companies (Berry, 1995; Hsieh *et al*., 2005; Lin *et al*., 2003; Liang and Wang, 2005; Peterson, 1995; Wang *et al*., 2006). This point is also consistent with De Wulf, Odekerken-Schröder and Van Kenhove's (2003) who suggest that any actual financial incentives might decrease as rivals copy these benefit. In a similar manner, Smith (1998, p. 79) describes financial programmes "the multiplicity of economic, performance, or instrumental [product or service related] ties or linkages that serve to promote continuity in a relationship."

Further, the findings indicate that the managers of SMEs in Egypt also apply relationship marketing social programmes, such as special treats, invitations to meals (lunch, dinner, *eftar Ramadan*), social gifts, invitations to holidays, invitations to theme parks, entertainment places and mini *Hajj* (*Omra*), and send greetings, messages, mail and email on social, religious, private and public events (for example, birthdays, Christmas and Muslims' Eid). Moreover, the findings indicate that the aims of applying social programmes are to build good relationships with the customers, strengthen relationships with them, link the customers to the company and make them feel that the company remembers them and shares every event or occasion with them. The findings from the current study are quite consistent with previous studies (De Wulf *et al*., 2001; Liang, Chen and Wang, 2008; Liang and Chen, 2009; Palmatier *et al*., 2006; Palmatier, Scheer, Houston, Evans and Gopalakrishna, 2007; Palmatier *et al*., 2009; Shammout, 2007), but highlight the emergence of new practices of relationship investment social programmes related to the Egyptian and Arab culture such as *eftar Ramadan*, the *Ramadan* calendar, Muslims' *Eid* greetings, *Hajj*, and mini *Hajj* (*Omra*). Consequently, it is hoped this finding augments the literature.

With respect to the structured programmes, which are related more to business customers, the findings are consistent with the previous literature of relationship investment structural programmes, which indicates that relationship investment structure programmes include particular value-added benefits such as inventory control, providing products or services from other sources to resolve the customer's problem, providing special reports or transactions and personalised information, customised order processing systems, technology investments, and tailored packaging. The managers of SMEs in Egypt apply this type of program to provide a better service to their customers, which leads to strengthening the relationships with the customers, linking them to the company, and increasing productivity and/or efficiency for customers who in turn become unwilling to switch (Berry, 1995; Doney and Cannon, 1997; Liang *et al*., 2008; Liang and Chen, 2009; Palmatier *et al*., 2006; Palmatier *et al*., 2007; Palmatier *et al*., 2009; Shammout, 2007). Moreover, Palmatier *et al*. (2006) add that structural programmes require considerable setup efforts in order to offer customers' unique benefits. However, this type of programme may result in considerable strong competitive advantages as customers do more their business with the seller in order to benefit fully from these value-enhancing connections.

The findings also showed that all types of relationship investment programmes are not only important for new customers who have made a first purchase to encourage them to continue with the company, but in fact are even more important for customers who remain with the company for a long time as a type of reward to them for their loyalty. The customer who re-purchases from the company and is loyal to it deserves to benefit from promotions and other types of relationship investment programmes introduced by the company. This position supports the work of several scholars who indicated the essential role relationship marketing investment programmes play in building and enhancing the quality of the relationships with current customers (Liang and Chen, 2009; Palmatier *et al*., 2006; Palmatier *et al*., 2007; Palmatier *et al*., 2009; Shammout, 2007).

This finding was supported in the second phase of the research. Similar results were found when exploratory factor analysis was performed for all 19 items to explore the structure of relationship marketing investment programmes in Egypt. The final exploratory factor analysis for the relationship marketing investment programmes revealed the presence of a three-factor solution representing financial, social and structural programmes. Items of the three components loaded on their respective factors, even the items modified according to Egyptian culture, based on the findings of the first phase.

Therefore, according to the results of the first and second phases of this research, it could be concluded that there are three types of relationship marketing investment programmes in Egypt: financial, social and structural programmes. These three types contain items related to Egyptian culture. This is consistent with Hsieh *et al*. (2005) and Liang and Wang (2005) who indicated how SMEs managers use financial, social and structural programmes. By doing so, managers of SMEs avoid the problems of applying the financial programmes solely, where it is the easiest type of programmes for competitors to imitate (Berry and Parsuraman, 1991; Berry, 1995). The findings also support the work of several scholars across a range of cultural contexts such as Berry (2005), De Wulf *et al*. (2003), Doney and Cannon (1997), Liang *et al*., (2008), Liang and Chen (2009), Palmatier *et al*. (2006), Palmatier *et al*. (2007), Palmatier *et al*. (2009) and Shammout (2007). To the researcher's knowledge, this study is the first to explore and develop a valid and reliable scale to measure relationship marketing investment programmes in Egypt. It is hoped that these findings augment the literature and provide a point of reference for subsequent research.

6.10. The model outcomes

This section discusses the qualitative findings on the effectiveness and the final results of the proposed research model in the SMEs in Egypt. Thus, the fifth research question of the qualitative phase was answered in the light of the previous literature.

The aims of applying relationship marketing in the last step of the proposed research model are to build organisational relationships with customers and try to transfer the personal relationship between the customer and the company representative to an organisational relationship between the customer and the organisation itself. Such a transfer aims to enhance and maintain the relationship with the customer over the long term. Doing so enables firms to avoid the potential pitfalls of applying *shabakat al-alakat* (*guanxi*) alone and to reduce the problem of losing the connection with customers when the employee who brought *guanxi*-based business leaves the organisation (Arias, 1998). The final hypothesised outcome of this model linking *guanxi* and relationship marketing is improved relationship quality and thus customer retention (Bruhn, 2003). As such, the research model attempts to apply is the use of relationship investment programmes as a way of endorsement to encourage the customer to continue purchasing from the company, as well as applying relationship marketing to enhance customer retention and avoid or reduce the problem of the company losing its customers when a member of the staff leaves the company and tries to invite all his/her *shabakat al-alakat* (*guanxi* network) to switch with him or her.

The findings of the qualitative phase agreed with the idea that transferring personal relationships to organisational relationships has the potential to retain customers, particularly when the employee who brought *guanxi*-based business leaves the organisation. The findings also explained that the company needs to provide a comprehensive package to the customers. This package includes a mix of all components of relationship investment programmes followed by applying relationship marketing as suggested in the research model. For example, this package may include items from financial, social and structural investments programmes (e.g. delivery, long credit period, advice and incentives, free products, gifts, offers, greetings, social activities). These items of services and facilities are considered as a type of inducement to repeat the purchase (Sheth and Parvatiyar, 1995b) and the first step of transferring the personal relationship between the customer and the member of staff to the organisational relationship. On agreement, Webster (1992) indicates that repeat transactions lead to relationship formation, whilst Doney and Cannon (1997) and Palmatier *et al*. (2006) demonstrate that relationship marketing programmes help build relationships with customers. In a similar manner, Palmatier *et al*. (2009, p. 13) demonstrate that relationship marketing programmes positively affect customers' "feelings of gratitude," which in turn lead to greater customer purchase intentions.

As the findings indicate, provision of relationship investment programmes should be followed by applying relationship marketing with the customers as suggested by Sheth and Parvatiyar (1995b). This to ensure the transferring of the relationship from personal to organisational and keep a long-term relationship, which is consistent with Christopher *et al.*'s (1991) suggestion that relationship marketing helps organisations to foster customer commitment, follow long-term plans, and concentrate on customer retention. Bejou *et al*. (1998), Little and Marandi (2003, p. 28) and Mittal and Lassar (1998) explain that customers acquired through relationship marketing will be more inclined to respond positively to cross-selling activities, allowing companies to obtain a larger "share of customer wallet". Applying relationship marketing would involve such measures as building organisational trust and commitment, maintaining open dialogue with customers (communication), solving customers problems easily and quickly (conflict handling), making the customer perceive fairness (equity), sharing the same values with them (shared values) and being empathetic towards them (empathy), following up the customers (follow up) and being innovative in finding ways to serve the customers and link them to the overall company. Adopting the variables of relationship marketing supports the position adopted by numerous scholars who also suggest applying relationship marketing through different range of variables. For example (trust, commitment and equity; Gruen, 1995), (trust, commitment, conflict handling and communication; Brock and Smith, 1998), (trust and commitment; Morgan and Hunt, 1994), (trust, commitment, empathy and equity; Ndubisi, 2004), (trust, commitment, communication and conflict handling; Ndubisi and Wah, 2005), (trust, communication, empathy, reciprocity and shared values; Sin *et al*., 2002), (trust, communication, empathy, reciprocity and shared values; Sin *et al*., 2005) and (trust, communication, empathy, reciprocity and shared values; Van Zyl and Mathur-Helm, 2007).

The findings reveal that provision of such a package of relationship investment programmes and application of relationship marketing afterwards, may vary by company according to its circumstances and type of business as well as according to the type of customers. By doing so, the company will expect to transfer the personal relationship between the customer and the member of staff to an organisational relationship between customers and company directly. It also may make customers stay with the company and re-purchase, as the findings for hypotheses 2, 3, 4 and 5 indicated.

The findings also indicate that by building organisational relationships and providing a comprehensive package, the SME in Egypt will avoid or reduce the problem of departing employees taking their personal contact customers with them when leaving the company or losing the company its customers when one of the staff leaves the company and invites all his/her *guanxi* network to switch with him or her. The customers will stay because the company has treated them well, so they have confidence in the company, which leads to a maintaining the business relationship. The most important thing is that the company does not let them down, and there must be a connection all the time to find out their desires and solve their problems. Briefly, the company must tie them and not give them the chance to switch. In conclusion, the findings indicated that in most cases the customers would not leave the company with an employee who leaves the company and tries to take his/her connection or network with him/her if the company uses relationship investment programmes and relationship marketing with the customers.

On a different note, the findings also revealed the importance of employee retention, as that would be reflected in customer retention. Companies should try to increase employee retention, as this will reduce the problem of losing the connection with customers when an employee who brought *guanxi*-based business leaves the organisation and will, accordingly, influence the stability of employees, customers and the company. This idea is supported by Grönroos (1990) who argues that organisations should create, continuously encourage, and appreciate the role of employees. This increases employees' retention and creates customer-conscious employees, which reflects finally on customer satisfaction and retention.

The quantitative findings support the qualitative findings. The quantitative findings revealed that almost 81% of the customers would still buy from the company even if the person who introduced the company to them left and asked them to switch with him/her, while 19% of the respondents would leave the company.

The findings indicated that main reasons for customers staying with a company after the person who introduced it to them left and asked them to switch, were being satisfied with the company as the company had built a good relationship with them and the company always offered them more than other companies. Therefore, they were satisfied that what the company had done for them was enough and felt it was the best option for them. Thus, according to the customers' responses, the research model which includes using relationship investment programmes and relationship marketing with the customer can help the company to retain their customers even after a member of staff leaves the organisation and tries to take all his/her *guanxi* network. The impact of relationship investment programmes and relationship marketing on customer retention will be discussed the light of the previous literature when discussing H2 and H5, Sections 6.12.1 and 6.13.2 respectively.

However, the previous studies about the role of relationship investment programmes and/or relationship marketing in retaining the customers, building a good relationship with them, or keeping them loyal (e.g. Liang and Wang, 2005; Liang *et al*., 2008; Ndubisi, 2007; Palmatier *et al*., 2007; Palmatier *et al*., 2009) consider the unit of analysis as a normal customer, whether a business customer or final consumer. This thesis is the first to deal with a different unit of analysis, which is the customer who was introduced and invited to the company by a member of staff who already has a good personal relationship with him/her. Moreover, this research is the first to provide empirical evidence that when a company provides a comprehensive package of relationship investment programmes followed by applying relationship marketing, it can retain a majority of the customers even if the member of staff, who invited them, left the company and asked them to switch with him/her. As the first research to deal with this unit of analysis and this problem, this thesis may augment the literature and offer avenues for future research.

There are a number of reasons for respondents leaving a company after the person who introduced the company to them left and asked them to switch with him/her. It appears that 21% of customers felt they could not refuse the contact person's invitation to switch with him/her. In line with expectations, a small percentage of the customers would leave the company and the company would not be able to keep all the customers after an employee leaves even after applying the steps of the proposed research model. The feeling of inability to refuse the contact person's invitation to switch with him/her is considered to be out of the company's control and explains why some customers will leave the company even after the company has served them well and applied relationship investment programmes and relationship marketing. Moreover, as mentioned earlier (when discussing the variables of *shabakat al-alakat* in part 6.6) the Egyptian people and collective cultures are sensitive about losing face (Al-Omari, 2003, 2009; Barakat, 1993). Moreover, in Egypt the personal relationship implicitly imposes an obligation on each party to give help and perform favours to the best of their ability (Elsharnouby and Parsons, 2010; Parnell and Hatem, 1999).

Another reason for leaving is that customers are not satisfied with the company. Moreover, others will leave the company because the company did not build a good relationship with them and did not make enough effort to keep them. Furthermore, the customers mentioned that there are other companies better than their current company. All these reasons are considered to fall into the category of factors, which are within the company's control and can be avoided by applying the proposed research model. This means that the company can avoid this by starting to build a good organisational relationship with customers and apply relationship investment programmes and relationship marketing.

Of particular note, the qualitative findings showed that in some extreme cases, if the company does not contact customers in an appropriate way and try to tie them institutionally, customers will not leave the company alone but will also push employees (who have a good relationship with customers) to leave the company and will support them by switching with them.

Further investigation was conducted using a crosstabulation test to discover whether or not there was a significant association between the customer's decision to stay with or leave the company after the person who introduced them left the company and any or all of the following: a) *guanxi* bases; b) the period of time that the respondent was a customer of the company; c) the customer's gender and; d) the customer's age. The findings indicated that there is no significant association between the customers' decision to stay with or leave the company after the person who introduced them left the company and any of these variables. This implies that age, gender, *guanxi* base, and the length of time as a customer with the company do not have any influence on the customer's decision to stay with or leave the company after the person who introduced them, left the company. These findings also support the idea that the main reason for customers staying with or leaving the company is a satisfactory relationship with the company itself and the package, which the company provides to customers, which includes a mix of relationship investment programmes and relationship marketing.

Moreover, a crosstabulation test was conducted to discover whether or not there was a significant association between the customers' decision to stay with or leave the company after the person who introduced them left the company and the length of the personal relationship between the customers and that person. A Chi-Square test for independence indicated a significant association between the length of relationship with the introducer and the customers' decision to stay with or leave the company after the introducer left the company. The results indicated that when the length of the relationship between the customer and the introducer increased, so did the customer's tendency to leave when the introducer left the company. When the period of the relationship is under 5 years, 13.3% of customers will leave and this percentage increases to 40.6 % when the period of the relationship is 20 years or more. Thus, there is a positive relationship between the length of the relationship with the introduced person and the customer's tendency to leave the company after the introducer leaves the company. This thesis is the first to provide these findings, which represent an original contribution to knowledge and add support to the literature. In addition, it is hoped these findings provide a point of departure for future research.

6.11. The consequences of *shabakat al-alakat* (*guanxi*-type relationships in Egypt)

This section discusses, in the light of related literature, the results of testing a hypothesis related to consequences of *shabakat al-alakat*. Hypothesis one (H1) investigates the relationships between variables of *shabakat al-alakat* (affectional bonding, reciprocity, personal trust, empathy, and face, which were explored in the first phase and confirmed by exploratory factor analysis) and customer retention. The examination of this hypothesis aims partially to answer the research questions 1, 2, and 3 of the second phase of the research.

In the proposed model, this thesis hypothesised that *guanxi*-type relationships in Egypt (*shabakat al-alakat*) can play a role in attracting new customers to the company and retaining them. Therefore, the following hypothesis (H1) was proposed:

Hypothesis 1

H1: There is a significant positive relationship between *shabakat al-alakat (guanxi*-type relationships in Egypt) and customer retention

> H1a.There are significant positive relationships of affectional bonding, reciprocity, personal trust, empathy, and face with customer retention.

Multiple regression analysis was conducted to test the impact of each of the five *guanxi* variables (affectional bonding, reciprocity, personal trust, empathy, and face) on customer retention. The quantitative findings showed that only three variables, personal trust, face and reciprocity, have positive relationships with customer retention. The finding indicates that the higher the personal trust, face and reciprocity, the greater customer retention obtained, as approximately 21 percent of the possible variance in customer retention is associated with a set of *guanxi*-type relationship variables: personal trust, face and reciprocity. This means that in the Egyptian SME sector, when there is high personal trust and reciprocity between the customer and the member of staff who invited the customer, the customer retention will be affected positively. When the customer trusts the member of staff and his/her suggestion to buy from and continue with the company, customer retention will be positively affected. Customer retention will also be positively affected if that member of staff has good face, as face is an important factor affecting a person's trustworthiness in Egyptian society (as the findings of the first phase indicate).

A potential explanation for the positive influence of personal trust, face and reciprocity on customer retention is that listening to the advice or suggestion of any member of a person's *guanxi* network and making a decision, such as one to buy from specific company and continue with it, should be based on rational and logical reasons such as the trust in that person (personal trust) who has a good public image and reputation (face) in society and also the building of a previous history of the exchange of favours and advice (reciprocity) with that person. Leung Wong and Tam (1995) and Wong and Chan (1999) argue that members in the same network 'insiders', which have mutual trust and face, smoothly exchange the information, advices and mutual understanding, which help members of the network to take decisions easily. Moreover, personal trust encourages long-term orientation and tendency to stay in a relationship with the company (Doney and Cannon, 1997). Lu, Feng, Trienekens and Omta (2008) argue that the personal trust helps to complete the transactions between customer and company with less time and low cost, which lead to long-time relationships (retention).

In this way, the decision to continue with a specific company will not depend mainly on empathy or affectional bonding (other variables of *shabakat al-alakat*) with that person who offered the suggestion and invited the customer. These variables (empathy or affectional bonding) could make the customer buy from the company but will not make the customer continue with the company. It is important to indicate that there is little research on the impact of *guanxi* through its variables, personal trust, reciprocity and face, on customer retention and most of this literature is in a business-to-business context. However, these findings are in agreement with Lee and Dawes (2005); Leung, Lai, Chan and Wong (2005) and Yen and Barnes (2011), who indicate that reciprocity and face have a positive relationship with business customer retention while personal trust has a negative relationship. In support of this point, Lee and Dawes (2005) argue that trust in the member of staff (personal trust) is important to companies as a starting point because trust at the personal level can be transferred to the organisational level, which is the aim of the research model proposed in this study. Therefore, one of the major functions of staff is to increase personal trust and transfer it to organisational trust.

The results also showed that personal trust makes the largest contribution to and has the strongest impact on customer retention variance of all the variables, followed by face, then reciprocity. Finally, all the previous results provide evidence to support hypothesis

1, and partial support for H1a. The findings of H1 partially assisted in answering the second phase research questions 1, 2, and 3 as shown in Table 6.2.

Table 6-2 : Linkage of research questions with the results of testing hypothesis 1

Research Questions	Answers Through Hypothesis Testing Results
Q1: Which variables of *shabakat al-alakat* are more important when using it to retain customers in the Egyptian SME sector?	The empirical statistics results for H1 showed that three variables personal trust, face and reciprocity, are more important.
Q2: Do *shabakat al-alakat* influences customer retention in the Egyptian SME sector?	Approximately 21 percent of the possible variance in the customer retention is associated with a set of *shabakat al-alakat* variables: personal trust, face and reciprocity. Accordingly, *shabakat al-alakat* has an impact on customer retention through its variables.
Q3: Could the proposed research model benefit the organisation to build a quality organisational relationship with customers and retain them?	Yes, according to the research model, *shabakat al-alakat* is used as a way to attract new customers and also play a role (through its variables) in retaining those customers, as the findings for H1 showed.

By answering the above research questions, this thesis extended the literature of *guanxi*-type relationships or social network in Egypt (*shabakat al-alakat*) and filled the gap in the literature by providing much-needed empirical support on the uses and influence of *shabakat al-alakat* (*guanxi*-type relationships in Egypt). The findings identify the most important variables of *shabakat al-alakat* that a company needs to utilise as a way to attract customers, as well as showing that *shabakat al-alakat* (*guanxi*-type relationships in Egypt) could play a role not only in attracting customers but also in retaining those customers. Specifically, this applies if there is personal trust, face, and reciprocity between the customer and the member of staff who invited the customer. To the researcher’s knowledge, this study is the first to explicitly test the relationship between *guanxi*-type relationships and customer retention, which is considered a novel contribution made by this thesis.

6.12. The consequences of relationship investment programmes

This section discusses the result of testing hypotheses related to consequences of relationship investment programmes. These hypotheses are 2, 3 and 8. The examination of these hypotheses aimed partially to answer the research questions 1, 2, and 3 of the second phase of the research.

6.12.1. Relationship investment programmes and customer retention

This section discusses, in the context of the relevant literature, the results of testing the relationships between relationship investment programmes (social, financial and structural explored in the first phase and confirmed by exploratory factor analysis) and customer retention. One hypothesis (H2) was put forward, representing the positive relationship between relationship investment programmes (social, financial and structural) and customer retention.

Hypothesis 2

H2.There is a significant positive relationship between relationship investment programmes and customer retention.

H2a.There are significant positive relationships between relationship investment social programmes, structural programmes and financial programmes and customer retention.

Multiple regression analysis was conducted to test the impact of each of the three relationship investment programmes (social, financial and structural) on customer retention. The findings revealed that the results for the relationship between the three types of relationship investment programmes and customer retention were mixed. It was found that structural and financial programmes had a positive relationship with customer retention, while social programmes did not. The finding indicates that the higher the structural and financial programmes, the greater the customer retention achieved as approximately 31 percent of the possible variance in the customer retention is associated with structural and financial programmes. The results also showed that financial programmes make a larger contribution to the customer retention variance compared to structural programmes. This means that customer retention in Egyptian SMEs is affected more by financial and structural programmes than by social programmes. This suggests that financial and structural programmes used by SMEs in Egypt are crucial to enhancing customer retention. Indeed, it may also imply that the type of customer dictates the effect of each type of these investment programmes. That is, if price becomes an issue, these types of financial incentives may have a greater effect on customers who purchase more often (Shammout, 2007).

The findings of this thesis are consistent with the few scholars who studied the relationship between relationship investment programmes and customer retention. For instance, Liang *et al*. (2008) indicate that the three types of the relationship investment programmes have an indirect impact on customer retention through relationship quality and hence customer loyalty. The finding is also in full agreement with Venetis and Ghauri (2004), who found that social programmes do not have any relationship with customer retention, while there is an indirect relationship between structural programmes and customer retention. These results are also consistent with scholars such as Liang and Wang (2005) and Palmatier *et al*. (2009).

Some explanation for the result for H2 comes from the findings of the qualitative phase, which discussed in the light of the relevant literature in Section 6.9. The findings of the quantitative phase are consistent with the qualitative findings of this thesis which showed that the nature of Egyptian customers is to appreciate financial programmes (e.g. free gifs, products or/and services) over and above what they had asked for, which make the customers feel appreciated and stimulates their gratitude. In addition, it is noted that while structural programmes are related more to issues that help to increase productivity or efficiency (or both) for customers (e.g. specific staff members and customized packaging), in the end, this issue concerns money and has a financial nature/impact.

The lack of influence of social programmes on customer retention is in agreement with the qualitative findings, where the interviewees indicated that they always use social programmes with business customers, who have good and strong relationship with them for a long time, to let them know that they remember them all the time and give a social dimension to the relationship with them, while this research in its second phase was applied to a final consumer and not to business customer. Moreover, this finding is consistent with Venetis and Ghauri (2004), while contradicting the results of Harris, O'Malley and Patterson (2003), and Seabright, Levinthal and Fichman (1992), who argue that the social programmes will be more important in the service sector, differing from the sector which is the context of this study.

Finally, all the previous results provide evidence to support hypothesis 2, and partial support for H2a. The findings for H2 helped in partially answering research questions 1, 2, and 3, as shown in Table 6.3.

Table 6-3 : Linkage of research questions with the results of testing hypothesis 2

Research Questions	Answer Through Hypothesis Testing Result
Q1: Which program/s of relationship investment programmes is/are more important in the Egyptian SME sector?	The empirical results for H2 showed that financial and structural programmes are more important.
Q2: Do relationship investment programmes influence customer retention in the Egyptian SME sector?	Yes, approximately 31 percent of the possible variance in the customer retention is associated with the financial and structural relationship investment programmes. Accordingly, financial and structural relationship investment programmes have an influence on customer retention.
Q3: Could the proposed research model benefit the organisation to build a quality organisational relationship with customers and retain them?	Yes, the findings of H2 showed that relationship investment programmes can play a role in affecting customer retention positively.

6.12.2. Relationship investment programmes and relationship quality

This section discusses, in the light of the relevant literature, the results of testing the relationship of relationship investment programmes (social, financial and structural) with relationship quality. One hypothesis (H3) was proposed, representing the positive relationship between relationship investment programmes (social, financial and structural) and relationship quality.

Hypothesis 3

H3.There is a significant positive relationship between relationship investment programmes and relationship quality.

H3a.There are significant positive relationships of relationship investment social programmes, structural programmes and financial programmes with relationship quality.

Multiple regression analysis was conducted to test the impact of each of the three relationship investment programmes (social, financial and structural) on relationship quality. Similar to the results from H2, the results for the relationship between relationship quality and the three types of programmes were mixed. It was found that structural and financial programmes had a strong positive relationship with relationship quality, while social programmes did not. The finding indicates that the higher the structural and financial programmes, the better the relationship quality with customers, since approximately 33 percent of the possible variance in relationship quality is associated with structural and financial programmes. The results also showed that financial programmes make a larger contribution to the relationship quality variance than structural programmes. The reason for this is that the goods and services sector (the context of this study) is associated with a higher degree of standardisation and low variability, making price and financial issues the primary and most influential factor for customers (Guiltinan, 1987; Liang *et al*., 2008). Moreover, these findings imply that financial and structural programmes used by SMEs in Egypt are important to improving the quality of their relationships with customers, as Egyptian SMEs' customers are affected more by financial and structural programmes. These results are consistent with Wu, Shih and Chan (2008) and Liang *et al*. (2008), who indicated that relationship investment programmes have a direct impact on relationship quality, as well as with Mitrega and Katrichis (2010); Palmatier *et al*. (2006); Palmatier *et al*. (2007);Yoon, Choi and Sohn (2008) and De Wulf *et al*. (2001).

As indicated earlier when discussing H2, this finding also agrees with the qualitative findings of this thesis, which showed that the nature of Egyptian customers is to appreciate financial programmes. The lack of influence of social programmes on relationship quality found in this study apply in the business-to-customer context and not the business-to-business context, while the qualitative findings indicate that SMEs in Egypt use social programmes more with business customers than with individual ones. This finding could be explained by Wang *et al*. (2006), who suggest that relationship quality is considerably affected by social programmes in the case of high-involvement business customers.

Finally, all the previous results provide evidence to support hypothesis 3, and partial support for H3a. The findings of H3 helped partially to answer research questions 1, 2, and 3 as shown in Table 6.4.

Table 6-4 : Linkage of research questions with the results of testing hypothesis 3

Research Questions	Answer Through Hypothesis Testing Result
Q1: Which program/s of relationship investment programmes is/are most important when using it/them in the Egyptian SME sector?	The empirical results of the H3 showed that financial and structural programmes are most important.
Q2: Do relationship investment programmes influence customer relationship quality in the Egyptian SME sector?	Yes, approximately 33 percent of the possible variance in the relationship quality is associated with financial and structural relationship investment programmes. Accordingly, financial and structural relationship investment programmes have an influence on relationship quality.
Q3: Could the proposed research model benefit the organisation to build a quality organisational relationship with customers and retain them?	Yes, according to the research model relationship investment programmes used as a type of inducement to encourage the customers to purchase again from the company, further linking the customer to the company. Accordingly, as the findings of H3 showed, relationship investment programmes play a role in enhancing the relationship quality with the customers which is considered a step to link the customer to the company and increase retention.

6.12.3. Relationship investment programmes linked with both relationship quality and customer retention

Although, financial and structural relationship investment programmes have been found to be positively associated with relationship quality and customer retention respectively, this thesis has moved a step beyond the existing literature and investigated the mediating role of relationship quality in the relationship between relationship investment programmes and customer retention, as very few studies have examined this relationship in different contexts (e.g. Liang *et al*., 2008). Accordingly, further analyses were conducted to discover whether the two relationship investment programmes directly affect relationship quality and customer retention as a part of the empirical analysis of the research model. Thus, the mediating role of relationship quality has been explored based on an intervention approach via mediator regression analysis using both Baron and Kenney's (1986) technique and the bootstrapping method. Accordingly, hypothesis 8 aimed to examine the mediating role of relationship quality in the association of relationship investment programmes (financial and structural, whose effect was proved in H2 and H3) with customer retention.

Hypothesis 8

H8: Relationship quality mediates the relationship between relationship investment programmes and customer retention.

The findings indicate that relationship quality mediates considerably in the relationship between structural programmes and customer retention. In other words, structural programmes have only an indirect positive relationship with customer retention via relationship quality and do not have a direct relationship with customer retention. At the same time, the results indicate that relationship quality partially mediates the relationship between financial programmes and customer retention. Thus, financial programmes have a direct positive relationship with customer retention and an indirect positive relationship via relationship quality. The results provide support to hypothesis 8. This means that when Egyptian SMEs apply relationship investment financial programmes this will affect both the relationship quality with the customer and customer retention. The influence on customer retention will be exerted in two ways: directly and indirectly through relationship quality.

However, unlike the findings presented in earlier sections of this chapter, there is no previous body of literature within the context of which this finding may be discussed.

The only peripherally associated literature concerns the mediating role of relationship quality between relationship investment programmes and behavioural loyalty (De Wulf *et al*., 2001; Yoon *et al*., 2008), and between relationship investment programmes and membership behaviour (Wu *et al*., 2008). Also, Liang *et al*. (2008) indicate that the three types of the relationship investment program have an indirect impact on customer retention through relationship quality and hence customer loyalty. Hence, this is considered a novel contribution made by this study, and it is to be hoped that this finding will serve as a stimulus for further research.

Moreover, as stated previously, in the qualitative phase, these findings showed how important financial programmes are in Egyptian culture. It should also be noted that this finding is the first to provide an empirical insight into the relationships (direct and indirect) among relationship investment programmes, relationship quality and customer retention; as well as empirically showing relationship quality to be an important outcome of relationship investment programmes, financial and structural, and antecedents of customer retention in one single model. That is, in the relevant literature, no studies were found in which these relationships were tested; therefore, this is considered an original contribution made by this study.

Finally, this thesis extended the literature of relationship investment programmes and filled the gap in the literature by providing much-needed empirical support regarding the uses and influences of relationship investment programmes in the Egyptian SME sector. The findings identify the most important programmes among the relationship investment programmes that a company needs to utilise to build a quality relationship with the customers and retain them, as well as showing that relationship investment programmes in Egypt could play a role not only in enhancing a good relationship with the customers but also in retaining those customers.

6.13. The consequences of relationship marketing

This section discusses, in the light of the relevant literature, the result of testing hypotheses related to consequences of relationship marketing. These hypotheses investigated the relationships between relationship marketing and relationship quality (H4), and the relationship between relationship marketing and customer retention (H5). It also explains the result of testing hypotheses related to the mediating role of relationship quality in the association of relationship marketing with customer retention (H7), the moderating role of both bases and variables of *shabakat al-alakat* in the relationship between relationship marketing with customer retention (H9 and H10) respectively. The examination of these hypotheses aimed partially to answer the research questions 1, 2, and 3 of the second phase of the research.

6.13.1. Relationship marketing and relationship quality

This section discusses, in the light of the relevant literature, the findings from the examination of the relationship of relationship marketing variables (organisational trust, commitment, conflict handling, communication process, communication quality, shared values, reciprocity, and equity which were explored in the first phase and confirmed by exploratory factor analysis) with relationship quality. One hypothesis (H4) was developed, representing the positive relationship between relationship marketing and relationship quality.

Hypothesis 4

H4. There is a significant positive relationship between relationship marketing and relationship quality

> **H4a.**There are significant positive relationships of organisational trust, commitment, conflict handling, communication process, communication quality, shared values, reciprocity, and equity with relationship quality

Multiple regression analysis was conducted to test the impact of each of the eight relationship marketing variables (organisational trust, commitment, conflict handling, communication process, communication quality, shared values, reciprocity and equity) on relationship quality. There were mixed results. Only three variables (commitment, organisational trust and equity) were found to have a strong positive relationship with relationship quality, while five variables (conflict handling, communication process, communication quality, shared values and reciprocity) were not. The finding indicates that the higher the commitment, organisational trust and equity, the greater the relationship quality achieved, as approximately 67 percent of the possible variance in relationship quality is associated with those three relationship marketing variables. In support of this result, according to Ndubisi (2007), the variables of relationship marketing (trust, commitment, communication and conflict handling) predict 57 percent of variance in relationship quality. Also, relationship marketing variables (trust, empathy, communication and conflict handling) predict 84 and 75 percent of variance in relationship quality for two samples from Malaysia and New Zealand, respectively (Ndubisi *et al*., 2011).

The results also showed that commitment makes the largest contribution to the relationship quality variance, followed by organisational trust, and then equity. Moreover, these findings imply that the strength and quality of the relationship with Egyptian SMEs' customers rely more on the level of commitment, trust and equity between the company and the customer, which reflects the importance of these variables in Egyptian SMEs.

A potential explanation for the positive influence of trust and commitment given by a number of scholars is that trust and commitment are the most important variables of relationship marketing (e.g. Dwyer *et al*., 1987; Gundlach *et al*., 1995; Morgan and Hunt, 1994; Moorman *et al*., 1992; Mowday *et al*., 1979; Reichheld and Sasser, 1990; Sin *et al*., 2002; Wilson, 1995). These findings are in agreement with several scholars, as Ndubisi (2006), Ndubisi (2007), Ndubisi *et al*. (2007), Ndubisi and Wah (2005); Yau *et al*. (2000); and Wong and Sohal (2002) found that trust as a significant foundation of relationship marketing is of particular importance in developing quality relationships, as individuals look for familiar and unsurprising behaviour from their relational partner; thus, there is a comparatively high degree of certainty of future benefits. Moreover, Crosby *et al*. (1990) and Dwyer *et al*. (1987) agree that relationship quality is affected by trust. On the other hand, Ndubisi (2006); Ndubisi (2007); Ndubisi *et al*. (2007) and Wong and Sohal (2002) argue that companies that have a strong commitment to customer relationships will have greater success in enhancing relationship quality. With respect to the equity variable, Bhattacharya and Bolton (2000, pp. 339-340) argue that equity is a core feature of relationship marketing and of particularly importance to explain how customer behaviour may be affected by relationship marketing. They suggest that "it may be useful for the organisation to engage in relationship marketing efforts that provide positive outcomes to the customer in the anticipation that the customer will attempt to restore balance and equity within the exchange relationship by increasing his/her inputs that is, by engaging in commitment behaviours". Continuing the relationship is this way will enhance the relationship quality. In addition, a potential explanation for its impact on relationship quality could come from the qualitative findings indicating that equity is a very important variable because it is related to the monetary and financial aspect, which has greater influence on Egyptian customers, as do financial relationship investment programmes.

It is worth mentioning that this study is, to the author's knowledge, the first study to investigate the influence of all eight variables of relationship marketing together on relationship quality, as well as the first to show a positive relationship between equity as a relationship marketing variable and relationship quality. Accordingly, this finding adds support to the relationship marketing literature and highlights the salient role of equity in building relationship quality, which is considered a novel contribution of this thesis.

Finally, all the previous results provide evidence to support hypothesis 4, and partial support for H4a. The findings from H4 partially helped in answering research questions 1, 2, and 3 as shown in Table 6.5.

Table 6-5 : Linkage of research questions with the results of testing hypothesis 4

Research Questions	Answer Through Hypothesis Testing Result
Q1: Which variable/s of relationship marketing is/are most important in building relationship quality in the Egyptian SME sector?	The empirical results of the H4 showed that commitment, trust and equity are most important.
Q2: Does relationship marketing influence customer relationship quality in the Egyptian SME sector?	Approximately 67 percent of the possible variance in the relationship quality is associated with the relationship marketing variables: commitment, trust and equity. Accordingly, relationship marketing has a great influence on relationship quality through its three variables: commitment, trust and equity respectively.
Q3: Could the proposed research model benefit the organisation to build a quality organisational relationship with customers and retain them?	Yes, according to the research model, relationship marketing is used to build organisational relationships with the customers and enhance customers' relationship quality thus retention. Accordingly, the findings of H4 showed that relationship marketing plays a role in enhancing relationship quality with customers, which is considered a step to link the customer to the company and thus enhance customer retention.

By answering the above research questions, this thesis extended the literature of relationship marketing and filled the gap in the literature by providing much-needed empirical support for the uses and influences of relationship marketing in the Egyptian SME sector. The findings identifed the most important variables of relationship marketing (commitment, trust and equity) that a company needs in order to build a quality organisational relationship with the customers and transfer the personal type of relationship involved in *shabakat al-alakat* to an organisational relationship.

6.13.2. Relationship marketing and customer retention

In the proposed model, this thesis hypothesised that relationship marketing can play a role in retaining the customers of SMEs in Egypt. Therefore, one hypothesis (H5) was proposed, representing the positive relationship between relationship marketing and customer retention. Accordingly, this section aims to discuss the findings of testing hypothesis 5 in the light of the relevant literature.

Hypothesis 5

H5: There is a significant positive relationship between relationship marketing and customer retention.

H5a.There are significant positive relationships of organisational trust, commitment, conflict handling, communication process, communication quality, shared values, reciprocity, and equity with customer retention.

Although Bruhn (2003) argues that relationship marketing focuses mainly on customer retention, only a few studies have investigated the impact of relationship marketing variables on customer retention and these only in a fragmented manner. Accordingly, multiple regression analysis was conducted to test the impact of each of the eight variables of relationship marketing (organisational trust, commitment, conflict handling, communication process, communication quality, shared values, reciprocity and equity, which were explored in the first qualitative phase and confirmed by exploratory factor analysis) on customer retention. The findings showed that six variables: organisational trust, commitment, equity, shared values, reciprocity and conflict handling, have positive relationships with customer retention. The findings indicate that the higher the level of organisational trust, commitment, equity, shared values, reciprocity and conflict handling, the greater the customer retention obtained, as approximately 65 percent of the possible variance in customer retention is associated with this set of relationship marketing variables. This means that in the Egyptian SME sector, when the customer trusts the company's promises, customer retention will be positively affected. Customer retention will also be affected if there is a high level of commitment and also facilitate solving their problems as well as if customers feel equity in the relationship with the company and share the same values with it. These findings are in partial agreement (one or more variables of relationship marketing in the relationship with retention) with Lacey (2007) and Verhoef (2003), who found that commitment has a positive relationship with purchase intention. Macintosh and Lockshin (1997) and Yen and Barnes (2011) show that trust and commitment positively affect customer purchase intention, while Foster and Cadogan (2000) and Ranaweera and Prabhu (2003a, 2003b) argue that a high level of trust leads to a high level of customer retention. This study is one of the first to investigate the influence of all eight variables of relationship marketing together on customer retention, as well as the first to demonstrate a positive relationship of relationship marketing variables (shared values, conflict handling, equity and reciprocity) with customer retention. This adds support to the relationship marketing literature and is considered a novel and unique contribution made by this thesis.

These quantitative findings are consistent with the findings of the qualitative phase. The findings show that personal relationship between the customer and the member of staff could be transferred to organisational relationship between the customer and the company directly when the company applies relationship marketing variables. This includes building organisational trust and commitment, keeping in touch with the customers continuously (communication), solving customer problems easily and quickly (conflict handling), making the customer perceive fairness (equity), sharing the same values with them (shared values) and being empathetic towards them (empathy), following up the customers (follow up) and being innovative in finding ways to serve the customers. It may also make customers stay with the company and re-purchase. Notably, follow-up was a new variable that emerged from the qualitative findings. Further, and from a practical point of view, innovation and affection were two issues emerged from the qualitative findings and related to all relationship marketing variables in Egyptian SMEs.

The results also showed that organisational trust makes the largest contribution to and has the greatest impact on customer retention variance compared to other variables, followed by commitment, equity, shared values, reciprocity and conflict handling. Finally, all the previous results provide evidence to support hypothesis 5, and partial support H5a. The findings for H5 helped partially to answer research questions 1, 2, and 3as shown in Table 6.6.

Table 6-6 : Linkage of research questions with the results of testing hypothesis 5

Research Questions	Answer Through Hypothesis Testing Result
Q1: Which variables of relationship marketing are most important when building customer retention in the Egyptian SME sector?	The empirical statistics results of the H5 showed that six variables: organisational trust, commitment, equity, shared values, reciprocity and conflict handling, are more important in building customer retention.
Q2: Does relationship marketing influence customer retention in the Egyptian SME sector?	Yes, approximately 65 percent of the possible variance in the customer retention is associated with a set of relationship marketing variables: organisational trust, commitment, equity, shared values, reciprocity and conflict handling. Accordingly, relationship marketing has impact on customer retention through these six variables.
Q3: Could the proposed research model benefit the organisation to build a quality organisational relationship with customers and retain them?	Yes, according to the research model, relationship marketing used to build organisational relationships with the customers thus increase customer retention. Accordingly, the findings of H5 showed that relationship marketing played an important and crucial role in enhancing customer retention.

6.13.3. Relationship marketing with both relationship quality and customer retention

Although relationship marketing is found to be positively associated with relationship quality and customer retention, this thesis goes one step beyond the existing literature and investigates the mediating role of relationship quality in the relationship between relationship marketing and customer retention, which no previous study has examined. Accordingly, further analyses were conducted to indicate whether relationship marketing directly affects relationship quality and customer retention. Thus, the mediating role of relationship quality was explored based on the intervention approach via mediator regression analysis using both Baron and Kenney's (1986) technique and the bootstrapping method (Hayes, 2009; Preacher and Hayes, 2008). Accordingly, hypothesis 7 was formulated to examine the mediating role of relationship quality in the association of relationship marketing (organisational trust, commitment and equity, which were proved to affect both H4 and H5) with customer retention.

H7. Relationship quality mediates the relationship between relationship marketing and customer retention.

The findings imply that relationship quality partially mediates the relationship of equity, commitment and organisational trust with customer retention. Thus, equity, commitment and organisational trust have a direct positive relationship with customer retention and indirect positive relationship through relationship quality. The results support hypothesis 7. This means that when the Egyptian SMEs use relationship marketing this will affect both the relationship quality with the customer and customer retention. The influence on customer retention will be both direct and indirect through relationship quality.

In conclusion, relationship marketing has a direct and indirect positive relationship (via relationship quality) with customer retention. In other words, there is a partial mediating effect of relationship quality in the association of relationship marketing as an independent variable with customer retention as a dependent variable. It should also be noted that this finding moved a step beyond the existing literature to explore the relationship among these three variables (relationship marketing, relationship quality and customer retention). It is also the first to provide an empirical insight and offer a deeper understanding of the relationships (direct and indirect) among relationship marketing, relationship quality and customer retention; as well as empirically showing relationship quality to be an important consequence of relationship marketing and an antecedent of customer retention in one single model, which is considered a novel contribution made by this thesis.

6.13.4. Relationship marketing with bases and variables of *shabakat al-alakat*, and customer retention

Although relationship marketing had been found to be positively associated with relationship quality and customer retention, this thesis moved a step beyond the existing literature on the moderating role of both bases and variables of *shabakat al-alakat* in the relationship between relationship marketing and customer retention, as there is no previous literature examining their interaction relationships in the relationship between relationship marketing and customer retention. Accordingly, further analyses were conducted to indicate whether the bases and variables of *shabakat al-alakat* intervene in/moderate the relationship between relationship marketing and customer retention. The moderating role of bases of *shabakat al-alakat* in the association between relationship marketing and customer retention was explored based on the interaction approach via the bootstrapping procedure of Hayes and Matthes (2009) using SPSS macros. Accordingly, hypothesis 9 examined the moderating role of *shabakat al-alakat* bases in the association of relationship marketing with customer retention. The findings reveal that none of the bases has an interaction effect in the relationship between relationship marketing and customer retention.

Moreover, the moderating role of *shabakat al-alakat* (through its variables) on the association between relationship marketing and customer retention was also explored, based on the interaction approach via a bootstrapping procedure (Hayes and Matthes, 2009), using SPSS macros. Accordingly, hypothesis 10 examined the moderating role of variables of *shabakat al-alakat* in the association of relationship marketing with customer retention. The findings showed that *shabakat al-alakat*-reciprocity moderates the relationship between relationship marketing variables (organisational trust, reciprocity, commitment, and shared values) and customer retention. *Shabakat al-alakat*-personal trust moderates the relationship between relationship marketing commitment and customer retention. In addition, face moderates the relationship between relationship marketing reciprocity and customer retention. Specifically, in line with the expectations arising from the result of H1, it was found that the higher the level of reciprocity, personal trust and face in the personal relationship between the customer and the member of staff who invited them to the company, the more positive the relationship between relationship marketing and customer retention. This means that the company's efforts to build an organisational relationship with the customer will be more successful in the presence of *guanxi* (reciprocity, personal trust and face). It also suggests that there is an interactive effect between relationship marketing and *shabakat al-alakat* on customer retention. It implies that using *shabakat al-alakat* (*guanxi*-type relationships) in SMEs in Egypt as a way of attracting customers can help relationship marketing to retain customers. In other words, the greater the use of the *shabakat al-alakat* the more positive is the relationship between relationship marketing and customer retention. However, as a result of a lack of previous literature examining the interaction in the relationships of both the bases and variables of *shabakat al-alakat* in the relationship between relationship marketing and customer retention even in a different context, where it is the first time to explore such relationships, it is not possible to discuss this finding in the light of a previous literature. Accordingly, this research is the first to provide this finding, which may augment the literature and can act as a stimulus for further research.

6.14. The consequences of relationship quality

This section discusses, in the light of previous research, the results of testing the hypothesis related to the relationships between relationship quality and customer retention (H6). The examination of this hypothesis aimed partially to answer the third research question of the second phase.

As part of the empirical analysis of the research model, regression analysis was conducted to examine the relationship between relationship quality and customer retention. The findings showed that relationship quality has a positive relationship with customer retention. The higher the relationship quality, the greater will be the customer retention, as approximately 54 percent of the possible variance in customer retention is associated with relationship quality. This implies that in the Egyptian SME sector, a high quality of relationships with customers leads to an enhanced possibility of retaining them. Accordingly, the managers of the SMEs in Egypt have to work to enhance the quality of the relationship with customers, which will reflect directly on their retention. A few researchers have studied the relationship between relationship quality and customer retention and this result is in agreement with the findings of Liang *et al*. (2008), who argue that relationship quality has a positive indirect relationship with customer retention through customer loyalty in the online context. Finally, the previous results provide evidence to support hypothesis 6. The findings of H6 assist in partially answering research question 3, as shown in Table 6.7.

Table 6-7 : Linkage of research questions with the results of testing hypothesis 6

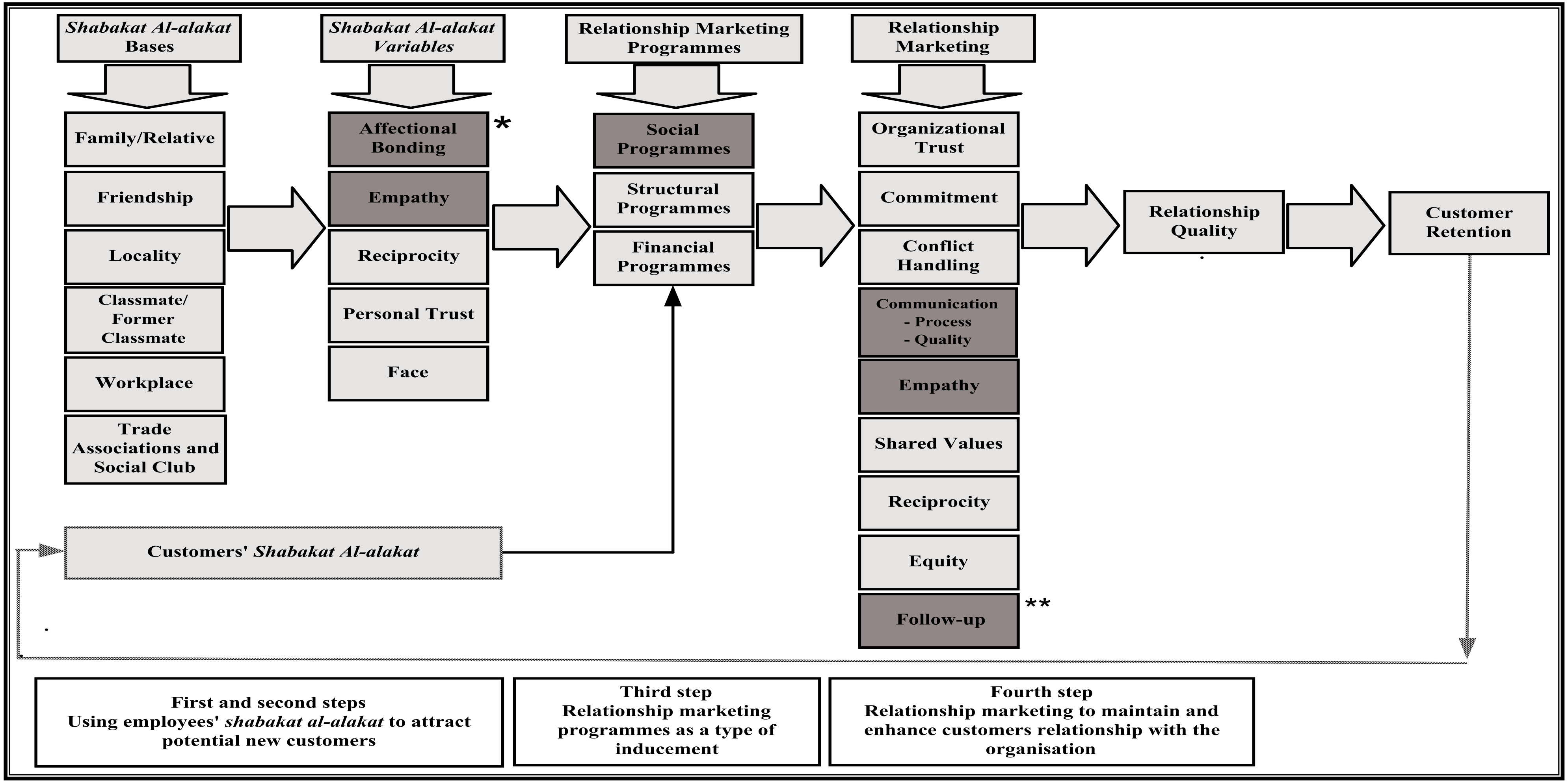
Research Questions	Answer Through Hypothesis Testing Result
Q3: Could the proposed research model benefit the organisation to build a quality organisational relationship with customers and retain them?	Yes, where the research model aims to enhance customers' relationship quality and thus retention. Accordingly, the findings of H6 showed that relationship quality with the customers has a positive relationship with customer retention.

6.15. Summary

This chapter has discussed the main findings from both the quantitative and qualitative data analyses in the light of previous literature. Figure 6.2 shows the final version of the research model based on the findings of the two phases of the research.

The next chapter will draw conclusions from these findings, and highlight the study's theoretical, methodological and empirical contributions. Also in the light of these conclusions, practical recommendations will be made for the managers of Egyptian SMEs as to how to enhance their methods of attracting and retaining customers. In addition, limitations of the current research will be noted and suggestions for further research will be made.

Figure 6-2: The final version of the research model based on the qualitative and quantitative findings



*The squares with dark background represent the variables which supported by the qualitative findings and not supported by the quantitative findings

**New variable emerged from the qualitative findings but not included in the quantitative phase

Chapter Seven: Conclusion

Table 7-1 : Thesis map

Chapter One: Introduction and Research Background
Chapter Two: Literature Review
Chapter Three: Research Design and Methodology
Chapter Four: Qualitative Data Analysis and Findings
Chapter Five: Quantitative Data Analysis and Findings
Chapter Six: Discussion of the Key Findings
Chapter Seven: Conclusion

7.1. Introduction

This chapter aims to draw conclusions from the study, and is structured as follows. Section 7.2 recaps the content and rationale of the previous chapters. In the following sections, the theoretical, methodological and managerial contributions emerging from this study are outlined. Finally, the limitations of the study are addressed and suggestions for further research are made.

7.2. Overview of the thesis

At this point in the thesis, it is useful to recap the rationale and content of the previous chapters. The purpose of this is to consolidate the study prior to considering the contributions, limitations and possibilities for future research.

The first chapter set the basics for this study. This was done by delineating the research context and identifying significant gaps in both the *guanxi*-type relationships and relationship marketing literature. Guided by these gaps, the main aim of this research was the development of a unified model linking the type of social network in Egypt (*shabakat al-alakat*, or *guanxi*-type relationships in Egypt) and relationship marketing to build a quality organisational relationship with customers of Egyptian SMEs and retain them. In this model, customer retention is achieved by transferring the personal type of relationship involved in *guanxi*-type relationships to the organisational type involved in relationship marketing.

In order to do so, the first chapter indicated that this thesis would be conducted in two phases. The first phase was concerned with exploring the type of social network in

Egypt (using *guanxi*-type relationships as a benchmark and guideline); its existence; meaning; name; characteristics; variables and; advantages and disadvantages. Key variables/items of all the stages of the proposed research model and the model's applicability and effectiveness in the Egyptian SME sector were also explored. The second phase aimed empirically to test the proposed research model linking *guanxi*-type relationships in Egypt with relationship marketing to ensure that the company retains its customers.

After the context of the research had been considered and the research questions developed, the relevant literature was critically reviewed in the following chapter. In order to fulfil the main aim of the thesis through answering the research questions, it was necessary critically to review the literature related to the two main concepts of this study, *guanxi* and relationship marketing. The theoretical foundations of this study were developed from an extensive literature review that critically examined the separate concepts of *guanxi* and relationship marketing (Chapter 2, parts one and two). This gave a better understanding of the key concepts of this study and provided a comprehensive analysis of the similarities and differences between them (Chapter 2, part three). This comprehensive comparison helped to clarify the possible link between the two concepts of *guanxi* and relationship marketing and provided the foundation to develop a conceptual framework linking them. Accordingly, a novel conceptual framework that links *guanxi*-type relationships and relationship marketing to improve customer recruitment and retention and the proposed hypotheses of such a linkage was developed (Chapter 2, part four).

The next chapter sets out the methodology employed in this research in order to attain the research objectives of the two phases of this thesis. The chapter explained the ontological and epistemological assumptions of the researcher, the adopted paradigm, approaches, strategies, methods used for data collection, in addition to the data analysis techniques used in the two phases of the research. Issues of sampling, reliability and validity were addressed. This chapter also linked the research questions and objectives with the methodology adopted in this thesis.

Having completed the data collection, it was possible to proceed with the data analysis. Chapter Four presented the qualitative data analysis and findings of the first phase of this research. The results of exploring *guanxi*-type relationships in Egypt; their existence; origin; meaning; name; characteristics; variables; advantages and disadvantages and their role in attracting new customers, were presented. Moreover, this chapter presented the results of exploring the key variables of relationship marketing in the Egyptian SME sector as well as the items of relationship marketing investment programmes. By doing so, this chapter clarified the results of exploring the four steps of the research model suggested in this thesis and the model's suitability and effectiveness for the Egyptian SME sector.

Chapter Five presented the quantitative data analysis and the findings of the second phase of the data collection. It empirically tested the proposed research model through testing the 10 hypotheses suggested in this research and analysis of part five of the questionnaire. Chapter Six comprehensively discussed the data analysed in the two phases of the research, qualitative and quantitative, in the light of the literature. The research questions were at the core of the chapter's structure, suggesting that the all the research objectives set out in Chapter One have been adequately achieved.

The overall structure of the thesis having been reviewed, the contributions of this research for academics and practitioners, the limitations of the research, and avenues for future research can be considered.

7.3. Contributions of the study

The main contribution of this research to the body of knowledge is the introduction of a unified model linking the type of social network in Egypt (*shabakat al-alakat* or *guanxi*-type relationships in Egypt) and relationship marketing to build a quality organisational relationship with Egyptian SME customers and retain them. In this model, retaining the customers is managed through transfer of the personal type of relationship involved in *shabakat al-alakat* to the organisational type involved in relationship marketing.

Three types of contributions have been made within this thesis. The first contribution is to the theory of marketing and social networks, and the others are managerial contributions and methodological contributions as demonstrated below:

7.3.1. Theoretical contributions

The main contribution of this thesis is related to literatures in the areas of *guanxi*, social networking in the Middle East and relationship marketing. This thesis makes several original theoretical contributions, which relate to these disciplines, as follows:

First, this study contributed to the body of knowledge by providing a comprehensive analysis of the similarities and differences between *guanxi* and relationship marketing, as, although both concepts are well known individually, there remains a dearth of critical comparison of them in academic literature. This comprehensive comparison helps to highlight the borders between *guanxi* and relationship marketing, as several scholars such as Ambler (1994), Björkman and Kock (1995), Lovett *et al*. (1999), and Simmons and Munch (1996) used the terms *guanxi* and relationship marketing interchangeably; that is, they assume that *guanxi* represents a "Chinese version" of relationship marketing.

Second, this study contributed to knowledge by providing a comprehensive framework of all aspects of the social network in Egypt (*shabakat al-alakat* or *guanxi*-type relationships in Egypt), its origin; meaning; name; characteristics; variables; advantages and disadvantages and its role in attracting new customers. Little published work about the social network (and the type of relationships equivalent to *guanxi*) has been undertaken in the Middle East generally and the Egyptian context specifically. Thus, this is the first research exploring the type of social network in Egypt from all sides and it provides a comprehensive framework, which includes all related aspects.

Third, this thesis contributed to the body of knowledge by indicated that *wasta* (mediation) is an inappropriate synonym for the *guanxi*-type relationships in Egypt. It does not correctly express this Egyptian social phenomenon of relationships that is equivalent to Chinese *guanxi*. *Wasta* is the action taken by people who have *al-alakat* or *shabakat al-alakat* (social network in Egypt) when they want to facilitate something specific or facilitate their work. Thus, the *guanxi*-type relationships in Egypt are not *wasta*, they are *al-alakat* or *shabakat al-alakat*. In addition, this thesis adds to the *wasta* literature by highlighting the border between good and bad *wasta*, clarifying precisely what distinguishes them.

Fourth, this study contributed to the relationship marketing literature by exploring (qualitatively) the relationship marketing and relationship marketing investment programmes in the Egyptian SME sector, thus providing a framework of the variables of relationship marketing and the type of investment programmes, which are suitable for Egyptian customers in the SME sector.

Fifth, this study contributed to relationship marketing and the type of social network in Egypt (*shabakat al-alakat* or *guanxi*-type relationships in Egypt) literature by conceptualising a unified model linking them to build a quality organisational relationship with customers and seeking to maintain customer retention. Although some prior research infers an association between *guanxi* and relationship marketing (Björkman and Kock, 1995; Geddie *et al*., 2002, 2005), to date, no studies have sought to link the two concepts, and therefore a unified model does not exist. Moreover, this study contributed to the body of the knowledge by testing this model qualitatively and quantitatively, accordingly giving evidence to the applicability and effectiveness of this model in the Egyptian SME sector.

Sixth, this study introduced a way to transfer the personal type of relationship involved in *guanxi*-type relationships to the organisational type of relationship involved in relationship marketing, consequently increasing customer retention. In other words, this study introduced a way to transfer *guanxi*-type relationships from the uninstitutionalised and interpersonal level to the institutionalised or organisational level.

Seventh, this study used all the *shabakat al-alakat* (*guanxi*-type relationships in Egypt) and relationship marketing variables cited in the previous literature together as well as all the relationship marketing investment programmes. Accordingly, this study determined which variables of *shabakat al-alakat* and relationship marketing are more important when applied in the Egyptian SME sector and which programmes of relationship marketing investment programmes are more important when applying them in this sector. It is important to note here that all of them have been studied previously, but there are no studies, which have used all these variables together. By doing so, this thesis has contributed to the body of knowledge by giving a clear picture of the consequences of *shabakat al-alakat* (*guanxi*-type relationships in Egypt), relationship investment program, and relationship marketing in the Egyptian SME sector.

Eighth, all the quantitative results of this study can be considered unique results, as it is the first study to deal with a unique unit of analysis and a unique problem. Previous studies about relationship investment programmes and relationship marketing, which considered the customer as the unit of analysis, dealt only with the general customer, or business customer or final consumer. This thesis is the first to deal with a different unit of analysis, which is the customer who was introduced and invited to the company by a member of staff who already has a good personal relationship with them. Moreover, this research is the first to provide empirical evidence that when the company provides a comprehensive package of relationship investment programmes, followed by applying relationship marketing, accompanied by the provision of good products and services, it can retain the majority of its customers even if they have been brought to the company by a member of staff and have a good relationship with him/her and that member of staff leaves the company and invites them to switch with him/her. Thus, in terms of the contribution to the extant literature, this study validates previous research about the impact of relationship marketing on customer retention, by testing relationship marketing and social network theories in a new area with a different unit of analysis and a unique problem.

Ninth, this study extended the relationship marketing and customer retention literature by investigating the moderating role of bases of *shabakat al-alakat* (bases of *guanxi*-type relationships) and the strength of the *al-alakat* (*guanxi*-type relationships in Egypt) in the relationship between relationship marketing and customer retention. In addition, this study investigates the mediating role of relationship quality in the relationship between relationship marketing and customer retention as well as in the relationship between relationship investment programmes and customer retention.

Tenth, Egypt as a geographical area of interest for this study is an under-researched area in terms of business-to-customer relationship. Egypt is characterised as a developing region and the literature review presented in Chapter One shows that very little research has been conducted on relationship marketing and social networks in Middle East culture (e.g. Egypt). Most studies of social network or relationship marketing have been conducted in Asian and Western cultures, whereas there is a scarcity of these studies in the Middle East area. Therefore, this study contributes to the extant literature by providing empirical evidence on the role of social networks and relationship marketing in enhancing organisational relationship quality and thus, customer retention in Egypt as one of the Middle East countries and as under-researched area.

7.3.2. Managerial contributions

This thesis makes several managerial contributions, as follows:

First, in practical terms, building on the managerial implications of the research model (see Section 2.22), this study provides a 'tool kit' which offers managers in Egyptian SMEs accessible guidance regarding the marketing strategies to be adapted in order to improve the effectiveness of their current marketing systems and programmes. This tool kit is slightly less theoretical, though practical, and easy to read and apply.

In addition, the proposed model provides some useful perspectives to develop analytical customer relationship management software. In particular, customer relationship software would contain databases including all the information about the customers such as who invited this customer or how the customers know about the company, customers' purchases, and customers' problems and how the company dealt with these. It would also contain information about the relationship programmes provided to the customer and the appropriate communication tools for the customers. Such a customer database can serve as a store of customer information that can strengthen the organisation's continuous effort for the relationship (Bose and Sugumaran, 2003; Lee and Choi, 2003). In addition, this software would help the managers to review the profile of each customer, monitor how the relationship with the customers has developed, the effectiveness of the actions which the company has taken with the customers in building an organisational relationship and strengthening the relationship with customers and how this effort has improved relationship quality and retained customers. It will also help managers of SMEs to classify their customers into categories, deal with each category according to their profile and classification, and make the right decisions with those customers. Moreover, enhancements to relationship marketing applications can assist in diminish the effects of staff turnover and avoid company knowledge being lost (Droege and Hoobler, 2003). It is worth mentioning that the researcher is now working with a team of specialists to develop such software, which can help SME managers.

Second, the findings of this study highlight for SME managers the applicability and the method of transferring the personal relationship between the customer and the company representative to an organisational relationship between the customer and the organisation, thus avoiding the problem of employees who leave the company taking their personal contact customers with them. This can be done by providing a comprehensive package of services. This package should include a mix of all components of relationship investment programmes (financial, social, and structural) followed by applying relationship marketing through building organisational trust and commitment, keeping in touch with the customers, solving customers problems, making the customer feel he/she is being treated fairly, sharing the same values with them and being empathetic towards them. The components of the comprehensive package may vary by company according to its circumstances and type of business as well as according to the customers themselves.

Third, this study draws the attention of SME managers to the importance of using *shabakat al-alakat*, relationship investment programmes and relationship marketing in their business.

The findings revealed that *shabakat al-alakat* is an important element for conducting business in Egypt and a necessary condition for achieving business success; using *shabakat al-alakat* successfully yields a long list of benefits. This study also warns these managers about certain disadvantages of *shabakat al-alakat*, which can be avoided.

In addition, this study highlights the importance of employing relationship investment programmes (especially financial and structural programmes) in enhancing the quality of relationship with the customers and thus, customer retention. Managers should put more effort into implementing relationship investment programmes in order to develop a high level of relationship quality, and thus retention. Managers should also bear in mind that it is necessary to increase the benefits gained from structural and financial programmes, as customers may realise that rivals also offer benefits. If managers omit to do this, it will be difficult for them to develop quality relationships with customers. This is very important, as the results of this study show that when customers believe they have high quality relationships with a company, their retention is more probable.

Additionally, the research highlights to managers of SMEs in Egypt, the variables of relationship marketing (trust, commitment, equity, shared values, reciprocity, and conflict handling) which are most important and salient for SMEs in the Egyptian context and have the greatest influence on building a quality organisational relationship with the customers and retaining them. Once the organisational relationship has been built with the customer and the customer becomes attached to the company, it becomes more difficult for them to leave it.

Fourth, the findings of this thesis shed light on the importance of an inauguration party (in the case of starting up a new business), which is part of Egyptian culture and used as a first step to introduce the company to potential customers and to attract them.

Fifth, the findings of this thesis revealed that it is important for the SME managers to recruit new employees with a wide social network with customers or suppliers from the same sector. Also the findings of this thesis revealed the importance of increasing employee retention. Employee retention will influence the retention of the customers who have been invited to the company by those employees. Furthermore, managers should train employees on how to create bonds and build trusting relationships with their customers and how to show empathy when handling customers' problems because doing so helps strengthen organisational relationships. Such an approach should also help to increase customer bonding with the company (Geddie *et al.*, 2005).

7.3.3. Methodological contributions

In methodological terms, this thesis made several contributions, which are the following:

First, this study has undertaken an intensive review of the literature to identify existing scales of variables of *guanxi*, relationship investment programmes, and relationship marketing (Appendix IV). Only scale items that had been validated in prior studies were used, and then modified according to the results of the first phase of this research, to fit the context of this research. This modification makes these scales more relevant and suitable to the Egyptian context. After this, exploratory factor analysis was used to verify and identify the structure of each construct. Thus, this study developed a valid and reliable scale to measure the constructs of this research, *shabakat al-alakat*, relationship investment programmes, relationship marketing, relationship quality, and customer retention; this scale can be replicated in other studies.

Furthermore, this thesis developed in part five of the questionnaire a scale to determine whether customers will leave the company or not when the person who introduced the company to them leaves the company, and the reasons for the decision to stay with or leave the company.

Second, this thesis is the first to use two methods of analysis: the causal steps approach of Baron and Kenney's (1986) method and the bootstrapping method using SPSS macros to test moderating and mediating effects (Hayes and Preacher, 2012). These two methods were used to investigate the intervention relationships of relationship quality in the relationship between relationship marketing and customer retention as well as in the relationship between relationship investment programmes and customer retention. These two methods were also used to test the interaction relationships of bases of *shabakat al-alakat* and the strength of *guanxi*-type relationships in Egypt (*al-alakat*) in the relationship between relationship marketing and customer retention. The logic behind using the bootstrapping method after the causal steps approach of Baron and Kenney (1986) was discussed in Chapter Five, part two, section 5.5.3. Surprisingly, the results of both methods were identical; thus, the contribution this study provides is that when using a large sample clear of any serious statistical assumption violation, the results of both methods will be almost the same and all the problems of the causal steps approach of Baron and Kenney (1986) will be diminished.

Third, another contribution of this study relates to its quantitative research design, and in particular, the statistical techniques. The use of the bootstrapping method using SPSS macros in marketing studies is still relatively new and is relatively under-utilised. Accordingly, this thesis is one of the first to use this method in this field. However, the complex nature of the tests conducted in this research supports the use of a bootstrapping method using SPSS macros (Hayes and Preacher, 2012) as a suitable multivariate technique for this type of study.

Fourth, another contribution of this study relates to its quantitative research design, in particular, the method of data collection and deciding on the target sample. In the second phase, the data were collected from Egypt, a developing country, where Slater and Yani-de-Soriano (2010, p. 1152) argue, "In some developed countries, particularly in the United States where consumer research is a major function of business, the collection of data tends to be highly professional. However, this is not true in developing countries [like Egypt], where, in addition to the lack of a research tradition, cultural factors play an important role in the collection of information. This includes attitudes towards security and privacy (e.g. people are wary of strangers and might not feel comfortable providing information about themselves) and issues of accessibility (e.g. boundary walls)". This was exactly the situation in Egypt when the data collection process started. An accurate number of customers of SMEs in Egypt is not available, but a list of the SMEs in Egypt generally and the list of the SMEs in the trade sector was available. It is worth mentioning that obtaining this list was very difficult. These boundaries affected access to the target sample and the way of data collection in this thesis, which was a self-administered questionnaire through drop and collect. Accordingly, the way of data collection and deciding on the target sample in the second phase was designed to overcome these problems.

7.4. Thesis limitations and avenues for future research

As with any study, there are certain limitations that should be recognised. This section provides a list of various limitations of the study related to how the study was conducted and how the sample of the study was selected.

First, a potential limitation arises from the quantitative research design of the empirical study. This limitation concerns the collection of data, which was entirely a cross-sectional and not longitudinal because constraints in terms of cost, and particularly in terms of time, did not warrant longitudinal research for this purpose. The use of a cross-sectional design for survey research in the quantitative methodology means that data were collected through a survey in a "snapshot taken at a particular time", which captured the perception of the respondents at a particular point of time (Saunders *et al*., 2007, p. 148). Thus, the researcher cannot make causal inferences among the dimensions of the study based on the data collected using a cross-sectional design. The only way to make conclusions regarding causality is to infer from the underlying theory rather than from the data (Rudestam and Newton, 1992, 2007). Gay and Diehl (1992) suggest that a correlation study supported by sound theory can lead to a causal study. Therefore, additional work is needed to test the significance of hypothesised linkages among variables. In particular, future research should clarify the theorised relationships using longitudinal study designs.

Second, another potential limitation arises from the quantitative research design of the empirical study in that the second phase focused only on the customers' perspective. In future studies, it would be useful to explore the managers and employees' perspectives in measuring the constructs of this study. Another suggestion is to run a dyadic research to capture the perspectives of two sides: customers and managers or employees. Nevertheless, the results of this study and acquiring information and collecting data from customers about the constructs of this study would allow future studies to gain a better understanding about these constructs and the relationships among them. In addition, it is important to note that this thesis, in its first phase, the qualitative phase, focused on and explored the managers' perspective, which helped in shaping the questionnaire used in the second phase of this thesis. Although data was collected using mixed methods, a wider examination of the managers' and employees' perspectives would be useful. Due to the available resources (e.g. limited time), this was deemed beyond the scope of this thesis.

Third, The qualitative findings revealed a new variable of relationship marketing: ‘follow up’, which was not included in the quantitative phase. The reason is that follow-up is related to B2B while the questionnaire was administered to the final customers-B2C. In future studies, it would be useful to run the quantitative study for B2B or conduct a comparative study of B2B and B2C. Also the findings of the qualitative phase explored new issues related to applying all relationship marketing variables in Egyptian SMEs. These issues are innovation and affection, where any SME should consider these dimensions when applying relationship marketing in daily communication with customers. Although the questionnaire included items which reflected the impact of innovation and affection on the scale of relationship marketing variables, however this area need to be further explored.

Fourth, the cultural aspect is one of the limitations of this study. This study was conducted in one Middle Eastern country (Egypt); thus, its results may not be appropriate to generalise to Western and Asian cultures without further exploration and investigation in these cultures. For example, the meaning, component, and effects of some variables (e.g. shared values) and items of relationship investments programmes may differ between Middle East culture and Western culture. Therefore, there is a need for more studies to explore all the aspects of the type of the social network in different regions in Western and Asian cultures as well as to explore the applicability and the effectiveness of the proposed research model in this thesis. Afterwards, the proposed model of this study can be applied in different regions in Western and Asian cultures. Conducting a comparative study through applying the research model on different cultures, may be useful in understanding the different aspects of the nature of social networks and relationship marketing in different cultures. Furthermore, another avenue for future research could arise from the fact that this thesis presents a comprehensive framework for the type of social network in Egypt, *shabakat al-alakat*; accordingly, much research is needed to include this new concept/framework in research in marketing and various disciplines, as well as validating the result of this research regarding the type of social network in Egypt (*shabakat al-alakat*) in other countries of the Arab world.

Fifth, due to time and cost constraints, the empirical study was conducted within a single industry, SMEs in the trade sector in Egypt. This limits the generalisability of the research results to other sectors. The limited generalisability of the study is consistent with Leone and Shultz (1980, p.12), who state that “There are no universal generalisations in marketing". Hence, it is necessary to be cautious in attempting to generalise these findings beyond Egyptian SMEs in the trade sector. Therefore, further research in other sectors is required before any generalisation of these findings can be made to other sectors, contexts, or countries, and applying the proposed model of this study in different sectors in Egypt will enrich the relevant literature. Moreover, a comparison of the results presented here with those from other contexts or sectors would be worthwhile.

Sixth, according to the *ceteris paribus* assumption, all independent variables other than the variables under study were held constant, so the effect of the independent variables on the dependent variable would be isolated.

The limitations of the study are discussed here in order to establish the boundaries for the interpretation of the results and their application to theory and practice as discussed above. Hence, it is clear that there are a number of limitations involved in this study. These limitations offer a basis for further research, taking account of these limitations. Moreover, it is contended that there are practical limitations that all research has to contend with and within whose boundaries they operate.

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Appendices

Appendix I	Table reviews relationship marketing variables
Appendix II	Interview package
Appendix III	Questionnaire package
Appendix IV	Tables review the existing measures (scales) of research constructs in the literature
Appendix V	Table of outliers test and univariate tests of normality

Appendix I: Table reviews relationship marketing variables

	Author (s)	Trust	Commitment	Conflict Handling	Communication	Empathy	Reciprocity	Shared Values	Equity	Bonding
1	Morgan & Hunt (1994)	×	×		×A*			×A		
2	Gruen (1995)	×	×						×	
3	Smith (1998a)	×	×	×	×					×
4	De Wulf et al. (2001)	×	×	×						
5	Movondo & Rodrigo (2001)	×	×				×			×
6	Sin et al. (2002)	×			×	×	×	×		×
7	Wong & Sohal (2002)	×	×							
8	Adamson et al. (2003)	×	×		×A					
9	Coote et al. (2003)	×	×	×	×					
10	Odekerken-Schroder et al. (2003)	×	×	×						

	Author (s)	Competence	Conflict	Cooperation	Dependence	Satisfaction	Uncertainty	Relationship quality	Keeping Promises
1	Morgan & Hunt (1994)		×C*	×C			×C		
2	Gruen (1995)					×A			
3	Smith (1998a)								
4	De Wulf et al. (2001)								
5	Movondo & Rodrigo (2001)								
6	Sin et al. (2002)								
7	Wong & Sohal (2002)								
8	Adamson et al. (2003)		×C	×C			×C		
9	Coote et al. (2003)								
10	Odekerken-Schroder et al. (2003)								

	Author(s)	Trust	Commitment	Conflict Handling	Communication	Empathy	Reciprocity	Shared Values	Equity	Bonding	Competence	Conflict	Cooperation	Dependence	Satisfaction	Uncertainty	Relationship quality	Keeping Promises
11	Ndubisi (2004)	×	×			×			×									
12	Venetis & Ghauri (2004)	×	×							×								
13	Ndubisi & Wah (2005)	×	×	×	×						×						×C	
14	Leung et al. (2005)	×	×	×														
15	Sin et al. (2005)	×			×	×	×	×		×								
16	Eisingerich & Bell (2006)			×	×													
17	Ndubisi (2006)	×	×	×	×													
18	Palmatier et al (2006)	×	×		×A									×A				
19	Peng & Wang (2006)	×																
20	Hunt and Arnett (2006)	×	×		×			×					×					×
21	Lacey (2007)	×	×					×										
22	Ndubisi (2007)	×	×	×	×													
23	Ndubisi (2007a)	×	×	×	×												×C	
24	Ndubisi et al. (2007)	×	×	×	×						×						×C	
25	Palmatier et al. (2007)	×	×															
26	Van Zyl & Mathur-Helm (2007)	×			×	×	×	×		×								
27	Legas et al. (2008)	×	×												×C			
28	Liu et al. (2008)	×																
29	Tang et al. (2008)	×	×															

	Author(s)	Trust	Commitment	Conflict Handling	Communication	Empathy	Reciprocity	Shared Values	Equity	Bonding	Competence	Conflict	Cooperation	Dependence	Satisfaction	Uncertainty	Relationship quality	Keeping Promises
30	**Adjei et al (2009)**	×	×	×														
31	**Palmatier et al (2009)**	×	×															
32	**Adjei & Clark (2010)**	×	×															
33	**Chenet, Dagger, & Sullivan (2010)**	×	×															
34	**Spake & Megehee (2010)**	×	×							×					×C			
35	**Sichtmann & Selasinsky (2010)**	×	×															
36	**Vesel & Zebar (2010a)**	×	×															
37	**Whipple, Lynch, & Nyaga (2010)**	×	×		×													
38	**Yen & Barnes (2011)**	×	×		×		×			×								
39	**Ndubisi (2011)**	×	×	×														
40	**Fullerton (2011)**	×	×															

C*: Consequence of relationship marketing

A*: Antecedence of relationship marketing

Appendix II: Interview package

1- Interview schedule in English for experts and academics

2- Interview schedule in English for Managers of SMEs

3- Interview schedule in Arabic

4- Interview glossary in English

5- Interview glossary in Arabic

6- Interview consent form in English

7- Interview consent form in Arabic

8- Cover letter in English

9- Cover letter in Arabic

1- Interview schedule in English for experts and academics

First Empirical Phase

Interview Schedule

For Consultants/Experts and Academics

Time and Date: ________________________________

Name of the interviewee: ________________________________

Type of the interviewee: ________________________________

Organisation: ________________________________

Position: ________________________________

OPENING

Greeting to: Mr/Mrs/Ms: ________________________________

My name is Ahmed Shaalan, a full time assistant lecturer at Tanta University (Egypt) and a second year PhD student at the University of Hull (United Kingdom). I am conducting research, under the supervision of Dr. Jon Reast (Head of Marketing and Business Strategy Department-University of Hull), with the aim of exploring the nature/meaning of *guanxi* type-relationships in Egypt and its relationship with relationship marketing within the Egyptian SME sector. I am now entering the empirical phase of my research, which requires depth interviews with academics, consultants and experts, and practitioners such as managers or marketing managers of SMEs in Egypt.

Considering this aim, I will seek to achieve the following objectives:

1. To explore the origins and meaning (ethical and unethical) of *guanxi*-type relationships in Egyptian culture.
2. To explore the equivalent name of *guanxi*-type relationships in Egyptian culture.
3. To explore the key characteristics of *guanxi*-type relationships in Egyptian culture.
4. To explore the key variables of *guanxi*-type relationships in Egyptian culture.
5. To explore the advantages and disadvantages of *guanxi*-type relationships in respect to Egyptian SME sector.
6. To explore the role of *guanxi*-type relationships in attracting new customers to the SMEs in Egypt.
7. To explore the meaning of relationship marketing investment and which of its program/s is/are widely used and suitable for the Egyptian SME sector.

8. To explore the meaning and key variables of relationship marketing with respect to the Egyptian SME sector.
9. To explore the relationship between *guanxi*-type relationships and relationship marketing; and how SMEs can transfer personal relationships to organisational relationships and the impact of this on enhancing relationship quality and customer retention.
10. To explore how SMEs can avoid the problem of employees taking customers they had brought when leaving the company.

START

First objective: To explore the origins and meaning (ethical and unethical) of *guanxi*-type relationships in Egyptian culture.

1- What does a *guanxi*-type relationship broadly mean to you? Anything else? Or what do you broadly understand about *guanxi*-type relationships? Anything else?

2- What is the meaning/origin of the *guanxi*-type relationships in Egypt?

3- Do you think a *guanxi*-type relationship is an ethical issue or not from the Egyptian perspective? Why? Anything else?

4- In your opinion, which of the uses of *guanxi* are considered ethical and which are considered to be unethical? Please explain? Anything else?

Second objective: To explore the equivalent name of *guanxi*-type relationships in Egyptian culture.

1- What is your suggestion for the appropriate Egyptian name for this phenomenon?

2- Is there a name for the ethical part of the *guanxi*-type relationships and other name for the unethical part of *guanxi*-type relationships or it there just one name for both? Please explain? Anything else?

3- Do you think that the Egyptian name of *guanxi*-type relationships is "*wasta*"? Why? Anything else?

4- What is the difference, if any, between *guanxi*-type relationships and "*wasta*"? Please explain? Anything else?

Third objective: To explore the key characteristics of *guanxi*-type relationships in Egyptian culture.

1- In your opinion, what are the characteristics of *guanxi*-type relationships? Anything else?

2- What about the following characteristics? (*I tell him/her about the guanxi-type relationships characteristics which were not mentioned in the answer to question 1*)

3- In your opinion, which of these characteristics of *guanxi*-type relationships is/are more important and which is/are less important?

4- Do you think these characteristics are related to the Egyptian culture? Please explain? Anything else?

Fourth objective: To explore the key variables of *guanxi*-type relationships in Egyptian culture.

1- In your opinion, what are the components of *guanxi*-type relationships? Anything else? Or what is included in the relationship between the members of *guanxi* network? Anything else?

2- What about the following components? (*I tell him/her about the guanxi-type relationship variables which were not mentioned in the answer to question 1*) (*Flash card*)

3- Which components do you consider more important (for continuing and strengthening the relationship between the members of *guanxi* network) in a *guanxi*-type relationships? And which is/are less important? Please explain? Anything else?

4- Do you think these components are related to Egyptian culture? Please explain? Anything else?

Fifth objective: To explore the advantages and disadvantages of *guanxi*-type relationships in respect to Egyptian SME sector.

1- What are the advantages of *guanxi*-type relationships in Egyptian culture? Please explain? Anything else?

2- In your opinion, which of the following advantages of *guanxi*-type relationships are relevant to the Egyptian SME sector? (Table 1)

3- Which advantage/s of *guanxi*-type relationships is/are considered most important for the companies and which are considered less important? Please explain? Anything else?

4- Do you think that the type of industry affects these advantages? Please explain? Anything else? Or do these advantages differ from industry to industry? Please explain? Anything else?

5- What are the disadvantages of *guanxi*-type relationships in the Egyptian culture? Please explain? Anything else?

6- In your opinion, which of the following disadvantages of *guanxi*-type relationship are relevant to the Egyptian SME sector? (Table 2)

7- Which disadvantage/s of *guanxi*-type relationships is/are considered to have the greatest influence on companies, and which is/are considered to have least influence? Please explain? Anything else?

8- Do you think that the type of industry affects these disadvantages? Please explain. Anything else? Or do these disadvantages differ from industry to industry? Please explain? Anything else?

Sixth objective: To explore the role of *guanxi*-type relationships in attracting new customers to SMEs in Egypt.

1- Do you think that *guanxi*-type relationship can play a role in attracting new customers to companies? Please give a reason for your answer? Anything else?

2- Relating to question 1, what should companies do to use *guanxi*-type relationships in attracting new customers? Anything else?

Seventh objective: To explore the meaning of relationship marketing investment and which program/s is/are most widely used and most suitable for the Egyptian SMEs sector.

1- What does relationship marketing investment broadly mean to you? Or what do you broadly understand about relationship marketing investment?

2- What does relationship investment programs which are used in Egypt broadly mean to you? Or what do you broadly understand about relationship marketing investment programs which are used in Egypt?

3- What types of relationship investment program are widely used in Egypt?

4- Do you think that relationship marketing investment programs can play a role in retaining customers? Please give a reason for your answer. Anything else?

Eighth objective: To explore the meaning and key variables of relationship marketing with respect to the Egyptian SME sector.

1- What does relationship marketing broadly mean to you? Anything else? Or what do you broadly understand about the relationship marketing? Anything else?

2- In your opinion, what are the components of relationship marketing? For more explanation, what are the components of the relationship between any company and their customers? Anything else? Or what is included in relationship between any company and their customers? Anything else?

3- What about the following components? (*I tell him/her about the relationship marketing variables which were not mentioned in the answer to question 2*) (*Flash card*)

4- Which component/s do you consider most important for continuing and strengthening the relationship between any SME and their customers in relationship marketing and which is/are considered least important? Please explain? Anything else?

5- Do you think that the type of industry affects these components? Please explain? Anything else? Or do these components differ from industry to industry? Please explain? Anything else?

6- Do you think these components are related to Egyptian culture rather than type of industry? Please explain? Anything else?

Ninth objective: To explore the relationship between *guanxi*-type relationships and relationship marketing; how SMEs can transfer personal relationships to organisational relationships and the impact of this on enhancing relationship quality and customer retention.

1- In your opinion, is there any link between *guanxi*-type relationships and relationship marketing? Please explain? Anything else? Or what is the nature of the relation between *guanxi*-type relationships and relationship marketing and how can we link between them? Please explain? Anything else?

2- Is relationship investment sufficient to link between *guanxi*-type relationships and relationship marketing? If not, why not? Please explain? Anything else?

3- Is relationship investment sufficient to make the customers repeat their transactions and stay loyal to the company? Please explain? Anything else?

4- Are relationship investment and relationship marketing sufficient for companies to transfer a personal relationship to an organisational relationship, thus retaining its customers? If not, why not? Please explain? Anything else?

Tenth objective: To explore how SMEs can avoid the problem of employees taking customers they had brought when leaving the company.

1- How SMEs can avoid the problem of the employee taking the customers who brought them when leaving the company?

Thank you

Table 1: Advantages of *Guanxi*
Source of information
Providing information about the market trends
Providing information about the government policies
Providing information about import regulations and restrictions
Providing information about business opportunities
Source of resources
Facilitate import license applications
Facilitate approval of advertisement
Facilitate approval of applications to provincial government
Facilitate approval of applications to central government
Help in recruitment selection of labour and job search
Securing electricity for joint ventures
Securing land for joint ventures
Securing row materials for joint ventures
Building up the company's reputation/image
Smooth transportation arrangements
Smooth collection of payment
Increase prospecting of customers
Increase sales revenue
Enhance negotiation
Gain new business
Eliminate competition
Facilitate daily and future transaction or business operations
Enhance efficiency and effectiveness of firm performance (profitability, asset turnover, and domestic sales growth)
Source of sustainable competitive advantage
keep existing clients
Avoid bureaucracy procedures government investigations
Substitute for the direct contacts with state and party personnel
Secure long-term survival and growth
Enhance chance of success
Secure relationships
Access to new customers
Selling goods (for relatives)

Table 2: Disadvantages of *Guanxi*
Expensive
Time consuming
Perceived as being corrupt

2- Interview schedule in English for Managers of SMEs

First Empirical Phase

Interview Schedule

For Managers of Egyptian SMEs

Time and Date: ________________________________

Name of the interviewee: ________________________________

Type of the interviewee: ________________________________

Organisation: ________________________________

Position: ________________________________

OPENING

Greeting to: Mr/Mrs/Ms: ________________________________

My name is Ahmed Shaalan, a full time assistant lecturer at Tanta University (Egypt) and a second year PhD student at the University of Hull (United Kingdom). I am conducting research, under the supervision of Dr. Jon Reast (Head of Marketing and Business Strategy Department-University of Hull), with the aim of exploring the nature/meaning of *guanxi* type-relationships in Egypt and its relationship with relationship marketing within the Egyptian SME sector. I am now entering the empirical phase of my research, which requires depth interviews with academics, consultants and experts, and practitioners such as managers or marketing managers of SMEs in Egypt.

Considering this aim, I will seek to achieve the following objectives:

1. To explore the origins and meaning (ethical and unethical) of *guanxi*-type relationships in Egyptian culture.
2. To explore the equivalent names of *guanxi*-type relationships in Egyptian culture.
3. To explore the key characteristics of *guanxi*-type relationships in Egyptian culture.
4. To explore the key variables of *guanxi*-type relationships in Egyptian culture.
5. To explore the advantages and disadvantages of *guanxi*-type relationships in respect to Egyptian SME sector.
6. To explore the role of *guanxi*-type relationships in attracting new customers to the SMEs in Egypt.
7. To explore the meaning of relationship marketing investment and which of its program/s is/are most widely used and most suitable for the Egyptian SME sector.

8. To explore the meaning and key variables of relationship marketing with respect to the Egyptian SME sector.
9. To explore the relationship between *guanxi*-type relationships and relationship marketing; and how SMEs can transfer personal relationships to organisational relationships and the impact of this on enhancing relationship quality and customer retention.
10. To explore how SMEs can avoid the problem of employees taking customers they had brought when leaving the company.

START

Screening questions to ensure that the company is applying *guanxi*-type relationships and relationship marketing.

1- Does your company have specific or particular practices for *guanxi*-type relationships? If so, can you please explain it/them? Anything else?

2- Do you think that *guanxi*-type relationships can play a role in attracting new customers to your company? Please give a reason for your answer. Anything else?

3- Relating to question 2, what are you doing to use *guanxi*-type relationships in attracting new customers to your organisation? Please explain? Anything else?

4- Do you encourage your employees to use their personal network (friends, family, colleagues, etc.) for organisational purposes? If so, can you please explain how? If not, why not?

5- Relating to question 4, is this approach formalised (i.e. mentioned in the company policy or there is any written or official policy for that)?

6- What were the motives leading your company to use the employees' *guanxi*-type network? Or what were the factors that trigger the use of the employees' personal network? Please explain? Anything else?

7- Does your company have a specific or particular practice for relationship marketing to build a good relationship with the customers and retain high value customers? If so, can you please explain it? If not, why not? Anything else?

First objective: To explore the origins and meaning (ethical and unethical) of *guanxi*-type relationships in Egyptian culture.

1- What does a *guanxi*-type relationships broadly mean to you (or your organisation)? Anything else? Or what do you broadly understand about *guanxi*-type relationships? Anything else?
2- What is the meaning/origin of the *guanxi*-type relationships in Egypt?
3- Do you think a *guanxi*-type relationship is an ethical issue or not from the Egyptian perspective? Why? Anything else?
4- In your opinion, which of the uses of *guanxi* are considered ethical and which are considered to be unethical? Please explain. Anything else?

Second objective: To explore the equivalent name of *guanxi*-type relationships in Egyptian culture.

1- What is your suggestion for the appropriate Egyptian name for this phenomenon?
2- Is there a name for the ethical part of the *guanxi*-type relationship and other name for the unethical part of *guanxi*-type relationships or it there just one name for both? Please explain. Anything else?
3- Do you think that the Egyptian name of *guanxi*-type relationships is "*wasta*"? Why? Anything else?
4- What is the difference, if any, between *guanxi*-type relationships and "*wasta*"? Please explain? Anything else?

Third objective: To explore the key characteristics of *guanxi*-type relationships in Egyptian culture.

1- In your opinion, what are the characteristics of *guanxi*-type relationships? Anything else?
2- What about the following characteristics? (*I tell him/her about the guanxi-type relationships characteristics which were not mentioned in the answer to question 1*)
3- In your opinion, which of these characteristic/s of *guanxi*-type relationships is/are more important and which is/are less important?
4- Do you think these characteristics are related to Egyptian culture? Please explain? Anything else?

Fourth objective: To explore the key variables of *guanxi*-type relationships in Egyptian culture.

1- In your opinion, what are the components of a *guanxi*-type relationships? Anything else? Or what is included in the relationship between the members of *guanxi* network (or between you and your network members)? Anything else?

2- What about the following components? (*I tell him/her about the guanxi-type relationship variables which were not mentioned in the answer to question 1*) (*flash card*)

3- Which components do you consider more important (for continuing and strengthening the relationship between the members of *guanxi* network) in a *guanxi*-type relationship? And which is/are less important? Please explain? Anything else?

4- Do you think these components are related to Egyptian culture? Please explain? Anything else?

Fifth objective: To explore the advantages and disadvantages of *guanxi*-type relationships in respect to the Egyptian SME sector.

1- What are the advantages of *guanxi*-type relationships in Egyptian culture and for your company? Please explain. Anything else?

2- In your opinion, which of the following advantages of *guanxi*-type relationships are most relevant to your company? (Table 1)

3- Which advantages of *guanxi*-type relationships are considered most important for your company and which are considered less important? Please explain? Anything else?

4- Do you think that the type of industry affects these advantages? Please explain? Anything else? Or do these advantages differ from industry to industry. Please explain? Anything else?

5- What are the disadvantages of *guanxi*-type relationships in Egyptian culture and for your company? Please explain. Anything else?

6- In your opinion, which of the following disadvantages of *guanxi*-type relationships are most relevant to your company? (Table 2)

7- Which disadvantages of *guanxi*-type relationships are considered most influential for your company and which are considered least influential? Please explain? Anything else?

8- Do you think that the type of industry affects these disadvantages? Please explain? Anything else? Or do these disadvantages differ from industry to industry? Please explain? Anything else?

Sixth objective: To explore the role of *guanxi*-type relationships in attracting new customers to SMEs in Egypt.

1- Do you think that *guanxi*-type relationships can play a role in attracting new customers to companies? Please give a reason for your answer. Anything else?

2- Relating to question 1, what should companies do to use *guanxi*-type relationships to attract new customers? Anything else?

Seventh objective: To explore the meaning of relationship marketing investment and which of its program/s is/are most widely used and most suitable for the Egyptian SME sector.

1- What does relationship marketing investment broadly mean to you (or to your company)? Or what do you broadly understand about relationship marketing investment?

2- Does your company have specific or particular practices for relationship marketing investment? If so, can you please explain it/them? If not, why not? Anything else?

3- Which type of relationship marketing investment program do you apply in your company? Why? Is it enough? Please explain? Anything else?

4- What types of relationship investment programs are widely used in Egypt?

5- Do you think that relationship marketing investment programs can play a role in retaining customers? Please give a reason for your answer. Anything else?

Eighth objective: To explore the meaning and key variables of relationship marketing in respect to the Egyptian SME sector.

1- What does relationship marketing broadly mean to you (or to your company)? Anything else? Or what do you broadly understand about the relationship marketing? Anything else?

2- In your opinion, what are the components of relationship marketing in your company? For further explanation, what are the components of the relationship between your company and the customers? Anything else? Or what is included in relationship between your company and their customers? Anything else?

3- What about the following components? (*I tell him/her about the relationship marketing variables which are not mentioned in the answer to question 2*) (*Flash card*)
4- Which components do you consider most important (for continuing and strengthening the relationship between the company and the customers) in relationship marketing and which is/are considered least important? Please explain? Anything else?
5- Do you think that the type of industry affects these components? Please explain. Anything else? Or do these components differ from industry to industry? Please explain. Anything else?
6- Do you think these components are related to Egyptian culture rather than type of industry? Please explain. Anything else?

Ninth objective: To explore the relationship between *guanxi*-type relationships and relationship marketing; and how the SMEs can transfer personal relationships to organisational relationships and the impact of this on enhance the relationship quality and customer retention.

1- In your opinion, is there any link between *guanxi*-type relationships and relationship marketing? Please explain. Anything else? Or what is the nature of the relation between *guanxi*-type relationship and relationship marketing and how can we link between them? Please explain. Anything else?
2- Is relationship investment sufficient to link between *guanxi*-type relationships and relationship marketing? If not, why not? Please explain. Anything else?
3- Is relationship investment sufficient to make the customers repeat their transactions and stay loyal to the company? Please explain. Anything else?
4- Are relationship investment and relationship marketing sufficient for companies to transfer a personal relationship to an organisational relationship, thus retaining its customers? If not, why not? Please explain. Anything else?

Tenth objective: To explore how SMEs can avoid the problem of employees taking the customers they had brought when leaving the company.

1- How SMEs can avoid the problem of employees taking the customers they had brought when leaving the company?

Thank you

Table 1: Advantages of *Guanxi*
Source of information
Providing information about the market trends
Providing information about the government policies
Providing information about import regulations and restrictions
Providing information about business opportunities
Source of resources
Facilitate import license applications
Facilitate approval of advertisement
Facilitate approval of applications to provincial government
Facilitate approval of applications to central government
Help in recruitment selection of labour and job search
Securing electricity for joint ventures
Securing land for joint ventures
Securing row materials for joint ventures
Building up the company's reputation/image
Smooth transportation arrangements
Smooth collection of payment
Increase prospecting of customers
Increase sales revenue
Enhance negotiation
Gain new business
Eliminate competition
Facilitate daily and future transaction or business operations
Enhance efficiency and effectiveness of firm performance (profitability, asset turnover, and domestic sales growth)
Source of sustainable competitive advantage
keep existing clients
Avoid bureaucracy procedures government investigations
Substitute for the direct contacts with state and party personnel
Secure long-term survival and growth
Enhance chance of success
Secure relationships
Access to new customers
Selling goods (for relatives)

Table 2: Disadvantages of *Guanxi*
Expensive
Time consuming
Perceived as being corrupt

3- Interview schedule in Arabic

المرحله الأولى للبحث - المقابلات الشخصية

لمدراء الشركات الصغيرة والمتوسطة المصرية

الوقت والتاريخ :

الشخصية : اسم الشخص الذى تجرى معه المقابلة

تصنيف الشخص الذى تجرى معه المقابلة الشخصية :

المنظمة التى ينتمى لها الشخص الذى تجرى معه المقابلة الشخصية:

وظيفة الشخص الذى تجرى معه المقابلة الشخصية :

المُقَدِمَة

تحيه للسيد \السيدة:-

أنا أحمد شعلان ، أعمل معيد بكلية التجارة جامعة طنطا و باحث دكتوراه بالسنة الثانية بجامعه هال بالمملكة المتحدة .اقوم بدراسة الدكتوراه تحت اشراف دكتور **جون ريست** رئيس قسم التسويق والادارة الاستراتيجية بجامعه هل بانجلترا. بحث الدكتوراه الخاص بى يهدف الي تحديد معنى وخصائص مفهوم شبكة العلاقات الشخصية وعلاقته بمفهوم التسويق بالعلاقات وذلك بالتطبيق على قطاع المشروعات الصغيرة والمتوسطة المصرية. وتتطلب المرحله الاولى من البحث تجميع بيانات عن طريق اجراء مقابلات شخصية مع اكاديمين و خبراء و مديرين للشركات الصغيرة والمتوسطة المصرية .

وطبقا لذلك فان البحث يسعى لتحقيق الاهداف الفرعيه التالية :-

1- اكتشاف اصول وتحديد معني مفهوم شبكه العلاقات فى المجتمع والثقافة المصرية وكذلك الجانب الاخلاقى والغير اخلاقى لاستخدام هذا المفهوم.
2- اكتشاف وتحديد الاسم المرادف للمفهوم الصينى جوانشى فى المجتمع والثقافة المصرية.
3- اكتشاف والتعرف على الملامح او الخصائص الرئيسيه لمفهوم شبكه العلاقات الشخصية فى المجتمع والثقافة المصرية.
4- اكتشاف و تحديد المتغيرات أو العناصرالرئيسية لمفهوم شبكة العلاقات فى المجتمع والثقافة المصرية.
5- اكتشاف مزايا وعيوب تطبيق مفهوم شبكه العلاقات بالنسبه لقطاع الشركات الصغيرة والمتوسطة المصرية .
6- اكتشاف الدور الذى ممكن أن يلعبه استخدام مفهوم شبكة العلاقات فى جذب عملاء جدد للشركات الصغيرة والمتوسطة المصرية.
7- اكتشاف وتحديد معني مفهوم الاستثمار فى بناء العلاقات مع العملاء وأى من برامج هذا المفهوم أكثر استخداما ومناسبة لطبيعة المجتمع المصرى وقطاع الشركات الصغيرة والمتوسطة المصرية.
8- اكتشاف وتحديد معني ومكونات أو عناصرمفهوم التسويق بالعلاقات بالنسبة لقطاع الشركات الصغيرة والمتوسطة المصرية.
9- اكتشاف العلاقة بين مفهوم شبكة العلاقات ألشخصية والتسويق بالعلاقات بالتطبيق على قطاع المشروعات الصغيرة المصرية، وكيف تستطيع الشركات تحويل العلاقة الشخصية الى علاقة مع المنظمة أوعلاقات منظمية وبالتالي *تستطيع ان تحتفظ بعملائها* .
10- اكتشاف كيف يمكن للشركات الصغيرة والمتوسطة أن تقوم بالاحتفاظ بعملائها بعد أن يقوم الموظف الذى دعاهم للانضمام للشركة بترك الشركة ودعوتهم لترك الشركة والانتقال معه.

البـــــــــــــــــــدايـــــــــــة

مجموعه من الاسئله الاستكشافيه للتأكد من أن الشركة تستخدم مفهوم شبكة العلاقات وتطبق مفهوم التسويق بالعلاقات

1- هل تقوم شركتكم بتطبيق أو استخدام شبكة العلاقات الشخصية لك كمدير أو للعاملين بالشركة؟ اذا كانت الاجابة بنعم؟ ارجو الشرح؟ هل هناك أي شيء أخرتود أن تضيفه؟
2- هل تعتقد أن استخدام شبكة العلاقات ألشخصية يمكن أن يلعب دورا في جذب عملاء جدد للشركات ولماذا؟ وإذا لم يكن يلعب دورا لماذا؟ هل هناك أي شي أخرتود ان تضيفه؟
3- بالرجوع للسؤال الثانى، ما الذى تقوم به من أجل استخدام مفهوم شبكة العلاقات ألشخصية في جذب عملاء جدد؟ هل تود أن تضيف أى شئ أخر؟
4- هل تقوم بتشجيع العاملين لديكم على استخدام شبكة علاقاتهم الشخصية (مثل أصدقائهم، أقاربهم، زملائهم القدامى) من أجل جذب عملاء جدد للمنظمة؟ اذا كانت الاجابة بنعم؟ أرجو الشرح؟ اذا كانت الاجابة بلا فلماذا لاتقومون بذلك؟ أرجو الشرح؟
5- بالرجوع للسؤال الرابع، اذا كنتم تشجعون العاملين على استخدام شبكه العلاقات الشخصية فهل هذا بشكل رسمى أى أنه مذكور بوضوح ومنصوص عليه فى سياسات الشركة أم أنه متعارف ومتفق عليه ضمنيا؟
6- بالرجوع للسؤال الرابع، ما هو الدافع أو الحافز وراء تطبيق هذا الأسلوب فى العمل؟ أرجو الشرح؟ هل هناك أي شيء أخر تود أن تضيفه؟
7- هل شركتكم تقوم بتطبيق أو استخدام مفهوم التسويق بالعلاقات من أجل بناءعلاقة قوية مع العملاء والاحتفاظ بهم؟ اذا كانت الاجابة بنعم؟ أرجو الشرح؟ اذا كانت الاجابة بلا فلماذا لاتقومون بذلك؟ أرجو الشرح؟

الهدف الاول : اكتشاف أصول وتحديد معني مفهوم شبكة العلاقات فى المجتمع والثقافة المصرية وكذلك الجانب الاخلاقى والغير أخلاقى لاستخدام هذا المفهوم.

1- ماذا يعني مفهوم شبكة العلاقات الشخصية لك؟ أو ما هو مفهومك لشبكة العلاقات الشخصية، هل هناك أي شئ أخر تود أن تضيفه؟
2- ماهو معنى وأصول أو جذور مفهوم شبكة العلاقات الشخصية فى مصر؟
3- هل تعتقد أن مفهوم شبكة العلاقات الشخصية هو مفهوم أخلاقى أم غير أخلاقى ؟ أرجو الشرح؟ هل هناك أي شيء أخر تود أن تضيفه؟
4- من وجهة نظرك : أي من استخدامات مفهوم شبكه العلاقات الشخصيه أخلاقي وأي منها غير أخلاقي ؟ أرجو الشرح ؟ هل هناك أي شيء أخر تود أن تضيفه ؟

الهدف الثانى: اكتشاف وتحديد الاسم المرادف للمفهوم الصينى جوانشى فى المجتمع والثقافة المصرية

1- ماهو فى رأيك الاسم المصرى المرادف للمفهوم الصينى جوانشى؟
2- هل هناك إسما مصريا للجانب الأخلاقي لمفهوم شبكة العلاقات ألشخصية وإسما أخر للجانب الغير أخلاقي أم أن هناك اسما واحدا للجانبين ؟ أرجو الشرح ؟ هل هناك أي شيء أخرتود أن تضيفه؟
3- هل (الواسطة) هو الاسم المصري المرادف لمفهوم شبكه العلاقات ألشخصيه؟ لماذا؟ أرجو الشرح؟
4- ما هو الفرق بين مفهوم شبكه العلاقات الشخصية والواسطة ؟ أرجو الشرح ؟ هل هناك أي شيء أخر تود أن تضيفه؟

الهدف الثالث: اكتشاف والتعرف على الملامح أو الخصائص الرئيسية لمفهوم شبكة العلاقات الشخصية فى المجتمع والثقافة المصرية

1- من وجهة نظرك، ما هي خصائص مفهوم شبكة العلاقات الشخصيه ؟ هل هناك أي شيء أخر تود أن تضيفه؟

2- ماذا عن الخصائص التاليه؟ (ابدأ فى مناقشة بقية الخصائص التى لم يذكرها فى اجابة السؤال الاول)

3- من وجهة نظرك، أي من هذه الخصائص يعتبر أكثر أهمية وأيها أقل أهمية؟

4- هل تعتقد أن هذه الخصائص أو الملامح ترتبط بشكل قوي بالثقافة المصرية؟ أرجو الشرح؟ هل هناك أي شيء أخر تود أن تضيفه؟

الهدف الرابع: اكتشاف و تحديد المتغيرات أو العناصر الرئيسيه لمفهوم شبكة العلاقات فى المجتمع والثقافة المصرية

1- من وجة نظرك ما هي محتويات أو مكونات أو عناصر العلاقة بين الاشخاص داخل شبكة العلاقات؟ هل هناك أي شيء أخر تود أن تضيفه؟

2- ماذا عن العناصر أو المكونات التالية؟ (ابدأ فى مناقشه بقية العناصر أو المكونات التى لم يذكرها فى اجابة السؤال الاول)

3- أي من المكونات تعتبرها أكثر أهمية لإستمرارية وتقوية العلاقات بين الاشخاص داخل شبكة العلاقات ؟ أرجو الشرح ؟ هل هناك أي شيء أخر ؟

4- هل تعتقد أن هذه المكونات لها علاقة بالثقافة المصرية ؟ أرجو الشرح ؟ هل هناك أي شيء أخرتود أن تضيفه ؟

الهدف الخامس: اكتشاف مزايا وعيوب تطبيق مفهوم شبكة العلاقات بالنسبه لقطاع الشركات الصغيرة والمتوسطة المصرية

1- ما هي مزايا تطبيق مفهوم شبكة العلاقات ألشخصية فى مصربالنسبه لشركتك؟ أرجو الشرح هل هناك أي شيء أخرتود ان تضيفه ؟

2- من وجة نظرك : أي من المزايا التالية له علاقة بقطاع الشركات الصغيرة والمتوسطة المصرية ؟جدول 1

3- أي من مزايا أكثر أهمية بالنسبة للشركات ؟ وأي منهم أقل أهمية ؟ أرجو الشرح ؟ هل هناك أي شيء آخر تود أن تضيفه؟

4- هل تختلف هذه المزايا من صناعة لأخرى ؟ أرجو الشرح ؟ هل هناك أي شيء أخر تود أن تضيفه؟

5- ما هي عيوب تطبيق مفهوم شبكة العلاقات ألشخصيه بالنسبة لشركتك ؟ أرجو الشرح ؟ هل هناك أي شيء أخر؟

6- من وجة نظرك , أي من العيوب التالية مرتبط بقطاع الشركات الصغيرة والمتوسطة المصرية ؟جدول 2

7- أي من هذه العيوب أكثر تأثيرا علي الشركات ؟ وأي منهم أقل تأثيرا علي الشركات ؟ أرجو الشرح ؟

8- هل تختلف هذه العيوب من صناعة لآخري ؟ أرجو الشرح ؟ هل هناك أي شيء أخر ؟

الهدف السادس: اكتشاف الدور الذى ممكن ان يلعبه استخدام مفهوم شبكة العلاقات فى جذب عملاء جدد للشركات الصغيرة والمتوسطة المصرية.

1- هل تعتقد أن استخدام شبكة العلاقات الشخصية يمكن أن يلعب دورا في جذب عملاء جدد للشركات ولماذا؟ وإذا لم يكن يلعب دورا لماذا؟

2- بالرجوع للسؤال الأول ماذا يجب علي الشركات فعله حتى تتمكن من استخدام مفهوم شبكة العلاقات الشخصية في جذب عملاء جدد؟ أي شيء أخر تود أن تضيفه؟

الهدف السابع: اكتشاف وتحديد معني مفهوم الاستثمار فى بناء العلاقات مع العملاء وأى من برامج هذا المفهوم أكثر استخداما ومناسبة لطبيعة المجتمع المصرى وقطاع الشركات الصغيرة والمتوسطة المصرية

1- من وجهة نظرك ما هو معنى مفهوم الاستثمارفى العلاقات مع العملاء؟

2- هل تقوم شركتكم بتطبيق مفهوم الاستثمار فى العلاقات مع العملاء ؟ اذا كانت الاجابة بنعم؟ أرجو الشرح؟ واذا كانت الاجابة بلا فلماذا لا تستخدمون هذا المفهوم؟

3- أى نوع من أنواع برامج الاستثمار فى العلاقات مع العملاء تقومون بتطبيقه واستخدامه فى شركتكم؟ لماذا؟ هل تعتقدون أنكم تطبقونها بشكل كافى؟ أرجو الشرح؟

4- ما هى أنواع برامج الاستثمارفى العلاقات مع العملاء الاكثراستخداما فى مصر؟

5- هل تعتقد ان برامج الاستثمارفى العلاقات مع العملاء يمكن ان يلعب دورا فى الحفاظ على العملاء؟ و لماذا؟ أرجو الشرح؟ هل هناك أى شئ اخر تود ان تضيفه؟

الهدف الثامن: اكتشاف وتحديد معني ومكونات أو عناصر مفهوم التسويق بالعلاقات بالنسبه لقطاع الشركات الصغيره والمتوسطه المصريه

1- من وجهة نظرك او ما هو مفهومك لمصطلح التسويق بالعلاقات ؟ هل هناك أي شيء أخر تود ان تضيفه؟

2- من وجهة نظرك ما هى مكونات أو محتويات أو عناصر مفهوم التسويق بالعلاقات ؟ لمزيد من الشرح ما هى مكونات العلاقة بين الشركات و عملائها ؟ هل هناك أى شئ أخر تود أن تضيفه؟

3- ماذا عن العناصر أو المكونات التاليه؟(ابدأ فى مناقشه بقيه العناصر أو المكونات التى لم يذكرها فى اجابه السؤال الثانى)

4- ما هى العناصر التسويق بالعلاقات الاكثر اهميه (لاستمرارية و تقوية العلاقة بين الشركات وعملائها) ؟ أرجو الشرح ؟ هل هناك أى شئ أخر تود أن تضيفه؟

5- هل تختلف هذه العناصر من صناعة إلي أخرى؟ أرجو الشرح؟ هل هناك شئ أخرتود أن تضيفه؟

6- هل تعتقد أن هذه المكونات مرتبطة بالثقافة المصرية أكثر من ارتباطها بنوع الصناعة ؟ أرجو الشرح؟ هل هناك ما تحب أن تضيفه؟

الهدف التاسع: اكتشاف الصله أو العلاقة بين مفهوم شبكه العلاقات الشخصيه والتسويق بالعلاقات بالتطبيق على قطاع المشروعات الصغيرة المصرية وكيف تستطيع الشركات تحويل العلاقة الشخصية الى علاقة مع المنظمة او علاقات منظمية وبالتالي تحتفظ بعملائها

1- من وجهة نظرك ما هى العلاقة بين مفهوم شبكة العلاقات الشخصية والتسويق بالعلاقات ؟ أرجو الشرح ؟ هل هناك أى شئ أخر تود أن تضيفه؟

2- هل تجد أن برامج الاستثمارفى العلاقات مع العملاء كافيه لتربط بين مفهوم شبكة العلاقات الشخصية والتسويق بالعلاقات؟ أرجو الشرح؟ اذا كانت الاجابة بلا فلماذا هى غير كافية؟ هل هناك أى شئ أخر؟

3- هل نجد أن برامج الاستثمارفى العلاقات مع العملاء كافيه لجعل العملاء يتعاملوا مرة أخرى مع الشركه ويكون لديهم ولاء للشركات؟ أرجو الشرح؟ هل هناك شئ أخر تود أن تضيفه؟

4- هل أن برامج الاستثمارفى العلاقات مع العملاء وتطبيق مفهوم التسويق بالعلاقات كافيين للشركات حتى يتمكنوا من تحويل العلاقات الشخصية لعلاقات منظميه و بالتالى الحفاظ على العملاء ؟ أرجو الشرح ؟ اذا كانت الاجابه بلا فلماذا وما هى اقتراحاتك؟ هل هناك شئ أخر تود ان تضيفه؟

الهدف العاشر: اكتشاف كيفية يمكن للشركات الصغيرة والمتوسطة أن تقوم بالاحتفاظ بعملائها بعد أن يقوم الموظف الذى دعاهم للانضمام للشركه بترك الشركة ودعوتهم لترك الشركة والانتقال معه

1- كيف يمكن للشركات أن تتجنب مشكله فقد عملائها عندما يقوم أحد العاملين بترك الشركة ودعوه كل العملاء الذى تربطه بهم علاقة شخصية بترك الشركه والانتقال معه

شكرا جزيلا على تعاونكم وعلى وقتكم الثمين

جدول (1) : مزايا تطبيق مفهوم شبكه العلاقات
تعتبر مصدر للمعلومات
توفر المعلومات عن اتجاهات السوق
توفر المعلومات عن السياسات الحكومية
توفر المعلومات عن قواعد و قيود الاستيراد
توفر المعلومات عن الفرص التجارية
مصدر لتوفير الموارد
تسهيل استخراج رخص الاستيراد
تسهيل الموافقة علي الإعلانات
تسهيل الموافقة علي الطلبات الخاصة المقدمة للمحليات
تسهيل الموافقة علي الطلبات الخاصة المقدمة للحكومة المركزية (الوزارات)
المساعدة في اختيار الموظفين المطلوبين للعمل والبحث عن موظفين
ضمان توفير الكهرباء اللازمة لقيام المشاريع التجارية
توفير المكان او الأرض اللازمة لقيام المشاريع التجارية
توفير المواد الخام اللازمة للمشاريع التجارية
خلق أو بناء سمعه جيده للشركات
تسهيل عمليات وترتيبات نقل البضائع
تسهيل عمليه تحصيل أموال الشركه لدى الزبائن وكذلك المتأخرات
زيادة المبيعات
تساعد وتعزز موقف الشركه فى المفاوضات
فتح وخلق فرص و أسواق عمل جديدة
تقليل أو محو المنافسة
تسهيل العمليات التجارية اليومية و المستقبلية
تعزيز كفاءة و فعاليه أداء الشركات (الربح، سرعه دوران رأس المال)
تعتبر ميزه تنافسيه
الحفاظ علي العملاء الحاليين
تجنب الاجراءات والفحوصات الحكوميه الروتينيه الرتيبة
تعتبر بديل عن التوجه الى والاتصال مباشرة بالجهات الحكومية
قد توفر للشركه البقاء والنمو على المدى الطويل
زياده فرص نجاح الشركات
توفير علاقات مع أخرين فى أماكن متعددة
تساعد على جذب عملاء جدد
تساعد على بيع البضائع الراكدة (للاقارب مثلا)

جدول (2) : عيوب تطبيق مفهوم شبكه العلاقات
أحيانا يكون استخدام شبكه العلاقات مكلف
أحيانا يكون استخدام شبكه لعلاقات استهلاك ومضيعة للوقت
البعض يعتبر استخدام شبكة العلاقات هو تصرف لا أخلاقى ويؤدى الى الفساد (سواء ادارى أو اجتماعى او غيره)

4- Interview glossary in English

Glossary

Glossary - *Guanxi*

Guanxi refers to person's network of social connections (family, fictive kinship, friends, neighbours, colleges, previous classmates, members of the same social club) which is used to facilitate and exchange favours between the network's members and find a solution to any problem they may face; for instance, gaining access to new customers, keeping existing clients, facilitating daily business operations, avoiding bureaucratic procedures and government investigations, selling goods to relatives which otherwise could not be sold and searching for job opportunities.

Bonding: Bonding links people together and there are many bases from which bonding can arise. Among these are locality and dialect, kinship (immediate family), work place, trade associations and social clubs, and friendship.

Empathy: the ability to understand someone else's desires, goals, acquire an in-depth knowledge about one's partners and know what appeals to their needs.

Reciprocity: This refers to an unlimited exchange of favours among people in the same network for the long-run by unspoken commitment to others in the network, i.e., an unwritten code of exchange.

Personal Trust: Personal trust comes from credibility via past history and reputation in terms of the fulfillment of promises and obligations with mutual satisfaction and beneficial interaction.

Face: This is the public image or prestige and reputation of an individual. One's reputation is rooted in one's past behaviours, particularly moral behaviour.

Affection: the feeling and emotional attachment amongst members of networks. It is often an indication of the closeness of *guanxi* members.

Glossary – Relationship marketing

Relationship marketing is an integrated effort to identify, maintain and build up a network with individual consumers and to strengthen the network continuously for the benefit of both sides through interactive, individualised and value-added contacts over a long period of time. In brief, **relationship marketing** refers to all marketing activities directed towards attracting, maintaining and enhancing customer relationships.

Trust: Trust between the company and customer means the extent to which each partner can depend on the promises offered by the other partner or the ability to depend on an exchange partner in whom one has confidence.

Commitment: a continuing desire to maintain a good relationship on the part of both the company and customer. It also means the motivation to make short-term sacrifices to obtain long-term rewards as the customer becomes more committed to an organisation when they believe that more value will be gained from it. This consequently affects those customers and makes them more willing to make an effort in return for the rewards they have obtained previously.

Conflict Handling: the firm's ability to minimise the negative results of observable and possible conflicts by avoiding and solving conflicts before they create problems, as well as discussing solutions in an honest way when problems occur.

Communication: the company's capability to offer the valuable and worthwhile information to their customers in a timely manner.

Empathy: trying to understand the desires and goals of the other party. This allows for both parties in a relationship to understand each other's viewpoint.

Shared Value: shared values are the beliefs that partners hold in common. These beliefs usually concern whether behaviours, aims, and rules are fundamental or trivial, suitable or unsuitable, and correct or incorrect.

Reciprocity: the component of a business relationship that makes one of the parties able to give something (help, support or make payment) to the other party in return for something comparable (help, support or payment) to be taken or received later.

Equity: This ensures balanced gains, where sellers provide customers with satisfying goods and services in a pleasant environment and, on the other side, customers pay money in for the goods. It also involves a balanced sharing of information, threats and any other factors and provides fairness in the relationship between the customer and the marketer.

Glossary – Relationship marketing investment

Relationship marketing investment means that the seller makes an extra effort, adopts policies, and provides small favours or considerations, such as meals gifts, or personalised notes, to generate customer gratitude which leads to reciprocal behaviour and customer retention.

There are three types of relationship marketing investment programs:

Social relationship marketing programs include meals, special treatment, entertainment, and greetings on birthdays and marriages, and at Eid, and Christmas.

Structural relationship marketing programs include customised order processing systems, technological investment, dedicated personnel, and tailored packaging.

Financial relationship marketing programs include discounts, free products, membership, or other financial benefits that reward customer loyalty.

5- Interview glossary in Arabic

قاموس المصطلحات

قاموس مصطلحات - الجوانشى

جوانشى: كلمة صينية تشير الى شبكة العلاقات التى يمتلكها الشخص والتى تسهل له كثير من الخدمات التى يحتاجها سواء فى عمله أو حياته اليومية. شبكه العلاقات هذه قد تتضمن أشخاص مثل العائلة – الأقارب – الأصدقاء – الجيران - الزملاء – زملاء الدراسة السابقين- أعضاء النادى الاجتماعى الذى ينتمى اليه الفرد.

هذه العلاقات قد تسهل للشخص الحصول على خدمات (كما تسهل تبادل الخدمات بين أعضاء شبكة العلاقات الواحدة) ومن ثم حل اي مشكله قد تواجهه (أو أعضاء هذه الشبكة الاجتماعية) .على سبيل المثال فان الشخص يستخدم شبكه علاقاته لجذب عملاء جدد لشركته ، وكذلك لتسهيل ،ولتجنب الاجراءات الروتينية (البيروقيراطية) فى المصالح الحكومية، ولتسهيل بيع المنتجات، كما يقوم الأشخاص بالبحث عن وظائف من خلال معارفهم والاشخاص داخل شبكة علاقاتهم .

الرابطة: دائما ما يكون هناك رابطة تربط الاشخاص بعضهم البعض داخل شبكة العلاقات. حيث أن هناك عدد من الروابط التى قد تربط الأشخاص ببعضهم البعض مثل الجيرة او السكن فى نفس المكان – صلة الرحم اوالقرابة او النسب – الزمالة فى مكان العمل أو النادى الاجتماعى - الصداقة.

التعاطف: وهي قدرة الشخص علي تفهم أو استيعاب رغبات واحتياجات و أهداف الأخر وتتطلب هذه القدرة معرفة الشخص الأخر بشكل عميق ومعرفة رغباته.

التبادل أو (الأخذ والعطاء): دائما بين الشخص وبين الأفراد داخل شبكة علاقاته هناك اتفاق غير مكتوب (او التزام شفهى) على تبادل المنافع والخدمات وهذا الالتزام غير محدود بعدد معين من الخدمات أو وقت معين للتبادل.

الثقة الشخصية : الثقة بين الشخص وبين أى فرد داخل شبكة علاقاته تبني من خلال تجارب الماضى مع هذا الشخص ومدى وفائه بوعوده والتزاماته فى كل التجارب السابقه معه والتى بناءا عليها تكون هناك ثقة فى هذا الشخص أو لا توجد.

السمعة أو الصورة الذهنية للشخص لدى الأخرين: ان الصورة العامة لشخص ما أو سمعته أو مقامه عند الاخرين داخل شبكة العلاقات تعتمد علي سلوكه السابق وخاصة سلوكه الاخلاقي.

العاطفة : وهي تمثل الحب و المشاعر المتبادلة بين أعضاء شبكة العلاقات وتعتبر هذه العواطف مؤشر عن مدى قرب هؤلاء الأعضاء لبعضهم البعض.

قاموس مصطلحات – التسويق بالعلاقات

التسويق بالعلاقات: هي عبارة عن كل الجهود التى تبذلها الشركات من أجل اقامة و بناء والحفاظ على علاقات مع العملاء والتى تودى الى تقوية العلاقات مع العملاء. هذه الجهود سوف تعود بالنفع على كل من العميل والشركة ولفترة زمنية طويلة. باختصار التسويق بالعلاقات تشير إلي كل الأنشطة التسويقية الموجهة نحو جذب والحفاظ وتطوير العلاقات بالعملاء.

الثقة: بين الشركة و عملائها تشير الى أى مدى ممكن لكل طرف من الأطراف أن يعتمد على الوعود التى يقطعها الطرف الأخر.

الالتزام: و هى الرغبة المستمرة من كل من الشركة وعملائها فى الحفاظ على علاقة جيدة. و الالتزام أيضا يشير الى القدرة على تقديم تضحيات فى المدى القصير من أجل الحصول على مكافأت أو مزايا فى المدى الطويل. حيث أن العميل سوف يكون أكثر التزاما للشركة عندما يعتقد أنه سيحصل منها على فوائد أكثر و بالتالى سيكون العميل على استعداد تام لبذل جهد لرد المزايا التى حصل عليها من الشركة .

حل أو معالجة أوالتعامل مع المشكلات: تشيرالى قدرة الشركة على تقليل حجم الآثار السلبية للمشكلات المحتملة و ذلك عن طريق تجنب أو حل النزاعات قبل احداث أى مشكلة. و فى نفس الوقت مناقشة الحلول بشكل أمين عند حدوث المشكلة.

الاتصال (التواصل): قدرة الشركة على توفير المعلومات القيمة لعملائها فى الوقت المناسب لكليهما.

التعاطف: محاولة التعرف على رغبات و أهداف الطرف الأخر و إعطاء الطرفان الفرصة الكافية لفهم وجة نظر الأخر.

القيم المشتركة: تشير الى القيم والمعتقدات المشتركة بين الشركة وعملائها. هذه القيم والمعتقدات تتضمن القيم السلوكية و الأهداف وماهو أساسى أو غير أساسى وما هو مناسب أو غير مناسب، وما هو صحيح أوغير صحيح.

التبادل أو (الأخذ والعطاء) : وتشير الى طبيعة العلاقة بين الشركة وعملائها حيث أن أحدهما يقدم شئ للأخر(مساعدة أو دعم أو مدفوعات مادية) وفى المقابل يقدم الأخر شئ أخر للطرف الأول (مساعدة أو دعم أو مدفوعات مادية).

الانصاف او العدالة فى العلاقة: تتضمن هذه النقطة الحصول على مكاسب متساوية لكلا الطرفين العميل والشركة، حيث يقدم البائع الخدمات أو البضائع فى أفضل شكل ممكن للمشترى الذي بدوره يدفع تكاليف هذه البضائع أو الخدمات. باختصارالانصاف أو العدالة هو توفير نوع من العدل (أو المساواة) فى العلاقة بين الشركة و عملائها .

قاموس مصطلحات – الاستثمار فى العلاقه مع العملاء

الاستثمار فى العلاقة مع العملاء: تشير الى كافة المجهودات التى يبذلها البائع من خلال تبنى سياسات جديدة أو تقديم خدمات أو منتجات مجانية (مثل إعطاء بعض الهدايا) أو تقديم معلومات بصفة خاصة و ذلك لخلق شعور بالفضل و الامتنان و العرفان بالجميل لدى العملاء و الذى بدوره ينعكس على بقائه عميل لهذه الشركة.

هناك ثلاثة أنواع من برامج الاستثمار فى العلاقة مع العملاء:

برامج اجتماعية: و تشمل تقديم دعوة للعملاء لتناول بعض الوجبات أو تقديم معاملة تفضيلية أو تقديم دعوة لحضور مناسبة اجتماعية أو حدث ترفيهيى أو تقديم تهنئة بمناسبة اجتماعية كزواج أو عيد ميلاد أو عيد أو حج أو رأس السنة الميلادية أو الهجرية.
برامج هيكلية: تشمل اعداد المنتجات أو تقديم الخدمات حسب طلب العملاء أو تقديم منافع اضافية دون تحميل العميل أى مصاريف اضافية (مثل التخزين أوالتوصيل) أو تقديم معلومات خاصة للعميل.
برامج مالية : تشمل اعطاء بعض الخصومات أو المنتجات المجانية أو اعطاء عضوية للعملاء أو أى مميزات مالية لضمان ولاء العميل .

6- Interview consent form in English

THE UNIVERSITY OF HULL

THE HUBS RESEARCH ETHICS COMMITTEE

CONSENT FORM: INTERVIEW

I, of

Hereby agree to participate in this study to be undertaken

By Ahmed Shaalan, PhD student at Hull University, Business School, and I understand that the purpose of the research is exploring the meaning of *guanxi*-type relationship and its link with relationship marketing within the Egyptian SME sector. Considering this aim, the researcher will seek to explore the following objectives:

1. To explore the origins and meaning (ethical and unethical) of *guanxi*-type relationships in Egyptian culture.
2. To explore the equivalent name of *guanxi*-type relationships in Egyptian culture.
3. To explore the key characteristics of *guanxi*-type relationships in Egyptian culture.
4. To explore the key variables of *guanxi*-type relationships in Egyptian culture.
5. To explore the advantages and disadvantages of *guanxi*-type relationships in respect to Egyptian SME sector.
6. To explore the role of *guanxi*-type relationships in attracting new customers to the SMEs in Egypt.
7. To explore the meaning of relationship marketing investment and which of its program/s is/are widely used and suitable for the Egyptian SME sector.
8. To explore the meaning and key variables of relationship marketing with respect to the Egyptian SME sector.
9. To explore the relationship between *guanxi*-type relationships and relationship marketing; and how SMEs can transfer personal relationships to organisational relationships and the impact of this on enhancing relationship quality and customer retention.
10. To explore how SMEs can avoid the problem of employees taking customers they had brought when leaving the company.

I understand that

1. Upon receipt, my interview will be coded and my name and address kept separately from it.
2. Any information that I provide will not be made public in any form that could reveal my identity to an outside party, i.e. I will remain fully anonymous.
3. Aggregated results will be used for research purposes and may be reported in scientific and academic journals.
4. Individual results **will not** be released to any person except at my request and on my authorisation.
5. I am free to withdraw my consent at any time during the study, in which event my participation in the research study will immediately cease and any information obtained from me will not be used.
6. The researcher, supervisors and examiners could contact me in the future for further information
7. The interview will take about 45- 60 minutes to complete

Signature of participant: **Date:**

The contact details of the researcher are:

Ahmed S. Shaalan,

Email: a.s.shaalan@2007.hull.ac.uk

Hull University Business School, Cottingham Road, Hull, HU6 7RX

The contact details of the secretary to the HUBS Research Ethics Committee are:

Karen Walton,

Hull University Business School, University of Hull, Cottingham Road, Hull, HU6 7RX

Email: k.a.walton@hull.ac.uk

Tel. 01482-463646.

7- Interview consent form in Arabic

THE UNIVERSITY OF HULL

مدرسة ادارة الأعمال بجامعة هل – لجنة تقييم أخلاقيات البحث

استمارة الموافقه على الاشتراك فى المقابلات الشخصية

أوافق أنا ....

علي الاشتراك في هذا البحث المقدم من احمد شعلان ، طالب الدكتوراه بجامعة هل قسم ادارة الأعمال. والهدف من هذا البحث هو تحديد معنى وخصائص مفهوم شبكة العلاقات الشخصيه وعلاقته بمفهوم التسويق بالعلاقات وذلك بالتطبيق على قطاع المشروعات الصغيره والمتوسطه المصريه.

وطبقا لهذا الهدف فان البحث يسعى لتحقيق الأهداف الفرعيه التاليه :-

1- اكتشاف اصل وتحديد معني مفهوم شبكة العلاقات فى المجتمع والثقافة المصرية وكذلك الجانب الأخلاقى والغير أخلاقى لاستخدام هذا المفهوم.
2- اكتشاف وتحديد الاسم المرادف للمفهوم الصينى جوانشى فى المجتمع والثقافة المصرية
3- اكتشاف والتعرف على الملامح أو الخصائص الرئيسية لمفهوم شبكة العلاقات الشخصية فى المجتمع والثقافة المصرية.
4- اكتشاف و تحديد المتغيرات أو العناصر الرئيسية لمفهوم شبكة العلاقات فى المجتمع والثقافة المصرية.
5- اكتشاف مزايا وعيوب تطبيق مفهوم شبكة العلاقات بالنسبة لقطاع الشركات الصغيرة والمتوسطة المصرية .
6- اكتشاف الدور الذى ممكن أن يلعبه استخدام مفهوم شبكة العلاقات فى جذب عملاء جدد للشركات الصغيرة والمتوسطة المصرية.
7- اكتشاف وتحديد معني مفهوم الاستثمار فى بناء العلاقات مع العملاء وأى من برامج هذا المفهوم أكثر استخداما ومناسبة لطبيعة المجتمع المصرى وقطاع الشركات الصغيرة والمتوسطة المصرية.
8- اكتشاف وتحديد معني ومكونات أو عناصرمفهوم التسويق بالعلاقات بالنسبة لقطاع الشركات الصغيرة والمتوسطة المصرية.
9- اكتشاف العلاقة بين مفهوم شبكة العلاقات الشخصية والتسويق بالعلاقات بالتطبيق على قطاع المشروعات الصغيرة المصرية، وكيف تستطيع الشركات تحويل العلاقه الشخصية الى علاقة مع المنظمة أوعلاقات منظمية وبالتالي تستطيع أن تحتفظ بعملائها.
10- اكتشاف كيف يمكن للشركات الصغيرة والمتوسطة أن تقوم بالاحتفاظ بعملائها بعد أن يقوم الموظف الذى دعاهم للانضمام للشركة بترك الشركة ودعوتهم لترك الشركة والانتقال معه.

وأنا أتفهم أن :-

1- اسمى وعنوانى وكل بياناتى سوف لن تذكر باى شكل من الاشكال فى أى جزء من أجزاء هذا البحث حيث أنه سوف يعبر عنهم بكود أو شفرة بدل من أن يذكر صراحة.
2- أي معلومات أوردتها بالبحث لن تعرض بأى شكل من الأشكال بطريقة تكشف عن هويتي لأي جهة خارجية وبالتالى فان شخصيتى سوف تظل غير معروفة.

3- النتائج الاجمالية للبحث سوف تستخدم للاغراض البحثية فقط وربما تنشر فى دوريات علمية.

4- لن يسمح بنشر النتائج الفردية للبحث - المبنية بناءا على اجاباتى- لأي شخص دون طلبا مني أو تصريحي بذلك.

5- أن مشاركتى فى البحث اختيارية وأن لي الحرية الكاملة في الانسحاب من المشاركة فى البحث في أي وقت ومن ثم فان أى معلومات قد أفدت بها سوف لن تستخدم فى البحث.

6- يمكن للباحث أو مشرفيه أو ممتحنيه أن يتصلوا بي في المستقبل للحصول علي معلومات مستقبلية.

7- أن المقابلة الشخصية سوف تستغرق حوالى 45-60 دقيقه.

التوقيع **التاريخ**

البيانات الخاصة بالباحث :-

الاسم : أحمد سعيد شعلان

البريد الالكترنى للباحث: a.s.shaalan@2007.hull.ac.uk

العنوان: Hull University Business School, Cottingham Road, Hull, HU6 7RX

البيانات الخاصة بسكرتيرة لجنة تقييم اخلاقيات البحث بمدرسة ادارة الاعمال بجامعه هل:

Name: Karen Walton,

Address: Hull University Business School, Cottingham Road, Hull, HU6 7RX.

Email: k.a.walton@hull.ac.uk

Tel.: 01482-463646.

8- Cover letter in English

Dear Sir/Madam,

PhD research project on relationship marketing and *guanxi*

My name is Ahmed Shaalan, a full time assistant lecturer at Tanta University (Egypt) and a second year PhD Researcher at the University of Hull (United Kingdom). I am pursuing a PhD program at the University of Hull, Business School. I seek your kind assistance in conducting an interview.

Your participation in this study is voluntarily but highly important and appreciated. All information will be held in the strictest confidence, as has always been the policy of the University of Hull. If you choose not to participate or to withdraw from the study at any time, there will be no penalty or problem. All your answers will be kept confidential and identified only by a participant code name. When the results from my PhD thesis are published it will be impossible to identify an individual person or company.

The interview only takes about 45- 60 minutes to complete, and if willing, you could be contacted in the future for follow up and further information even by me, my supervisors or examiners. In exchange for your time, I will be happy to send a summary of my findings to you. I would also be happy to present my findings to your organization, if you wish. I am aware that you are very busy but your participation is very important to the research and highly appreciated. Finally many thanks for your valuable time and effort.

Yours faithfully,

Ahmed Said Shaalan

PhD Researcher, University of Hull Business School

Email: a.s.shaalan@2007.hull.ac.uk or
ahmedsshaalan@hotmail.com

Mobile: UK: 0044 (0)7507469466
Egypt: 002 0103413053

The University of Hull Business School,
Cottingham Road, Hull
Hu6 7RX, UK.

Please do not hesitate to contact me if you have any queries.

9- Cover letter in Arabic

مشروع بحث رسالة الدكتوراه عن مفهوم شبكه العلاقات الشخصيه وعلاقته بمفهوم التسويق بالعلاقات بالتطبيق على قطاع المشروعات الصغيره والمتوسطه المصريه

السيد / السيده --------

انا احمد شعلان اعمل معيد بكليه التجاره جامعه طنطا (جمهوريه مصر العربيه) و باحث دكتوراه بالسنه الثانيه بجامعه هل بالمملكه المتحده .اقوم ببحث الدكتوراه الخاص بى والذى يهدف الي تحديد معنى وخصائص مفهوم شبكه العلاقات ألشخصيه وعلاقته بمفهوم التسويق بالعلاقات وذلك بالتطبيق على قطاع المشروعات ألصغيره والمتوسطه ألمصريه.وانني ادعوا سيادتكم للمشاركه فى هذا البحث من خلال اجراء مقابله شخصيه واننى اقدرقبول سيادتكم للمشاركه فى هذا البحث و اجراء هذه المقابله الشخصيه.

علما بأن مشاركتكم في هذا البحث تطوعيه ولكنها علي درجه كبيره من الاهميه والتقدير. كما ان كل المعلومات الخاصه بكم ستعامل بدرجه عاليه من الخصوصيه والسريه كما هوطبيعه الحال في جامعه هل. بالاضافه الى انه فى حال ان اتخدتم قرار بعدم الاشتراك في البحث او الانسحاب منه في ايه وقت من الاوقات ولاى سبب من الاسباب فلن يكون هناك ايه مشكله او تبعات بل لسيادتكم كامل الحرية في الانسحاب من المشاركه فى البحث في اي وقت ومن ثم فان اى معلومات قد افدتم بها سوف لن تستخدم فى البحث.

وفى حال قبولكم المشاركه فى البحث فان كل المعلومات التى ستفيدونها فى المقابله سوف تحفظ بسريه تامه و وتحت اسم مشفر للمشترك او كود معين .وعند نشر رساله الدكتوراه سيكون من المستحيل التعرف علي شخصيه سيادتكم او شركتكم. المقابله الشخصيه سوف تستغرق حوالى 45-60 دقيقه. كما انه من الممكن ان يقوم الباحث او مشرفيه او ممتحنيه بالاتصال بكم في المستقبل.

وتقديرا لدوركم فى هذا البحث ولوقتكم وجهدكم الثمين فانه يشرفنى ان اقوم بارسال نسخه من نتائج و توصيات هذا البحث لسيادتكم حال الانتهاء منه كما انه من دواعى سرورى ان اقوم بعرض نتائج وتوصيات هذا البحث ايضا لشركتكم او منظمتكم. وفى النهايه لايسعنى الا ان اتقدم بالشكر الجزيل لسيادتكم لموافقتكم على المشاركه فى هذا البحث.

احمد سعيد شعلان

باحث دكتوراه بجامعه هل بانجلترا

البريد الالكترنى: a.s.shaalan@2007.hull.ac.uk او ahmedsshaalan@hotmail.com

محمول: مصر 0103413053 - انجلترا 0044 (0)7507469466

العنوان: Hull University Business School, Cottingham Road, Hull, HU6 7RX

ارجو الا تتردد في الاتصال اذا كانت لدي سيادتكم اي استفسارات.

Appendix III: Questionnaire package

1- The questionnaire in English

2- The questionnaire in Arabic

3- Questionnaire consent form in English

4- Questionnaire consent form in Arabic

5- Companies invitation letter in English

6- Companies invitation letter in Arabic

1- The questionnaire in English

Dear Sir/Madam,

PhD research project on relationship marketing and *guanxi*

My name is Ahmed Shaalan, a full time assistant lecturer at Tanta University (Egypt) and a third year PhD Researcher at the University of Hull, Business School (United Kingdom). I seek your kind assistance in completing this questionnaire.

Your participation in this study is voluntary but highly important to me and much appreciated. There is no right or wrong answer. All information will be held in the strictest confidence, as has always been the policy of the University of Hull. If you choose not to participate or to withdraw from the study at any time, there will be no penalty or problem but I thank you for your time. All your answers will be kept confidential and identified only by a respondent code. When the results from my PhD thesis are published it will be impossible to identify an individual person or company.

The survey only takes about 25- 30 minutes to complete, and if willing, you could be contacted in the future for follow up and further information. Once you have completed the questionnaire, please return it to the company with a signed copy of the consent form inside the envelope provided.

In exchange for your time, I will be happy to send a summary of my findings to those returning completed surveys. I am aware that you are very busy but your participation is very important to the research and highly appreciated. Finally, many thanks for your valuable time and effort in completing this survey.

Yours faithfully,

Ahmed Said Shaalan
PhD Researcher, University of Hull Business School
Email: a.s.shaalan@2007.hull.ac.uk or
ahmedsshaalan@hotmail.com
Mobile UK: 0044 (0)7507469466
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The University of Hull Business School,
Cottingham Road, Hull
HU6 7RX, UK
Please do not hesitate to contact me if you have any queries.

Relationship Marketing and *Guanxi* Survey

'Occasionally one of your social networks, who works in company X, might suggest his/her company for you. Accordingly, you become a customer of this company'. This questionnaire is concerned with studying the type of personal relationship between you and the contacted person who suggest company X, as well as the organisational relationship between you and company X.

Section One: Please fill in the blank or tick in the appropriate response

Gender ☐Male ☐Female

Age ☐ Under 20 years ☐ 20-29 years ☐ 30-39 years ☐ 40-49 years ☐50+

Highest Level of Education ☐ PhD ☐ Master ☐ Bachelor ☐ Diploma ☐ Secondary School
☐ Other:______________________________

The primary basis of your relationship with the person who contacted and invited you to be a consumer of this company is? (You can choose more than one answer)
☐ Family or Relative ☐ Friend ☐ Neighbour (same locality)
☐ Member at the same trade association or social club
☐ Classmate or former classmate ☐ Former colleague ☐ Other (please specify):________________

Approximately how long have you known this person?
☐ Under 5 years ☐ 5-10 years ☐ 11-15years ☐ 16-20 years ☐ 20 + years

This company would be best described as
☐Industrial/ Manufacturing ☐Trading ☐Service ☐Other (please specify) ___________

In which sector(s) does this company operate? (Please specify) ___________________
(Ex. Auto parts, Foods and drinks, furniture, Sanitary ware)

Approximately, how long have you been a customer of this company?
☐ Less than a year ☐ 1-3 years ☐ 4 -6 years ☐ 7-9 years ☐ 10 + years

<u>Section Two:</u>

The questions in this section are concerned with **<u>describing and determining the type of the personal relationship with the person who contacted and invited you to be a consumer of this company</u>**. Please circle a number in range 1-5 that reflects your opinion and applies to your answer.

Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree
1	**2**	**3**	**4**	**5**

The person who contacted and invited me to be a consumer of this company					
is trustworthy	1	2	3	4	5
is very honest	1	2	3	4	5
is dependable	1	2	3	4	5
makes reliable promises	1	2	3	4	5
fulfills his/her promises	1	2	3	4	5
does not make any false claims	1	2	3	4	5
Me and the person who contacted and invited me to be a consumer of this company always					
rely on each other	1	2	3	4	5
close to each other	1	2	3	4	5
try very hard to establish a long-term relationship	1	2	3	4	5
keep in touch regularly	1	2	3	4	5
talk openly as friends	1	2	3	4	5
interact on a social basis	1	2	3	4	5
understand each other's viewpoints	1	2	3	4	5
understand each other's goals	1	2	3	4	5
understand each other's needs	1	2	3	4	5
care about each other's feelings	1	2	3	4	5
show sympathy when the other has problems	1	2	3	4	5
provide support when the other has problems	1	2	3	4	5
pay a lot of attention to how others see us	1	2	3	4	5
believe the more respect we receive, the more 'face' we have	1	2	3	4	5
feel a 'loss of face' when others turn down our favours	1	2	3	4	5
take care not to make each other feel uncomfortable in any situation	1	2	3	4	5
like each other	1	2	3	4	5
enjoy meeting each other in a relaxed environment (e.g. coffee shop, restaurants, social club)	1	2	3	4	5
enjoy communication with each other	1	2	3	4	5
give gifts to each other (do not have to be expensive ones)	1	2	3	4	5
enjoy helping each other	1	2	3	4	5
Within the relationship between me and the person who contacted and invited me to be a consumer of this company,					
the practice of "give and take" of favours is a key part	1	2	3	4	5
it is very bad not to return favours	1	2	3	4	5
"calling in" favours is part of social interaction	1	2	3	4	5
favours we do for each other have built a good social relationships	1	2	3	4	5
we feel a sense of obligation for doing each other favours	1	2	3	4	5
we feel embarrassed if we are unable to provide the other with a requested favour	1	2	3	4	5

Section Three:

The questions in this section are concerned with **describing and determining the types of privileges which you receive from the company**. Please circle a number in range 1-5 that reflects your opinion and applies to your answer.

Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree
1	**2**	**3**	**4**	**5**

From this company, I often receive					
meals, entertainment, or gifts (pens sets, calendar, Ramadan calendar, diary)	1	2	3	4	5
Greetings on the public and private occasions (Christmas, Eid, birthday, wedding)	1	2	3	4	5
special treatment or prestige or status	1	2	3	4	5
special reports and/or personalized information	1	2	3	4	5
special value-added benefits (expediting, etc)	1	2	3	4	5
special structural change (tailored packaging, customized order processing)	1	2	3	4	5
special dedicated personnel	1	2	3	4	5
special adaption of the company policies and procedures	1	2	3	4	5
first priority when requested products are available	1	2	3	4	5
products or services from other sources to resolve my problems	1	2	3	4	5
special news or transaction information that I need	1	2	3	4	5
a variety of ways to get information more efficiently	1	2	3	4	5
free products or/and services	1	2	3	4	5
special price or discounts	1	2	3	4	5
special financial benefits and incentives	1	2	3	4	5
additional discounts if I trade beyond a certain amount	1	2	3	4	5
credit facilities	1	2	3	4	5
my order without paying a deposit	1	2	3	4	5
my order without paying first before delivery	1	2	3	4	5

Section Four:

The questions in this section of the questionnaire are concerned with **describing and determining the type of organisational relationship between you and the company itself (not your contact person at this company).** Please circle a number in range 1-5 that reflects your opinion and applies to your answer.

Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree
1	**2**	**3**	**4**	**5**

The practice of 'give and take' of favours is a key part of the relationship between me and this company	1	2	3	4	5
In the relationship between me and this company we feel a sense of obligation for doing each other favours	1	2	3	4	5
The company should return the kindness, if I give assistance when the company has difficulties	1	2	3	4	5
I should return the kindness, if the company gives me assistance when I have difficulties	1	2	3	4	5
The company believes in "never forget a good turn" for me	1	2	3	4	5
I believe in "never forget a good turn" for the company	1	2	3	4	5
I get a satisfying buy for the money	1	2	3	4	5
My dealings with this company are mutually beneficial	1	2	3	4	5
There is fairness in my dealings with the company	1	2	3	4	5
The company provides products or/and services at a satisfying price	1	2	3	4	5
This company gives me real value	1	2	3	4	5
Overall we provide each other with equal benefits	1	2	3	4	5

Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree
1	2	3	4	5

I am willing “to go an extra mile” to remain a customer of this company	1	2	3	4	5
I can make sacrifices to help this company (e.g. money, effort, etc)	1	2	3	4	5
I will continue to deal with this company even if its prices increase in the future	1	2	3	4	5
I have a desire to continue my relationship with the company	1	2	3	4	5
My relationship with the company is worth my effort to maintain	1	2	3	4	5
My relationship with the company is important to me	1	2	3	4	5
My relationship with the company is something that I really care about	1	2	3	4	5
My relationship with the company is a long-term relationship	1	2	3	4	5
My relationship with the company meets my goals	1	2	3	4	5
My relationship with the company fulfills my expectations	1	2	3	4	5
My relationship with the company is strong	1	2	3	4	5
My relationship with the company is excellent	1	2	3	4	5
I have the intention to re-purchase from this company in future	1	2	3	4	5
I will continue to purchase from this company	1	2	3	4	5
I expect my relationship with this company to last for a long time	1	2	3	4	5
I am willing to buy from this company for a premium price to reduce purchasing risk	1	2	3	4	5
I usually pay less attention to the competitors offers	1	2	3	4	5
I recommend this company to all my social network (friends, colleagues and relatives)	1	2	3	4	5
The company					
can be trusted completely	1	2	3	4	5
treats me honestly	1	2	3	4	5
makes reliable promises	1	2	3	4	5
fulfills its obligations to me as a customer/consumer	1	2	3	4	5
provides me with products or/ and services in which I have confidence	1	2	3	4	5
can be counted on to do what is right	1	2	3	4	5
is always willing to provide quality products or/and services	1	2	3	4	5
carries out what the contact person promises	1	2	3	4	5
tries to avoid potential conflicts	1	2	3	4	5
tries to solve manifest conflicts before they create problems	1	2	3	4	5
tries to get me involved in solving problems	1	2	3	4	5
tries to takes seriously any concerns I have	1	2	3	4	5
tries to solve my problems quickly	1	2	3	4	5
tries to solve my problems easily	1	2	3	4	5
tries openly and honestly to discuss solutions when problems arise	1	2	3	4	5
tries to put appropriate effort into resolving any concerns I have	1	2	3	4	5
provides timely information	1	2	3	4	5
provides reliable information	1	2	3	4	5
provides accurate information	1	2	3	4	5
provides complete information	1	2	3	4	5
provides regularly updated information on new products or/and services	1	2	3	4	5
provides regularly updated information on new developments	1	2	3	4	5
provides regularly updated information about benefits of products or/and services	1	2	3	4	5
provides regularly updated information about the events, or/and changes that may affect me	1	2	3	4	5
provides easy ways to contact it for any queries	1	2	3	4	5
overall, provides information with which I am satisfied	1	2	3	4	5

Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree
1	**2**	**3**	**4**	**5**

Staff at this company					
understand my viewpoint	1	2	3	4	5
understand my goals	1	2	3	4	5
understand my needs	1	2	3	4	5
care about my feelings	1	2	3	4	5
show sympathy when I have problems	1	2	3	4	5
provide support when I have problems	1	2	3	4	5
give me personalized attention	1	2	3	4	5
share the same values as me	1	2	3	4	5
share the same worldview as me	1	2	3	4	5
believe in the same things that I believe in	1	2	3	4	5
have the same opinion as me about most things	1	2	3	4	5
have the same feelings as me about things around us	1	2	3	4	5
How do you usually receive the information from this company? (Mail, Email, Text, Tel, Mobile) (please specify):__________					

Section Five: Please answer the following questions

A- If the person who introduced this company to you left the company and asked you to switch with him/her, would you still buy from this company?

1- ☐ Yes please go to questions **B** then **D**

2- ☐ No please go to questions **C** then **D**

B- I would still buy from this company for one or more of the following reasons (you can choose more than one answer) **Note**: please answer this question if your answer for question **A** was **Yes,**

☐ I am satisfied with this company.
☐ The company built a good relationship with me.
☐ The company offers me a lot compared to other companies.
☐ What the company did for me is enough to keep me as a customer.
☐ This company is the best option available now.
☐ Other reason/s (please specify).

- ______________________
- ______________________
- ______________________
- ______________________
- ______________________ **(please go to question D)**

C- I would leave this company for one or more of the following reasons (you can choose more than one answer)

Note: please answer this question if your answer for question **A** was **No,**

- ☐ I do not want to stay with this company if the contact person leaves the company.
- ☐ I cannot stay with this company, if the contact person asks me to switch with him/her.
- ☐ I am not satisfied with this company.
- ☐ The company did not build a good relationship with me.
- ☐ The company did not offer me a lot compared to other companies.
- ☐ What the company did for me is not enough to keep me as a customer.
- ☐ This company is not the best option available now.
- ☐ Other reason/s (please specify).
  - ____________________
  - ____________________
  - ____________________

A- What are the most attractive things about this company? (please specify):

(for example: personal relationships, price, products, service, information, discounts, offers, their ways to deal with me, their ways to build relationship with me, their ways in doing things)

- ____________________
- ____________________
- ____________________
- ____________________
- ____________________

B- From your point of view, what are the suggestions would you give to the company to improve their customer retention level? (Please list below in order of importance)

- ____________________
- ____________________
- ____________________
- ____________________
- ____________________

<u>Section Six:</u> Further comments

Please, if you want to comment on any particular question or if there is any issue /factor/ aspect that you feel it would be of interest to this research; please feel free to add it in the next part.

____
____
____
____
____

If you would like a copy of the findings, please provide your contacts

Email: ____ or

Tel: ____________________ or Mob: ____________________ or

Address: ____

Thank you for your co-operation and your participation in this survey.
Your answer will be kept confidential.

2- The questionnaire in Arabic

استبيان عن استخدام شبكه العلاقات الشخصيه للعاملين فى جذب عملاء للشركات

السيد/السيده

انا احمد شعلان ، معيد بكليه التجاره جامعه طنطا (جمهوريه مصر العربيه) و باحث دكتوراه بالسنه الثالثه بجامعه هل بالمملكه المتحده .اقوم ببحث الدكتوراه الخاص بى عن تاثير استخدام شبكه العلاقات الشخصيه للعاملين فى جذب عملاء للشركات. وانني ادعوا سيادتكم للمشاركه فى هذا البحث من خلال الاجابه على استماره الاستبيان المرفقه كما انني اقدر قبول سيادتكم المشاركه فى هذا البحث والاجابه على استماره الاستبيان.

علما بأن مشاركتكم في هذا البحث تطوعيه ولكنها علي درجه كبيره من الاهميه والتقدير. كما ان كل المعلومات الخاصه بكم ستعامل بدرجه عاليه من الخصوصيه والسريه كما هوطبيعه الحال في جامعه هل. بالاضافه الى انه فى حال ان اتخدتم قرار اً بعدم الاشتراك في البحث او الانسحاب منه في اي وقت من الاوقات ولاى سبب من الاسباب فلن تكون هناك ايه مشكله او تبعات بل لسيادتكم كامل الحرية في الانسحاب من المشاركه فى البحث في اي وقت ومن ثم فان اى معلومات او اجابات قد افدتم بها سوف لن تستخدم فى البحث.

وفى حال قبولكم المشاركه فى البحث فان كل المعلومات التى ستفيدونها فى استماره الاستبيان سوف تحفظ بسريه تامه و وتحت اسم مشفر للمشترك او كود معين .وعند نشر رساله الدكتوراه سيكون من المستحيل التعرف علي شخصيه سيادتكم.

الاجابه على استماره الاستبيان سوف تستغرق حوالى 25-30 دقيقه. كما انه من الممكن ان يقوم الباحث او مشرفيه او ممتحنيه بالاتصال بكم في المستقبل.

من فضلك بمجرد الانتهاء من ملئ الاستبيان برجاء اعادته الى الشركه داخل الظرف المرفق ومعه ايضا نسخه من استماره الموافقه على الاشتراك فى البحث بعد توقيعها.

وتقديرا لدوركم فى هذا البحث ولوقتكم وجهدكم الثمين فانه يشرفنى ان اقوم بارسال نسخه من نتائج و توصيات هذا البحث لسيادتكم حال الانتهاء منه. وفى النهايه لايسعنى الا ان اتقدم بالشكر الجزيل لسيادتكم لموافقتكم على المشاركه فى هذا البحث.

احمد سعيد شعلان

باحث دكتوراه بجامعه هل بانجلترا

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ارجو الا تتردد في الاتصال اذا كانت لدي سيادتكم اي استفسارات.

استبيان عن استخدام شبكه العلاقات الشخصيه للعاملين فى جذب عملاء للشركات

أحيانا يقوم أحد الأشخاص من شبكه علاقاتك الشخصيه (صديق, قريب, زميل دراسه) والذى يعمل فى أحد الشركات بدعوتك لتكون أحد عملاء هذه الشركه التى يعمل بها. وبالتالى فانك تبدأ بالفعل فى التعامل مع هذه الشركه حتى تصبح عميلا لها. أستماره الاستقصاء هذه من أجل **أولا:** دراسه طبيعه العلاقه الشخصيه بينك وبين الشخص الذى دعاك لتكون عميلا لهذه الشركه و**ثانيا:** طبيعه العلاقه بينك وبين الشركه نفسها

ألقسم الأول: من فضلك اجب عن الأسئله التاليه بوضع علامه فى المربع المناسب الذى يمثل اجابت

الجنس ☐ ذكر ☐ أنثى

العمر ☐ أقل من 20 سنه ☐ 20- 29 سنه ☐ 30 - 39 سنه ☐ 40 - 49 سنه ☐ 50 سنه فأكثر

المستوى التعليمى ☐ دكتوراه ☐ ماجستير ☐ بكالوريوس ☐ دبلوم ☐ ثانويه عامه ☐ أخرى (برجاء ذكرها) _____

ما هو اساس العلاقه بينك وبين الشخص الذى يعمل بهذه الشركه و دعاك لتكون عميلا لهذه الشركه ؟ (بامكانك اختيار اكثر من اجابه)

☐ قريب ☐ صديق ☐ جار أو من نفس المنطقه السكنيه ☐ زميل فى النادى الاجتماعى ☐ زميل دراسه ☐ زميل عمل سابق
☐ أخرى (برجاء ذكرها) ____________________

منذ متى تقريبا وانت تربطك علاقه بالشخص الذى يعمل بهذه الشركه ودعاك لتكون عميلا لهذه الشركه؟

☐ أقل من 5 سنوات ☐ 5 – 10سنوات ☐ 11- 15 سنه ☐ 16- 20 سنه ☐ أكثر من 20 سنه

هذه الشركه يمكن وصفها بانها شركه؟

☐ صناعيه ☐ تجاريه ☐ خدمات ☐ أخرى (برجاء ذكرها) ____________________

ما هو القطاع الذى تعمل فيه هذه الشركه؟ (برجاء ذكره) ____________________

(على سبل المثال: قطع غيار السيارات, المأكولات و المشروبات, الأثاث, المنتجات الطبيه , أدوات صحيه)

منذ متى تقريبا, وأنت عميل لهذه الشركه ؟

☐ أقل من سنه ☐ 1-3 سنوات ☐ 4-6 سنوات ☐ 7-9 سنوات ☐ 10 سنوات فأكثر

القسم الثانى: العبارات فى هذا القسم هدفها هو التعرف على طبيعه العلاقه الشخصيه بينك وبين الشخص الذى يعمل بهذه الشركه ودعاك لتكون عميلا لهذه الشركه. الرجاء وضع دائره أو علامه واضحه على الرقم المناسب الذى يمثل اجابتك الدقيقه.

غير موافق على الاطلاق	غير موافق	محايد أو ليس لدى راى	موافق	موافق بشده
1	2	3	4	5

الشخص الذى يعمل بهذه الشركه ودعانى لاكون عميلا لهذه الشركه					
شخص جدير بالثقه	1	2	3	4	5
شخص صادق جدا	1	2	3	4	5
شخص يمكن الاعتماد عليه	1	2	3	4	5
شخص يعطى وعود جاده	1	2	3	4	5
شخص دائما ما يوفى بوعوده	1	2	3	4	5
شخص لا يعطى اى وعود كاذبه	1	2	3	4	5
انا والشخص الذى يعمل بهذه الشركه ودعانى لاكون عميلا لهذه الشركه دائما					
نعتمد على بعضنا البعض	1	2	3	4	5
قريبين من بعضنا البعض	1	2	3	4	5
نحاول بجد اقامه علاقه طويله الأجل مع بعضنا البعض	1	2	3	4	5
على اتصال ببعضنا البعض باستمرار	1	2	3	4	5
نتحدث مع بعضنا البعض بصراحه كالاصدقاء المقربين	1	2	3	4	5
على اتصال اجتماعى ببعضنا البعض	1	2	3	4	5
نتفهم وجهات نظر بعضنا البعض	1	2	3	4	5

غير موافق على الاطلاق	غير موافق	محايد أو ليس لدى راى	موافق	موافق بشده
1	2	3	4	5

نتفهم اهداف بعضنا البعض	1	2	3	4	5
نتفهم احتياجات بعضنا البعض	1	2	3	4	5
نحافظ على مشاعر بعضنا البعض	1	2	3	4	5
نتعاطف مع بعضنا البعض اذا حدث لاحدنا مشكله	1	2	3	4	5
نساعد بعضنا البعض اذا حدث لاحدنا مشكله	1	2	3	4	5
نعطى كثير من الاهتمام لنظره الاخرين لنا	1	2	3	4	5
نعتقد انه كلما زادت سمعتنا الطيبه كلما زاد احترام الاخرين لنا	1	2	3	4	5
نشعر بالاحراج اذا رفض الاخرون قبول مجاملاتنا أو خدماتنا	1	2	3	4	5
نحرص دائما على ان لا نجعل بعضنا البعض يشعر بعدم الارتياح أو الاحراج فى اى موقف من المواقف	1	2	3	4	5
يوجد بيننا ود ومحبه	1	2	3	4	5
نستمتع بلقاء بعضنا البعض للاسترخاء فى اماكن محببه لدينا (مقهى أو مطعم أو نادى اجتماعى)	1	2	3	4	5
نستمتع بالتواصل المستمرمع بعضنا البعض	1	2	3	4	5
نتبادل الهدايا مع بعضنا البعض (ليس من الضرورى ان تكون هدايا غاليه أو مكلفه)	1	2	3	4	5
نستمتع بمساعده بعضنا البعض	1	2	3	4	5
في إطار العلاقة بيني وبين الشخص الذى يعمل بهذه الشركه ودعانى لاكون عميلا لهذه الشركه					
يعتبر تبادل المجاملات والخدمات شئ اساسى فى هذه العلاقه	1	2	3	4	5
يعتبر شئ سيئ جدا عدم رد المجاملات والخدمات لبعضنا البعض	1	2	3	4	5
يعتبرطلب المجاملات أو الخدمات من بعضنا البعض جزء اساسى فى العلاقه الاجتماعيه بيننا	1	2	3	4	5
المجاملات والخدمات التى نؤديها لبعضنا البعض ساعدت فى بناء علاقه قويه بيننا	1	2	3	4	5
نشعر بانه يجب علينا الالتزام باداء المجاملات والخدمات لبعضنا البعض	1	2	3	4	5
نشعر بالاحراج الشديد اذا لم نستطيع ان نقوم بالخدمات التى نطلبها من بعضنا البعض	1	2	3	4	5

القسم الثالث: العبارات فى هذا القسم هدفها هو التعرف على نوع الامتيازات التى تحصل عليها من الشركه. الرجاء وضع دائره أو علامه واضحه على الرقم المناسب الذى يمثل اجابتك الدقيقه.

غير موافق على الاطلاق	غير موافق	محايد أو ليس لدى راى	موافق	موافق بشده
1	2	3	4	5

غالبا ما اتلقى من هذه الشركه دعوه للغداء أو للعشاء أو رحله ترفيهيه أو هدايا (قلم أو نتيجه أوامساكيه أو اجنده أوغيرها)	1	2	3	4	5
غالبا ما اتلقى من هذه الشركه التهنئه فى اى مناسبه سواء عامه (مثل: رمضان او راس السنه) او خاصه (مثل: عيد ميلاد او فرح)	1	2	3	4	5
غالبا ما اتلقى من هذه الشركه معامله تفضيليه خاصه	1	2	3	4	5
غالبا ما اتلقى من هذه الشركه معلومات مخصصه لى فقط	1	2	3	4	5
غالبا ما اتلقى من هذه الشركه منافع ذات قيمه دون ان اتحمل اى تكلفه اضافيه (مثل:الحصول على طلباتى بشكل اسرع من العادى)	1	2	3	4	5
هذه الشركه غالبا ما تقوم بتغييرات فى طريقتها فى اداء العمل من اجلى (مثل: التغليف بشكل معين اواجراء تغييرات فى المنتج حسب طلبى)	1	2	3	4	5
هذه الشركه تخصص افضل موظفيها للتعامل معى وخدمتى كعميل	1	2	3	4	5
هذه الشركه غالبا ما تقوم بتغييرات فى سياسات واجراءات الشركه من اجلى	1	2	3	4	5
هذه الشركه غالبا ما تعطى لى الأولويه عندما تكون البضاعه متوافره لديها	1	2	3	4	5
هذه الشركه غالبا ما توفر لى المنتجات والخدمات من مصادر أخرى اذا لم تتوافر لديها هذه المنتجات وذلك لمساعدتى	1	2	3	4	5
هذه الشركه غالبا ما توفر لى ما احتاجه من معلومات وتقارير خاصه	1	2	3	4	5
هذه الشركه غالبا ما توفر لى مجموعه متنوعه من الطرق المناسبه للحصول على المعلومات التى احتاجها منها	1	2	3	4	5
هذه الشركه غالبا ما تعطينى منتجات أو خدمات مجانيه	1	2	3	4	5
هذه الشركه غالبا ما تعطينى اسعار وخصومات خاصه	1	2	3	4	5
هذه الشركه غالبا ما تعطينى فوائد ماليه وحوافز خاصه	1	2	3	4	5
هذه الشركه غالبا ما تعطينى خصومات اضافيه اذا تجاوزت مشترياتى مبلغ معينا	1	2	3	4	5
هذه الشركه غالبا ما تعطينى تسهيلات ائتمانيه (بيع بالاجل) (على الحساب)	1	2	3	4	5
هذه الشركه غالبا ما توفر لى طلباتى بدون دفع مقدم	1	2	3	4	5
هذه الشركه غالبا ما توفر لى طلباتى دون ان ادفع الا بعد الاستلام	1	2	3	4	5

<u>القسم الرابع:</u> العبارات فى هذا القسم هدفها هو التعرف على <u>طبيعه العلاقه بينك وبين الشركه التى يعمل بها الشخص الذى دعاك لتكون عميلا لهذه الشركه (وليست العلاقه بينك وبين هذا الشخص)</u>. <u>الرجاء وضع دائره أو علامه واضحه على الرقم المناسب الذى يمثل اجابتك الدقيقه</u>.

غير موافق على الاطلاق	غير موافق	محايد أو ليس لدى راى	موافق	موافق بشده
1	2	3	4	5

يعتبر تبادل الخدمات هو شئ اساسى فى العلاقه بينى وبين هذه الشركه	1	2	3	4	5
في إطار العلاقة بيني وبين هذه الشركه نشعر بانه يجب علينا الالتزام باداء الخدمات لبعضنا البعض	1	2	3	4	5
في إطار العلاقة بيني وبين هذه الشركه يجب على الشركه ان ترد لى المساعده اذا قمت بمساعدتهاعندما تواجهها أى صعوبات	1	2	3	4	5
في إطار العلاقة بيني وبين هذه الشركه يجب على ان ارد المساعده اذا قامت الشركه بمساعدتى عندما تواجهني أية صعوبات	1	2	3	4	5
في إطار العلاقة بيني وبين هذه الشركه فانها لاتنسى لى المعروف الذى قدمته لها	1	2	3	4	5
في إطار العلاقة بيني وبين هذه الشركه انا لا انسى اى معروف قدمته لى الشركه	1	2	3	4	5
انا راضى عن ما ادفعه من مال فى مقابل ما احصل عليه من مشتريات	1	2	3	4	5
التعامل بينى وبين هذه الشركه يحقق لنا منافع متبادله	1	2	3	4	5
هناك عداله فى تعاملى مع هذه الشركه	1	2	3	4	5
منتجات وخدمات هذه الشركه اسعارها مرضيه	1	2	3	4	5
هذه الشركه تعطينى منتجات وخدمات قيمه	1	2	3	4	5
بشكل عام هناك تبادل عادل للمنافع فيما بيننا	1	2	3	4	5
انا على استعداد لان امشى مسافه اضافيه فى مقابل ان اشترى من هذه الشركه بالذات	1	2	3	4	5
يمكن ان اقدم بعض التنازلات لمساعده هذه الشركه (سعر زياده, مجهود اضافى)	1	2	3	4	5
ساستمر فى التعامل مع هذه الشركه حتى لو ان اسعارها زادت فى المستقبل	1	2	3	4	5
لدى الرغبه فى استمرار علاقتى مع هذه الشركه	1	2	3	4	5
علاقتى مع هذه الشركه تستحق المجهود للحفاظ عليها	1	2	3	4	5
علاقتى مع هذه الشركه تعتبر شئ مهم بالنسبه لى	1	2	3	4	5
علاقتى مع هذه الشركه شئ يستحق الاهتمام به	1	2	3	4	5
علاقتى مع هذه الشركه هى علاقه طويله المدى	1	2	3	4	5
علاقتى مع هذه الشركه تحقق لى اهدافى	1	2	3	4	5
علاقتى مع هذه الشركه تحقق لى توقعاتى	1	2	3	4	5
علاقتى مع هذه الشركه هى علاقه قويه	1	2	3	4	5
علاقتى مع هذه الشركه هى علاقه ممتازه	1	2	3	4	5
لدى نيه لاعاده الشراء من هذه الشركه فى المستقبل	1	2	3	4	5
سأواصل الشراء من هذه الشركه	1	2	3	4	5
اتوقع ان تستمر علاقتى مع هذه الشركه لفتره طويله	1	2	3	4	5
انا على استعداد للشراء من هذه الشركه بسعرعالى للحد من مخاطر الشراء من مصدر منافس	1	2	3	4	5
انا عاده لا اعطى اهتمام لعروض المنافسين	1	2	3	4	5
انا انصح كل شبكه علاقاتى الاجتماعيه (اهلى واصدقائى وكل معارفى) بالشراء من هذه الشركه	1	2	3	4	5
هذه الشركه يمكن الوثوق فيها تماما	1	2	3	4	5
هذه الشركه تعاملنى بكل صدق وصراحه	1	2	3	4	5
هذه الشركه تعطينى وعود جاده يمكن الاعتماد عليها	1	2	3	4	5
هذه الشركه تفى بالتزاماتها تجاهى	1	2	3	4	5
هذه الشركه تقدم لى سلع وخدمات اثق فيها	1	2	3	4	5
هذه الشركه دائما ما تقوم بالافعال الصحيحه	1	2	3	4	5
هذه الشركه تقوم باستمرار بتوفير سلع وخدمات ذات جوده عاليه	1	2	3	4	5
هذه الشركه غالبا ما تفى بالوعود الذى اعطاها لى الشخص الذى دعانى لاكون عميلا لهذه الشركه	1	2	3	4	5
هذه الشركه تسعى لتجنب اى خلافات محتمله	1	2	3	4	5
هذه الشركه تحاول ان تحل اى خلافات واضحه قبل ان تتحول الى مشاكل كبيره	1	2	3	4	5
هذه الشركه تحاول ان تشركنى فى حل المشاكل	1	2	3	4	5
هذه الشركه تاخذ على محمل الجد اى شئ يقلقنى	1	2	3	4	5
هذه الشركه تحاول ان تحل مشاكلى بسرعه	1	2	3	4	5
هذه الشركه تحاول ان تحل مشاكلى بسهوله	1	2	3	4	5

غير موافق على الاطلاق	غير موافق	محايد أو ليس لدى راى	موافق	موافق بشده
1	2	3	4	5

هذه الشركه تحاول بكل صدق وصراحه مناقشه الحلول عندما تنشا المشاكل	1	2	3	4	5
هذه الشركه تحاول ان تبذل الجهد المناسب لحل مشاكلى	1	2	3	4	5
هذه الشركه توفر لى المعلومات فى الوقت المناسب	1	2	3	4	5
هذه الشركه توفر لى معلومات موثوقه	1	2	3	4	5
هذه الشركه توفر لى معلومات دقيقه	1	2	3	4	5
هذه الشركه توفر لى معلومات متكامله	1	2	3	4	5
هذه الشركه تمدنى باستمرار بمعلومات حديثه عن المنتجات والخدمات الجديده	1	2	3	4	5
هذه الشركه تمدنى باستمرار بمعلومات حديثه عن اى تطورات فى الشركه	1	2	3	4	5
هذه الشركه تمدنى باستمرار بمعلومات حديثه عن فوائد منتجاتها وخدماتها	1	2	3	4	5
هذه الشركه تمدنى باستمرار بمعلومات حديثه عن اى مناسبات (اوكازيون) أو اى تغييرات (نقل مكان الشركه,فتح فرع جديد)	1	2	3	4	5
من السهل الاتصال بهذه الشركه لاى استفسار	1	2	3	4	5
بصفه عامه انا راضى عن المعلومات التى توفرها لى هذه الشركه	1	2	3	4	5
العاملون فى هذه الشركه عاده ما يتفهمون وجهه نظرى	1	2	3	4	5
العاملون فى هذه الشركه عاده ما يتفهمون اهدافى	1	2	3	4	5
العاملون فى هذه الشركه عاده ما يتفهمون احتياجاتى	1	2	3	4	5
العاملون فى هذه الشركه عاده ما يتفهمون مشاعرى	1	2	3	4	5
العاملون فى هذه الشركه عاده ما يتعاطفون معى عندما اواجه مشكله	1	2	3	4	5
العاملون فى هذه الشركه عاده ما يقدمون لى الدعم عندما يكون لدى مشكله	1	2	3	4	5
العاملون فى هذه الشركه عاده ما يعطونى اهتمام شخصى	1	2	3	4	5
العاملون فى هذه الشركه عاده ما يشاركوننى نفس القيم	1	2	3	4	5
العاملون فى هذه الشركه عاده ما يشاركوننى نفس وجهات النظر حول الامور المحيطه بنا	1	2	3	4	5
العاملون فى هذه الشركه عاده ما يومنون بنفس الاشياء التى أومن بها	1	2	3	4	5
العاملون فى هذه الشركه عاده ما يشاركوننى نفس الاراء حول معظم الاشياء	1	2	3	4	5
العاملون فى هذه الشركه عاده ما يشاركوننى نفس المشاعر تجاه الاشياء من حولنا	1	2	3	4	5
عاده كيف تتلقى المعلومات من هذه الشركه (بريد, بريد الكترونى, رسائل قصيره, تليفون, موبايل)؟ (برجاء ذكره) ____________					

القسم الخامس: من فضلك اجب عن الاسئله التاليه بوضع علامه على المربع المناسب الذى يمثل اجابتك

أ) اذا ترك الشخص ،الذى دعاك لتكون عميلا لهذه الشركه، العمل فى هذه الشركه وطلب منك ان تترك هذه الشركه وودعاك ان تتحول معه لشركته الجديده هل ستظل تشترى من هذه الشركه ؟

1- ☐ **نعم** **اذا كانت اجابتك نعم برجاء اجب عن سؤال (ب) ثم (د) واترك السؤال (ج)**

2- ☐ **لا** **اذا كانت اجابتك لا برجاء اجب عن سؤال (ج) ثم (د) واترك السؤال (ب)**

ب) انا سوف اشترى من هذه الشركه لسبب أو اكثر من الأسباب التاليه (بامكانك اختيار اكثر من اجابه)

ملاحظه: من فضلك اجب عن هذا السوال اذا كانت اجابتك على السؤال (أ) نعم ثم انتقل للاجابه على سؤال (د) مباشره واترك سؤال (ج)

☐ لاننى راضى تماما عن هذه الشركه

☐ هذه الشركه قامت ببناء علاقه جيده معى

☐ هذه الشركه تقدم لى الكثير مقارنه بالشركات الأخرى

☐ ما قدمته وفعلته الشركه لى كافى للاحتفاظ بى كعميل

☐ هذه الشركه تعتبر افضل بديل متاح حاليا

☐ أسباب أخرى من فضلك اذكرها ____________

من فضلك انتقل الى السؤال (د) مباشره واترك سؤال (ج)

ج) انا سوف اترك هذه الشركه لسبب أو اكثر من الأسباب التاليه (بامكانك اختيار اكثر من اجابه)

ملاحظه: من فضلك اجب عن هذا السوال اذا كانت اجابتك على السؤال (أ) لا

☐ انا لا ارغب ان ابقى فى هذه الشركه طالما الشخص الذى دعانى لاكون عميلا لهذه الشركه ترك العمل بها

☐ انا لا استطيع ان ابقى عميل لهذه الشركه اذا طلب منى الشخص الذى دعانى لاكون عميلا لهذه الشركه ان اترك هذه الشركه واتحول معه لشركته الجديده

☐ انا غير راضى عن هذه الشركه ☐ هذه الشركه لم تقم ببناء علاقه جيده معى

☐ هذه الشركه لم تقدم لى الكثير مقارنه بالشركات الأخرى ☐ ما قدمته هذه الشركه لى غير كافى للاحتفاظ بى كعميل

☐ هذه الشركه لا تعتبر افضل بديل متاح حاليا

☐ أسباب أخرى من فضلك اذكرها ________________________

د) ما هى الاشياء الاكثر جاذبيه فى هذه الشركه؟ (من فضلك اذكرها)

(على سبيل المثال: السعر, المنتجات, الخدمات, المعلومات التى توفرها, الخصومات, العروض, طريقتهم فى التعامل, طريقتهم فى بناء العلاقه مع العملاء, طريقتهم فى اداء العمل)

- ________________________
- ________________________
- ________________________
- ________________________
- ________________________
- ________________________

ه) ما هى اقتراحاتك التى تعطيها للشركه لكى تزيد من مستوى احتفاظها بالعملاء؟ (من فضلك اذكرها بترتيب الاهميه)

- ________________________
- ________________________
- ________________________
- ________________________
- ________________________
- ________________________

القسم السادس: تعليقات اضافيه

من فضلك اذا كان لديك اى تعليق أو ملاحظه تشعر انها قد تكون مهمه لهذا البحث, برجاء استخدم الجزء التالى لوضع تعليقك.

____
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اذا كنت ترغب فى الحصول على نسخه من نتائج هذا البحث, برجاء اعطائنا طريقه الاتصال بك فى الجزء التالى.

البريد الالكترونى:________________________________أو

التليفون:________________________________أو

المحمول:________________________________أو

العنوان:________________________________

شكرا جزيلا على وقتكم وتعاونكم بالمشاركه فى هذا البحث

3- Questionnaire consent form in English

THE UNIVERSITY OF HULL

THE HUBS RESEARCH ETHICS COMMITTEE

CONSENT FORM: SURVEYS - QUESTIONNAIRES

I, of

Hereby agree to participate in this study to be undertaken by Ahmed Shaalan, PhD student at Hull University, Business School, and I understand that the purpose of the research is exploring the meaning of *guanxi*-type relationship and its link with relationship marketing within the Egyptian SME sector. Considering this aim, the researcher will seek to explore the following objectives:

1. To explore the origins and meaning (ethical and unethical) of *guanxi*-type relationships in Egyptian culture.
2. To explore the equivalent name of *guanxi*-type relationships in Egyptian culture.
3. To explore the key characteristics of *guanxi*-type relationships in Egyptian culture.
4. To explore the key variables of *guanxi*-type relationships in Egyptian culture.
5. To explore the advantages and disadvantages of *guanxi*-type relationships in respect to Egyptian SME sector.
6. To explore the role of *guanxi*-type relationships in attracting new customers to the SMEs in Egypt.
7. To explore the meaning of relationship marketing investment and which of its program/s is /are widely used and suitable for Egyptian SME sector.
8. To explore the meaning and key variables of relationship marketing with respect to the Egyptian SME sector.
9. To explore the relationship between *guanxi*-type relationships and relationship marketing; and how the SMEs can transfer personal relationships to organisational relationships and the impact of this on enhance the relationship quality and customer retention.
10. To explore how SMEs can avoid the problem the employee taking the customers they had brought them when leaving the company.

I understand that

1. Upon receipt, my questionnaire will be coded and my name and address kept separately from it.
2. Any information that I provide will not be made public in any form that could reveal my identity to an outside party, i.e. I will remain fully anonymous.
3. Aggregated results will be used for research purposes and may be reported in scientific and academic journals.
4. Individual results **will not** be released to any person except at my request and on my authorisation.
5. I am free to withdraw my consent at any time during the study, in which event my participation in the research study will immediately cease and any information obtained from me will not be used.
6. The researcher, supervisors and examiners could contact me in the future for further information
7. The questionnaire will take about 25- 30 minutes to complete

Signature of respondent: **Date:**

The contact details of the researcher are:

Ahmed S. Shaalan

Email: a.s.shaalan@2007.hull.ac.uk

Hull University Business School, Cottingham Road, Hull, HU6 7RX

The contact details of the secretary to the HUBS Research Ethics Committee are:

Karen Walton,

Hull University Business School, University of Hull, Cottingham Road, Hull, HU6 7RX

Email: k.a.walton@hull.ac.uk

Tel. 01482-463646.

4- Questionnaire consent form in Arabic

THE UNIVERSITY OF HULL

مدرسة ادارة الأعمال بجامعة هل – لجنة تقييم أخلاقيات البحث

استماره الموافقه على الاشتراك فى الاستبيان

أوافق أنا ....

علي الاشتراك في هذا البحث المقدم من احمد شعلان ، طالب الدكتوراه بجامعة هل قسم ادارة الأعمال. والهدف من هذا البحث هو تحديد معنى وخصائص مفهوم شبكة العلاقات الشخصيه وعلاقته بمفهوم التسويق بالعلاقات وذلك بالتطبيق على قطاع المشروعات الصغيره والمتوسطه المصريه.

وطبقا لهذا الهدف فان البحث يسعى لتحقيق الأهداف الفرعيه التاليه :-

1- اكتشاف اصل وتحديد معني مفهوم شبكة العلاقات فى المجتمع والثقافة المصرية وكذلك الجانب الأخلاقى والغير أخلاقى لاستخدام هذا المفهوم.

2- اكتشاف وتحديد الاسم المرادف للمفهوم الصينى جوانشى فى المجتمع والثقافة المصرية

3- اكتشاف والتعرف على الملامح أو الخصائص الرئيسية لمفهوم شبكة العلاقات الشخصية فى المجتمع والثقافة المصرية.

4- اكتشاف و تحديد المتغيرات أو العناصرالرئيسية لمفهوم شبكة العلاقات فى المجتمع والثقافة المصرية.

5- اكتشاف مزايا وعيوب تطبيق مفهوم شبكة العلاقات بالنسبة لقطاع الشركات الصغيرة والمتوسطة المصرية .

6- اكتشاف الدور الذى ممكن أن يلعبه استخدام مفهوم شبكة العلاقات فى جذب عملاء جدد للشركات الصغيرة والمتوسطة المصرية.

7- اكتشاف وتحديد معني مفهوم الاستثمار فى بناء العلاقات مع العملاء وأى من برامج هذا المفهوم أكثر استخداما ومناسبة لطبيعة المجتمع المصرى وقطاع الشركات الصغيرة والمتوسطة المصرية.

8- اكتشاف وتحديد معني ومكونات أو عناصرمفهوم التسويق بالعلاقات بالنسبة لقطاع الشركات الصغيرة والمتوسطة المصرية.

9- اكتشاف العلاقة بين مفهوم شبكة العلاقات الشخصية والتسويق بالعلاقات بالتطبيق على قطاع المشروعات الصغيرة المصرية، وكيف تستطيع الشركات تحويل العلاقه الشخصية الى علاقة مع المنظمة أوعلاقات منظمية وبالتالي تستطيع أن تحتفظ بعملائها.

10- اكتشاف كيف يمكن للشركات الصغيرة والمتوسطة أن تقوم بالاحتفاظ بعملائها بعد أن يقوم الموظف الذى دعاهم للانضمام للشركة بترك الشركة ودعوتهم لترك الشركة والانتقال معه.

وأنا أتفهم أن :-

1- اسمى وعنوانى وكل بياناتى سوف لن تذكر باى شكل من الاشكال فى أى جزء من أجزاء هذا البحث حيث أنه سوف يعبر عنهم بكود أو شفرة بدل من أن يذكر صراحة.

2- أي معلومات أوردتها بالبحث لن تعرض بأى شكل من الأشكال بطريقة تكشف عن هويتي لأي جهة خارجية وبالتالى فان شخصيتى سوف تظل غير معروفة.

3- النتائج الاجمالية للبحث سوف تستخدم للاغراض البحثية فقط وربما تنشر فى دوريات علمية.

4- لن يسمح بنشر النتائج الفردية للبحث - المبنية بناءا على اجاباتى- لأي شخص دون طلبا مني أو تصريحي بذلك.

5- أن مشاركتى فى البحث اختيارية وأن لي الحرية الكاملة في الانسحاب من المشاركة فى البحث في أي وقت ومن ثم فان أى معلومات قد أفدت بها سوف لن تستخدم فى البحث.

6- يمكن للباحث أو مشرفيه أو ممتحنيه أن يتصلوا بي في المستقبل للحصول علي معلومات مستقبلية.

7- ان الاجابه على استماره الاستبيان سوف تستغرق حوالى 25-30 دقيقه.

التوقيع **التاريخ**

البيانات الخاصة بالباحث :-

الاسم : أحمد سعيد شعلان

البريد الالكترنى للباحث: a.s.shaalan@2007.hull.ac.uk

العنوان: Hull University Business School, Cottingham Road, Hull, HU6 7RX

البيانات الخاصة بسكرتيرة لجنة تقييم اخلاقيات البحث بمدرسة ادارة الاعمال بجامعه هل:

Name: Karen Walton,

Address: Hull University Business School, Cottingham Road, Hull, HU6 7RX.

Email: k.a.walton@hull.ac.uk

Tel.: 01482-463646.

5- Companies invitation letter in English

Invitation to SME Requesting Participation in Final Survey

Dear Mr/Mrs/Ms: ___________________________________

My name is Ahmed Shaalan, a full time assistant lecturer at Tanta University (Egypt) and a third year PhD student at the University of Hull (United Kingdom). I am conducting research, under the supervision of Professor Jon Reast, Professor of Marketing and Business Strategy and director of the Centre of Marketing, Innovation and Applications (CMIA) Hull University, Business School, UK, with the aim of exploring the nature/meaning of *guanxi* type-relationships in Egypt and their connection to relationship marketing in the Egyptian SME sector. I am now entering the empirical phase of my research, which requires surveying the customers of SMEs in Egypt.

Considering this aim, I will seek to achieve the following objectives:

1. To explore the origins and meaning (ethical and unethical) of *guanxi*-type relationships in Egyptian culture.
2. To explore the equivalent names of *guanxi*-type relationships in Egyptian culture.
3. To explore the key characteristics of *guanxi*-type relationships in Egyptian culture.
4. To explore the key variables of *guanxi*-type relationships in Egyptian culture.
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8. To explore the meaning and key variables of relationship marketing with respect to the Egyptian SME sector.
9. To explore the relationship between *guanxi*-type relationships and relationship marketing; and how SMEs can transfer personal relationships to organisational relationships and the impact of this on enhancing relationship quality and customer retention.
10. To explore how SMEs can avoid the problem of employees taking customers they had brought when leaving the company.

This study is significant as it provides guidelines for SME managers to improve the effectiveness of their current marketing systems/programs by providing a deep understanding of the *shabakat al-alakat* (*guanxi*-type relationships) and relationship marketing. Moreover, it offers a new technique to attract new customers and retain them through a long-term relationship which does not end when the employee moves to a different organisation or department and the connections move with him or her. Moreover, this guideline helps SME managers to reduce their costs by attracting new customers and retaining them at low cost.

As a part of the research, with your permission, the researcher requests you to distribute questionnaires to customers of yours who were introduced and invited to the company by a member of staff who already had a good personal relationship with them (these questionnaires will be supplied and collected by the researcher). Those customers will sign a consent form thus they must be older than 18 years. It will not take the customer more than 30 minute to complete.

Your help is completely voluntary but highly important and appreciated. Participants will not be identified personally. When the results from my PhD thesis are published it will be impossible to identify an individual person or company. All information provided will be held in the strictest confidence, as has always been the policy of the University of Hull. No risks to either you or your customers are foreseen. If you choose not to participate or to withdraw from the study at any time, there will be no penalty or problem.

I will be happy to send a summary of my findings to your company. I would also be happy to present my findings to your organization. Finally, many thanks for your valuable time and effort.

Yours faithfully,

Ahmed Said Shaalan

PhD Researcher, University of Hull Business School

Email: a.s.shaalan@2007.hull.ac.uk or
ahmedsshaalan@hotmail.com

Mobile: UK: 0044 (0)7507469466
Egypt: 002 0103413053

The University of Hull Business School,
Cottingham Road, Hull
Hu6 7RX, UK.

Please do not hesitate to contact me if you have any queries.

6- Companies invitation letter in Arabic

خطاب دعوة الشركات الصغيرة المتوسطة للاشتراك فى البحث

السيد/ السيده مدير شركة ....

أنا أحمد شعلان معيد بكلية التجارة جامعة طنطا (جمهورية مصر العربية) و باحث دكتوراة بالسنه الثالثة بجامعة هل بالمملكة المتحدة. أقوم بدراسه الدكتوراه تحت اشراف أستاذ دكتور **جون ريست** أستاذ التسويق والاداره الاستراتيجيه بجامعة هل بانجلترا ومدير مركز التسويق والابتكار بالجامعة. بحث الدكتوراة الخاص بى يهدف الي تحديد معنى وخصائص مفهوم شبكة العلاقات الشخصية وعلاقته بمفهوم التسويق بالعلاقات وذلك بالتطبيق على قطاع المشروعات الصغيرة والمتوسطة المصرية.

وطبقا لهذا الهدف الرئيسى فان البحث يسعى لتحقيق الاهداف الفرعية التالية :-

1- اكتشاف اصل وتحديد معني مفهوم شبكة العلاقات فى المجتمع والثقافة المصرية وكذلك الجانب الأخلاقى والغير أخلاقى لاستخدام هذا المفهوم.

2- اكتشاف وتحديد الاسم المرادف للمفهوم الصينى جوانشى فى المجتمع والثقافة المصرية

3- اكتشاف والتعرف على الملامح أو الخصائص الرئيسية لمفهوم شبكة العلاقات الشخصية فى المجتمع والثقافة المصرية.

4- اكتشاف و تحديد المتغيرات أو العناصرالرئيسية لمفهوم شبكة العلاقات فى المجتمع والثقافة المصرية.

5- اكتشاف مزايا وعيوب تطبيق مفهوم شبكة العلاقات بالنسبة لقطاع الشركات الصغيرة والمتوسطة المصرية .

6- اكتشاف الدور الذى ممكن أن يلعبه استخدام مفهوم شبكة العلاقات فى جذب عملاء جدد للشركات الصغيرة والمتوسطة المصرية.

7- اكتشاف وتحديد معني مفهوم الاستثمار فى بناء العلاقات مع العملاء وأى من برامج هذا المفهوم أكثر استخداما ومناسبة لطبيعة المجتمع المصرى وقطاع الشركات الصغيرة والمتوسطة المصرية.

8- اكتشاف وتحديد معني ومكونات أو عناصرمفهوم التسويق بالعلاقات بالنسبة لقطاع الشركات الصغيرة والمتوسطة المصرية.

9- اكتشاف العلاقة بين مفهوم شبكة العلاقات الشخصية والتسويق بالعلاقات بالتطبيق على قطاع المشروعات الصغيرة المصرية، وكيف تستطيع الشركات تحويل العلاقه الشخصية الى علاقة مع المنظمة أوعلاقات منظمية وبالتالي تستطيع أن تحتفظ بعملائها.

10- اكتشاف كيف يمكن للشركات الصغيرة والمتوسطة أن تقوم بالاحتفاظ بعملائها بعد أن يقوم الموظف الذى دعاهم للانضمام للشركة بترك الشركة ودعوتهم لترك الشركة والانتقال معه.

هذه الدراسة تعتبر مهمة حيث أنها تقدم دليل عملى لمديرين المشروعات المتوسطة والصغيرة لتطوير كفاءة برامجهم التسويقية. بالاضافه الى ذلك فان هذه الدراسة تقدم طريقة وتقنية جديدة لجذب عملاء جدد للشركات و كذلك الاحتفاظ بهم وبناء علاقات منظمية طويلة الأجل معهم تؤدى فى النهايه الى ضمان ولائهم للشركة.

وأنا الان أقوم بالدراسه التطبيقية للبحث عن طريق استقصاء أراء العملاء للمشروعات الصغيرة والمتوسطة المصرية. وكجزء من هذه الدراسه التطبيقية فان شركتكم قد تم اختيارها كجزء من العينة المستهدفة فى هذا البحث. وبناء عليه فان الباحث يطلب مساعدتكم فى توزيع استمارة الاستبيان الى عملاء شركتكم والذى تم دعوتهم ليكونوا عملاء للشركة عن طريق شبكة العلاقات الشخصية للعاملين. علما ان العميل سوف يقوم بالتوقيع على استماره الموااققه على الاشتراك فى البحث لذلك فيجب ان يكون عمره 18 عام او اكثر. كما ان الاجابة على استمارة الاستقصاء لن تستغرق اكثر من 30 دقيقة.

ان مساعدتكم في هذا البحث تطوعية ولكنها علي درجه كبيرة من الاهمية والتقدير. كما ان كل المعلومات الخاصة بكم ستعامل بدرجه عالية من الخصوصية والسرية كما هوطبيعة الحال في جامعة هل. كما انه ليس هناك اى مخاطر متوقعة ناتجة من الاشتراك فى هذا البحث سواء لكم او لعملائكم. بالاضافة الى انه فى حال ان اتخدتم قرار بعدم الاشتراك في البحث او الانسحاب منه في اي وقت من الاوقات ولاى سبب من الاسباب فلن يكون هناك اية مشكلة او تبعات بل لسيادتكم كامل الحرية في الانسحاب من المشاركة فى البحث في أي وقت. كما أنه عند نشر رساله الدكتوراه سيكون من المستحيل التعرف علي شخصيه شركتكم أو عملائكم.

وكتقديرا لدوركم فى هذا البحث ولوقتكم وجهدكم الثمين فانه يشرفنى أن اقوم بارسال نسخه من نتائج و توصيات هذا البحث لسيادتكم حال الانتهاء منه كما أنه من دواعى سرورى أن أقوم بعرض نتائج وتوصيات هذا البحث أيضا لشركتكم أو منظمتكم. وفى النهايه لايسعنى لا ان أتقدم بالشكر الجزيل لسيادتكم لموافقتم المبدئيه على المشاركه فى هذا البحث.

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أرجو الا تتردد في الاتصال اذا كانت لدي سيادتكم أي استفسارات.

Appendix IV: Tables review the existing measures (scales) of research constructs in the literature

1- *Guanxi* variables

2- Relationship marketing investment programmes

3- Relationship marketing variables

4- Relationship quality

5- Customer retention

Guanxi variables (*Guanxi* as a Multi-Dimensions Construct)

Guanxi -Bonding

No	Constructs	Reference and Authors	Items	Scale Details	(B to C) Or (B to B)	Cronbach alpha 0.7+	Key Sources (Key Ref)	Definition	Selected items (Pool items)
1	Guanxi - Bonding	The effect of relationship marketing orientation on business performance in a service- oriented economy **Sin, Tse, Yan, Lee, and Chow (2002)**	1-We rely on each other 2-We both try very hard to establish a long-term relationship 3-We work in close co-operation 4-We keep in touch constantly	1 to 7	B to B	0.8505	**Mavondo and Rodrigo (2001)**	Bonding in Chinese context is a social or business behaviour in society via mutual commonalities and common backgrounds which used to establish and build a good relationship and eliminate doubt between parties (Yau et al., 2000)	**Sin et al., (2002,2005) ; Mavondo and Rodrigo (2001)** **Me and my contact person at this company always** 1-rely on each other. 2- try very hard to establish a long-term relationship. 3-keep in touch constantly. 4-often interact on a social basis. 5- close to each other. 6- talk openly as friends 7- consider whether each other's feelings are hurt before made an important decision.
2		Relationship marketing orientation scale development and cross-cultural validation **Sin, et al (2005)**	The same above	1to 7	B to B				
3		The effect of relationship dimensions on interpersonal and inter-organizational commitment in organizations conducting business between Australia and China **Mavondo and Rodrigo (2001)**	**Social Bonding** 1-I often interact with my partner on a social basis outside of work. 2-My partner and I are able to talk openly as friends. 3-I consider my partner as being almost as close to me as family. 4-If I were to change business partners, I would lose a good friend in my current partner. 5-I would consider whether my partner's feelings would be hurt before I made an important decision.		B to C & B to B	0.82			
4		Analyzing stage and duration of anglo-chinese business-to-business relationships **Yen and Barnes (2011)**	1-I often interact with my exporter's representative on a social basis outside of work 2-My exporter's representative and I are able to talk openly as friends 3-If I were to change this exporter, I would lose a good friend 4-I consider my exporter's representative as being almost as close to me as family 5-I would consider whether the feelings of the representative are hurt before making an important decision	1-7	B to B	0.86			

***Guanxi* - Empathy**

No	Constructs	Reference and Authors	Items	Scale Details	(B to C) Or (B to B)	Cronbach alpha 0.7+	Definition	Selected items (Pool items)
1	**Guanxi - Empathy or Renqing**	The effect of relationship marketing orientation on business performance in a service- oriented economy **Sin, Tse, Yan, Lee and Chow (2002)**	1-We always see things from each other's view 2-We know how each other's feels 3-We understand each other's value and goals 4-We care about each other's feelings	1 to 7	B to B	0.8331	**Empathy** is defined as "Trying to see the **desires, needs** and **goals** of the other side and allows for both relationship parties to **understand each other's viewpoint** (Parasuraman et al., 1988; Sin et al., 2002). Ndubisi (2004) adds that empathy "refers to **compassion or benevolence,** which denotes **kindness or goodwill** on the part of both partners"	**Sin et al., (2002,2005)** **Me and my contact person at this company always** 1- understand each other's viewpoint. 2- see things from each other's view 3-know how each other's feels 4- understand each other's desires 5- understand each other's goals 6- understand each other's needs 7-care about each other's feelings 8-show sympathy when each other have problems 9-provide support when each other have problems 10-give each other individual attention
2		Relationship marketing orientation scale development and cross-cultural validation **Sin, et al (2005)**	The same above	1 to 7	B to B			

Guanxi - Reciprocity

No	Constructs	Reference and Authors	Items	Scale Details	(B to C) Or (B to B)	Cronbach alpha 0.7+	Key Sources (Key Ref)	Definition	Selected items (Pool items)
1	**Guanxi - Reciprocity or Bao**	The dynamics of guanxi in China **Wong (1998)**	1-To pay back favor is more urgent than debts 2-The statement "Attack when near; befriend when distant" is very useful 3-Birds of a feature flock together 4-To be successful in negotiation, it is often necessary to compromise one's individual ethics 5-Encourage others to owe you a favour 6- Making concessions to a Chinese counterpart is a necessity					**Reciprocity** is considered the aspect of a business relationship that makes **one of the parties able to give something (help, support or make payment) to the other party in reward of a comparable thing (help, support or payment)** to be taken or received later (Callaghan et al.)	**Within the relationship between me and the contact person at this company** 1- the practice of "give and take" of favors is a key part 2- it is very bad not to return favors 3- "calling in" favors is part of social interaction 4- favors we do to each other have built good relationships 5- we feel a sense of obligation for doing each other favors 6- we feel embarrassed if we unable to provide each other a requested favor 7- we believe "never forget a good turn" for each other
2		Guanxi, trust, and long- term orientation in Chinese business markets **Lee and Dawes (2005)**	1-We will do the salesperson a favor if he did one for us before 2-The salesperson will do us favor if we did one for him before		B to C	0.85	Developed from interviews		
3		Impact of personal and cultural factors on knowledge sharing in china **Huang, Davison and Gu (2008)**	**Anticipated Reciprocal Relationships:** 1-My knowledge sharing would strengthen the ties between existing members in the organization and myself. 2-My knowledge sharing would get me well acquainted with new members in the organization. 3-My knowledge sharing would expand the scope of my association with other members in the organization. 4-My knowledge sharing would draw smooth cooperation from outstanding members in the future. 5-My knowledge sharing would create strong relationships with members who have common interests in the organization				Bock et al., (2005)		
4		The effect of relationship dimensions on interpersonal and inter-organizational commitment in organizations conducting business between Australia and China **Mavondo and Rodrigo (2001)**	1-``Calling in" favors is part of doing business. 2-The practice of ``give and take" of favors is a key part of the relationship between my partner and I. 3-I feel a sense of obligation to my business partner for doing me a favor. 4-I would feel embarrassed if I was unable to provide a requested favor to my partner. 5-It is bad business not to return favors. 6-If my partner was to do me a wrong, I would retaliate in kind.		B to C & B to B	0.74			

5		Analyzing stage and duration of anglo-chinese business-to-business relationships **Yen and Barnes (2011)**	1-I feel a sense of obligation to this supplier's representative to do him/her a favor 2-I think that "calling in" favors is part of doing business with this supplier's representative 3-The practice of "give and take" of favor is a key part of our relationship with supplier's representative 4-I would feel embarrassed if I was unable to respond to a requested favor from my supplier's representative 5-I know that it is a bad business not to return favors to this supplier's representative	1-7	B to B	0.90	Mavondo and Rodrigo (2001)		
6		A research model for Guanxi behavior: Antecedents, measures, and outcomes of Chinese social networking **Taormina & Gao (2010)**	"To what extent do you agree/disagree with the following statements?" 1-I often do favors for my associates. 2-My associates can rely on me to do favors for them. 3-I think it is important to return a favor to an associate. 4-I am appreciated for favors I do for my associates. 5- Favors I did for my associates have built good relationships with them.	1-7					
7		The effect of relationship marketing orientation on business performance in a service- oriented economy **Sin, Tse, Yan, Lee and Chow (2002)**	1-My company regards" never forget a good turn" as our business motto 2-We keep our promises to each other in any situation 3-If our customer give assistance when my company had difficulties , then I would be responsible for returning their kindness	1 - 7	B to B	0.7058			
8		Relationship marketing orientation scale development and cross-cultural validation **Sin, et al (2005)**	The same above	1 - 7	B to B				
9		The measurement of guanxi: introducing the GRX scale **Yen, Barnes, &Wang (2011)**	1-I feel a sense of obligation to this supplier's representative for doing him/her a favor. 2-I think that "calling in" favors is part of doing business with this supplier's representative. 3-The practice of "give and take" of favor is a key part of the relationship between my supplier's representative and me. 4-I would feel embarrassed if I was unable to provide a requested favor to my supplier's representative. 5-I know that it is a bad business not to return favors to this supplier's representative. 6-I am happy to do a favor for this supplier's representative, when he/she requests one.	1-7	B to C				

Guanxi - Personal Trust

No	Constructs	Reference and Authors	Items	Scale Details	(B to C) Or (B to B)	Cronbach alpha 0.7+	Key Sources (Key Ref)	Definition	Selected items (Pool items)
1	**Guanxi – Personal Trust or Xinyong**	The role of Xinyong and guanxi in Chinese relationship marketing **Leung, Lai, Chan and Wang (2005)**	1-You and your suppliers always tend to avoid opportunistic behavior 2-You know the supplier contact person so long and he /she has xinyong in the field 3-Your suppliers will carry out what the contact person promises 4-Your suppliers have good social credit rating in their fields	1-5	B to C			Trust means establishes credibility via past history and reputation in terms of the fulfillment of promises and obligations with mutual satisfaction and beneficial interactions (Kiong and Kee, 1998; Yau et al., 2000).	**The contact person at this company** 1-is trustworthy 2- has integrity 3-is very honest 4-is quite dependable 5- can be trusted completely 6-words and promises are reliable 7-fulfils his/her promises 8-gives me a feeling of trust 9-gives me a feeling of confidence 10-does not make any false claims 11-I trust in the contact person's suggestions
2		Use of relationship marketing programs in building customer-salesperson and customer-firm relationships: differential influences on financial outcome **Palmatier et al (2007)**	1- The rep firm gives me a feeling of trust. 2-I have trust in this rep firm. 3- This rep firm is trustworthy.	1-7	B to C		De Wulf, Odekerken-Schroder, and Iacobucci, 2001		
3		Selling partner relationships: the role of interdependence and relative influence **Smith and Barclay (1999)**	1-S/he is among the most honest people I knew 2-S/he has integrity 3-S/he is not very reliable 4-S/he is quite dependable 5-S/he is responsible 6-Sometimes/he does not follow through on commitment made 7-When it comes to hardware, this rep knows enough to be effective 8-S/he understand the customer business 9-This rep really knows the industry 10-S/he is not a friendly person 11-S/he is not especially likeable 11-I can count on this rep's ability to adopt to specific customer situations 12-Sometimes I wonder about the appropriateness of the decisions made by this rep 13-Sometimes his/ her judgment is way off 14-S/he often has ulterior motives for doing things 15-S/he acts with good intentions			0.92			

4		The dynamics of guanxi in china **Wong (1998)**	1-Try to make use of the principle of the "Mean" 2-Patience is a must in making money 3-Don't suspect your subordinates. If you suspect them, don't deal with them 4-Brotherliness is an important way of promoting useful relations 5-We can reach consensus on the major issues						
5		Guanxi, trust, and long-term orientation in Chinese business markets **Lee and Dawes (2005)**	**Buyer's trust in salesperson** 1-The salesperson has been frank in dealing with us 2-The sales person does not make any false claims 3-The salesperson has given us confidence 4-The sales person is trustworthy **Buying firm's trust in supplying firm** 1-If problems arise, the seller is honest about the problems 2-This seller keeps promises it makes to us 3-We believe the information given by this seller 4-This seller is genuinely concerned whether our company succeeds 5-When making decisions, this seller considers our welfare and its own 6-We trust that this seller keeps our best interests in mind 7-This seller is trustworthy		B to C B to B	.88 .88			
6		The effect of relationship dimensions on interpersonal and inter-organizational commitment in organizations conducting business between Australia and China **Mavondo and Rodrigo (2001)**	1-My partner is honest and truthful with me. 2-I have great confidence in my partner. 3-I feel that I can trust my partner. 4-Mutual trust has helped in developing my relationship with my partner. 5-My partner tries to take advantage of our relationship for his/her company's own sake						
7		Is guanxi (relationship) a bridge to knowledge transfer? **Ramasamy , Matthew and Yeung (2006)**	1-Our business partners are frank in dealing with us 2-Promises made by our business partners are reliable 3-Our business partners are knowledgeable about the products 4-Our firm believe in the information our business partners provide to us						

8		Performance in vegetable supply chains: the role of guanxi network and Buyer-Seller Relationships **Lu, Feng. Trienekens & Omta (2008)**	**Interpersonal Trust (seller)** 1-The buyers I trade with have a good reputation. 2-I should not hesitate to make important selling decisions based on my buyers' suggestions. 3-My previous relationships with my buyers are satisfactory. 4-I expect the buyers to work with me for a long time. 5-The buyers have been fair in their negotiations with me. 6-Based on experience, I can with complete confidence rely on the buyers to keep their promises to me. 7-The buyers are trustworthy **Interpersonal Trust (Buyer Sample)** 1-The suppliers we trade with in this market have a good reputation. 2-Our previous relationships with our suppliers are satisfactory. 3-We expect the suppliers to work with us for a long time. 4-Based on experience, we can with complete confidence rely on the suppliers to keep their promises to us. 5-The suppliers are trustworthy						
9		Influence of guanxi, trust and farmer-specific factors on participation in emerging vegetable markets in china **Lu, Trienkens, Omta &d Feng (2008)**	1-The buyers I trade with have a good reputation. 2-I should not hesitate to make important selling decisions based on my buyers' suggestions. 3-My current relationships with my buyers are satisfactory. 4-I expect my buyers to be working with me for a long time. 5-My buyers have been fair in their negotiations with me. 6-Based on experience, I can rely on my buyers with complete confidence to keep their promises to me. 7-The buyers are trustworthy	1-5		0.87			
10		Analyzing stage and duration of anglo-chinese business-to-business relationships **Yen and Barnes (2011)**	1-This exporter's representative has been frank in dealing with us 2-This exporter's representative does not make false claims 3-We do not think this exporter's representative is completely open in dealing with us (R) 4-This exporter's representative is only concerned about himself/herself (R) 5-I This exporter's representative does not seem to be concerned with our needs (R) 6-The people in our firm do not trust this exporter's representative(R) 7-This supplier's representative is not trustworthy (R)	1-7	B to B	0.73	Doney and Cannon (1997)		

11		Does Traditional Guanxi Matter for Smallholders in Modern Markets? A Structural Equation Modeling **Lu, Trienekens, Omta (2007)**	**Interpersonal Trust** 1-The buyers I trade with have a good reputation 2-We should not hesitate to make important selling decisions based on my buyers' suggestions 3-My previous relationships with my buyers are satisfactory 4-We expect the buyers to be working with us for a long time 5-The buyers have been fair in their negotiations with us 6-Based on experience, we can with complete confidence rely on the buyers to keep their promises to us 7-The buyers are trustworthy	1-5		0.87			
12		When do relationships pay off for small retailers? exploring targets and contexts to understand the value of relationship marketing **Adjei, Griffith and Noble (2009)**	**Relationship Quality With Customers - Trust.** 1-Our customers keep promises made to us. 2-Our customers are always frank and truthful with us. 3-We believe the information our customers provide us. 4-Our customers are genuinely concerned that our business succeeds. 5-When making decisions, our customers consider our welfare as wells as their own. 6-Our customers are trustworthy.	1-5	B to B & B to C				
13		Relationship stability, trust and relational risk in marketing channels: evidence from china **Liu, Li, Tao and Wang (2008)**	**Goodwill Trust** 1-Through circumstances change; we believe that this supplier will be ready and willing to offer us assistance and support. 2- When making important decisions, this supplier is concerned about our welfare. 3-When we share our problems with this supplier, we know that they will respond with understanding. 4- In the future we can count on this supplier to consider how its decisions and actions will affects us. 5-When it comes things which are important to us, we can depend on the supplier's support. **Competence Trust** 1-We believe that the supplier is competent to keep the promise they make to our firm. 2-This supplier's marketing policies help us to perform our tasks effectively. 3-This supplier provides a high quality of sales support. 4-The products provided by this supplier function well. 5-The products delivered by the supplier have good functionality.	1-7	B TO B				
14		The measurement of guanxi: introducing the GRX scale **Yen, Barnes, &Wang (2011)**	1-This supplier's representative has been frank in dealing with us. 2-This supplier's representative does not make false claims. 3-We think this supplier's representative is completely open in dealing with us 4-This supplier's representative is only concerned about himself/herself (R) 5-This supplier's representative seems to be concerned with our needs 6-The people at my firm do not trust this supplier's representative (R) 7-This supplier's representative is not trustworthy (R)	1-7	B to C				

Guanxi - Face

No	Constructs	Reference and Authors	Items	Scale Details	(B to C) Or (B to B)	Cronbach alpha 0.7+	Key Sources (Key Ref)	Definition	Selected items (Pool items)
1	**Guanxi - Face or Mianzi**	Guanxi, trust, and long-term orientation in Chinese business markets **Lee and Dawes (2005)**	1-Both we and the sales person care for face 2-The more respect we receive, the more "face" we have 3-We give "face" to the salesperson, and he also gives us face		B to C	0.89	Developed from interviews	Tsang (1998, p. 66) describes face or *mianzi* as the "public image" of a person or one's prestige and reputation. In Chinese culture, one's reputation is rooted through one's past behaviors, particularly moral behavior.	**Me and my contact person at this company always** 1-pay a lot of attention to how others see us 2-believe the more respect we receive, the more 'face' we have 3-feel a 'loss of face' when others turn down our favors 4-take care not to embarrass each other 5-take care not to make each other feel uncomfortable in any situation 6- not confront each other even if the other was in the wrong. 7- give each other an avenue out so that the other would not be embarrassed.
2		Impact of personal and cultural factors on knowledge sharing in china **Huang, Davison and Gu (2008)**	**Face Saving** 1-I pay a lot of attention to how others see me. 2-I am usually very particular about the way I dress because I do not want others to look down on me. **Face Gaining** 1-Sharing knowledge with my colleagues will make me gain face. 2-I would like to share my knowledge in public, because it will make me gain face.	1-7	B to C		Cheung et al., (2001)		
3		The effect of relationship dimensions on interpersonal and inter-organizational commitment in organizations conducting business between Australia and China **Mavondo and Rodrigo (2001)**	**Face-Giving** 1- I take care not to embarrass my partner or make him/her feel uncomfortable in any situation. 2-I would not confront my partner at a meeting even if he/she was in the wrong. 3-I always give my partner an avenue out so that he/she would not be embarrassed. 4-I am likely to resolve conflict in an agreeable way rather than through the use of power.		B to C & B to B	0.77			
4		Analyzing stage and duration of anglo-chinese business-to-business relationships **Yen and Barnes (2011)**	1-I take care not to embarrass my supplier's representative or make him/her feel uncomfortable in any situation. 2- I would not confront my supplier's representative at a public meeting even if he/she were in the wrong. 3-I always give my supplier's representative an avenue out so that he/she would not be embarrassed. 4-I am likely to resolve conflicts in an agreeable way, rather than through the use of power so that my supplier's representative would not feel embarrassed	1-7	B to B	0.93	Mavondo and Rodrigo (2001)		

5		A research model for Guanxi behavior: Antecedents, measures, and outcomes of Chinese social networking **Taormina & Gao (2010)**	‘‘To what extent do you agree/disagree with the following statements?” **Face Saving – Saving Other’s Face (5-items):** 1. If my associate has made a mistake, I tell others he/she had bad luck. 2. If my associate’s character is being questioned, I defend him or her. 3. If my associate has made an error, I take the responsibility. 4. If my associate has been humiliated, I divert attention elsewhere. 5. If my associate is saying something that will embarrass him/her, I interrupt immediately. **Face Giving – Giving Face to Others (5-items):** 6. I will recommend an associate to his/her superiors when I have the chance. 7. When I introduce an associate to others, I will emphasize his/her strengths. 8. If my associate has had a success, I will praise him or her openly. 9. If my associate invites me to a party, I will go even if I promised to be elsewhere. 10. I will introduce my colleagues to strangers by using the honorific title for them. Note: The ten Face Scale items can be combined into a single scale, or used as two separate scales	1-7					

Guanxi - Affection

No	Constructs	Reference and Authors	Items	Scale Details	(B to C) Or (B to B)	Cronbach alpha 0.7+	Key Sources (Key Ref)	Definition	Selected items (Pool items)
1	Guanxi - Affection or Ganqing	An empirical study of the effects of guanxi investment on customer loyalty **Tang, Chou and Chen (2008)**	1-I've developed a close friendship with the employees of this hotel. 2-Relative to other hotels, I am willing to spend more resources (e.g., time, energy) on this one. 3-The personnel in this hotel are our good friends, and we care about each other wholeheartedly. 4-We like the people in this hotel, and they like us.	1-7	B to C		Lee & Dawes, (2005)	It can be described as feeling and emotional attachment amongst members of the *guanxi* networks (Barnes, Yen and Zhou, 2011; Wang, 2007). It is often an indicator of closeness of *guanxi* members and reflect the quality of a relationship,	**Me and my contact person at this company** 1-have a very close relationship 2-care about each other wholeheartedly 3-like each other 4-meet each other in a relaxed environment (e.g. dining out) 5-enjoy the interaction and communication with each other 6-present (non expensive) souvenirs to each other 7- try our best to help each other
2		Guanxi, trust, and long-term orientation in Chinese business markets **Lee and Dawes (2005)**	1-The salesperson sometimes presents (non expensive) souvenirs to us 2-He sends greeting cards to us when there is a marriage, promotion, and so forth 3-He is our good friend, and we care about other wholeheartedly. 4-We like the sales person and s/he likes us **Social Contact** 1-The salesperson often contacts us after office hours 2-The salesperson usually meets us in a relaxed environment (e.g. dining out) 3-The salesperson usually gets together with us primarily to have fun 4-The salesperson often talks about common interests besides work		B to C	0.88	Developed from Interviews		
3		Relationship strength in service Industries **Shi et al. (2009)**	1-I have a good personal friendship with the agent. 2. I enjoy the interaction with him/her. 3. I defend this agent when others criticize him/her. 4. I care about his/her long-term success. 5. We have a very close relationship. 6. I feel distant from this agent. (R) 7. I don't like this person. (R)	1-7	B to B				

4		Supervisor-subordinate guanxi: developing a three-dimensional model and scale **Chen, Fridman, Enhai, Fang and Lu (2009)**	**Affective Attachment** 1. My supervisor and I always share thoughts, opinions, and feelings toward work and life. 2. I feel easy and comfortable when I communicate with my supervisor. 3. I would feel sorry and upset if my supervisor decided to work for another company. 4. If my supervisor has problems with his/her personal life, I will do my best to help him/her out. **Personal-life Inclusion** 1. My supervisor would ask me to help him/her deal with some family errands. 2. During holidays, my supervisor and I would call each other or visit each other. 3. After office hours, I have social activities together with my supervisor, such as having dinner together or having entertainment together, which go beyond work duties. 4. I am familiar with the family members of my supervisor and have personal contact with these members. **Deference to Supervisor** 1. I am willing to obey my supervisor unconditionally. 2. While I disagree with my supervisor, I would still support his/her decisions. 3. I am willing to give up my goals in order to fulfill my supervisor's goals. 4. I am willing to sacrifice my interests in order to fulfill my supervisor's interests.	1-7					
5		The measurement of guanxi: introducing the GRX scale **Yen, Barnes, &Wang (2011)**	**Ganqing** I often interact with my supplier's representative on a social basis outside of work. My supplier's representative and I are able to talk openly as friends. If I were to change this business supplier, I would lose a good friend I consider my supplier's representative as being almost as close to me as family I would consider whether my supplier representative's feelings would be hurt before I made an important decision I have a brotherhood feeling towards this supplier's representative I would try my best to help out this supplier's representative when he/she is in need because he/she is a friend of mine	1-7	B to C				

Relationship Marketing Investment Programs – Social Programs

No	Constructs	Reference and Authors	Items	Scale Details	(B to C) Or (B to B)	Definition	Selected items (Pool items)
1	Relationship Investment - Social Programs	Return on business-to – business relationship marketing investments: strategies for leveraging profits **Palmatier, Gopalakrishna and Houston (2006)**	1-This customer is often provided meals ,entertainment, or gifts by me or my rep firm 2-This customer often receives special treatment or status 3-This customer often receives special reports and/or information 4-The average monthly cost to provide the social benefits listed above is…	1-7 1= strongly disagree 7= strongly agree	B to B	social relationship marketing programs include meals, special treatment, entertainment, and which are believed to have a strong impact on relationships	**From this company, I often receive** 1-meals ,entertainment, or gifts 2-special treatment or status 3-special reports or personalized information
2		Use of relationship marketing programs in building customer-salesperson and customer-firm relationships: Differential influences on financial outcomes **Palmatier, Scheer, Housten, Evans And Gopalakrishna (2007)**	The Same above	1-7 1= strongly disagree 7= strongly agree	B to C		
3		How to lengthen, deepen and broaden customer-firm relationships with online financial services? **Liang and Chen (2009)**	1.-This company keeps in touch with me. 2-This company provides me the targeting e-mail. 3-This company collects my opinions about services.	1-7	B to C		
4		Does online relationship marketing enhance customer retention and cross-buying **Liang, Chen, Wang (2008)**	1-This online securities corporation keeps in touch with me. 2-This online securities corporation is concerned with my needs. 3-This online securities corporation helps me resolve problems regarding my account. 4-This online securities corporation asks my opinions about services.	1-7	B to C		

Relationship Marketing Investment Programs – Structural Programs

No	Constructs	Reference and Authors	Items	Scale Details	(B to C) Or (B to B)	Definition	Selected items (Pool items)
1	**Relationship Investment - Structural Programs**	Return on business-to – business relationship marketing investments: strategies for leveraging profits **Palmatier, Gopalakrishna and Houston (2006)**	1-This customer often receives special value-added benefits (inventory control, expediting, etc.) 2-Special structural change (EDI, Packaging, etc.)Have been instituted for this customer. 3-Our policies and procedures are often adapted for this customer. 4-Dedicated personnel are assigned to this customer beyond what is typical for our rep firm. 5- The average monthly cost to provide the structural benefits listed above is…	1-7 1= strongly disagree 7= strongly agree	B to B	Berry (1995); Palmatier et al. (2006) add structural relationship marketing programs include customized order processing systems, dedicated personnel, and tailored packaging which increase productivity or efficiency (or both) for customers	**From this company, I often receive** 1-special value-added benefits (inventory control, expediting, etc.) 2-special structural change (tailored Packaging, customized order processing, etc.) 3-special dedicated personnel 4-special adaption to the company policies and procedures 5-first priority when requested products are available 6-products or services from other sources to resolve my problems. 7-special news, reports or transaction information that I need. 8-variety of ways to get information more efficiently.
2		Use of relationship marketing programs in building customer-salesperson and customer-firm relationships: differential influences on financial outcomes **Palmatier, Scheer, Houston, Evans And Gopalakrishna (2007)**	The Same above	1-7 1= strongly disagree 7= strongly agree	B to C		
3		How to lengthen, deepen and broaden customer-firm relationships with online financial services? **Liang and Chen (2009)**	1.-This company offers me a variety of ways to get information more efficiently. 2-This company provides me with news, study reports or transaction information that I need. 3-This company provides products or services from other sources to resolve my problems.	1-7	B to C		
4		Does online relationship marketing enhance customer retention and cross-buying **Liang, Chen, Wang (2008)**	1-This online securities corporation offers me a variety of ways to get information more efficiently. 2-This online securities corporation provides me with news, study reports, or transaction information that I need. 3-This online securities corporation provides products or services from other sources to resolve my problems.	1-7	B to C		

Relationship Marketing Investment Programs – Financial Programs

No	Constructs	Reference and Authors	Items	Scale Details	(B to C) Or (B to B)	Definition	Selected items (Pool items)
1	**Relationship Investment - Financial Programs**	Return on business-to –business relationship marketing investments: strategies for leveraging profits **Palmatier, Gopalakrishna and Houston (2006)**	1-This customer often gets free products and services 2-This customer frequently gets special pricing or discounts 3-This customer receives special financial benefits and incentives 4-The average monthly cost to provide the financial benefits listed above is…	1-7	B to B	Financial relationship marketing programs include discounts, free products, membership, or other financial incentives that reward customer loyalty.	**From this company, I often receive** 1-free products and services 2-special pricing or discounts 3-special financial benefits and incentives 4-additional rebates if I trade beyond a certain amount 5- credit facilities 6-my order without asking me to pay deposit 7- my order without asking me to pay first before making a delivery
2		Use of relationship marketing programs in building customer- salesperson and customer-firm relationships: differential influences on financial outcomes **Palmatier, Scheer, Houston, Evans And Gopalakrishna (2007)**	The Same above	1-7 1= strongly disagree 7= strongly agree	B to C		
3		How to lengthen, deepen and broaden customer-firm relationships with online financial services? **Liang and Chen (2009)**	1-This company provides cumulative points programs. 2-This company provides discounts for regular customers. 3-This company offers additional rebates if I trade beyond a certain amount.	1-7	B to C		
4		Does online relationship marketing enhance customer retention and cross-buying **Liang, Chen, Wang (2008)**	1-This online securities corporation offers free services for regular transactions. 2-This online securities corporation offers additional rebates if I trade beyond a certain amount. 3-This online securities corporation saves me a lot of transaction cost.	1-7	B to C		

Relationship Marketing Variables (Relationship Marketing as a Multi-Dimensions Construct)

RM – Organizational Trust

No	Constructs	Reference and Authors	Items	Scale Details	(B to C) Or (B to B)	Cronbach alpha 0.7+	Key Sources (Key Ref)	Definition	Selected items (Pool items)
1	RM - Organizational Trust	The effect of relationship marketing orientation on business performance in a service- oriented economy **Sin, Tse, Yan, Lee And Chow (2002)**	1- We trust each other 2-They are trustworthy on important things 3-According to our past business relationship my company thinks they are trustworthy persons 4-My company trust them	1 to 7	B to B	0.9133		A willingness to rely on an exchange partner in whom one has confidence. Sin et al. (2002) consider trust as a element which controls the extent to which each partner can depend on the promises offered by the other partner,	**The company** 1-is very honest 2-is trustworthy 3-has high integrity 4-can be trusted completely 5-words and promises are reliable 6-fulfills its obligations to me as a customer 7-'s product and services, I have confidence 8-considers my welfare and its own when making decisions 9-can be counted on to do what is right 10-is consistent in providing quality products and services 11-carry out what the contact person promises
2		Relationship marketing orientation scale development and cross-cultural validation **Sin, et al (2005)**	1- We trust each other. 2.-They are trustworthy on important things. 3.-According to our past business relationship, my company thinks that they are trustworthy persons. 4- My company trusts them.	1 to 7	B to B				
3		Relationship marketing and customer loyalty **Nadubisi (2007)**	1-the bank is very concerned with security for my transactions; 2-the bank's promises are reliable; 3-the bank is consistent in providing quality service; 4-employees of the bank show respect to customers; 5-the bank fulfills its obligations to customers 6-I have confidence in the bank's services.	1-5	B to C	0.84	Churchill and Surprenant (1982)		
4		Factorial and discriminant analysis of the underpinnings of RM and suctomer satisfaction **Ndubisi and Wah (2005)**	1-My bank is very concerned with security for my transactions 2-My bank's words and promises are reliable The same above	1-5	B to C				
5		Effect of gender on customer loyalty: a relationship marketing approach - **Nadubisi (2006)**	The same above	1-5	B to C	0.84			
6		Relationship quality antecedents the Malaysian retail banking perspective - **Nadubisi (2007a)**	The same above	1-5	B to				
7		Supplier-customer relationship management and customer loyalty The banking industry perspective - **Ndubisi, Wah and Ndubisi (2007)**	The same above	1-5	B to				

8		The role of customer gratitude in Relationship marketing **Palmatier, Jarvis, Bechkoff and Kardes (2009)**	1-(Target) gives me feeling of trust. 2-I have trust in (Target). 3-(Target) is trustworthy.	1-7	B to C		De Wulf, Odekerken-Schroder, and Iacobucci, 2001		
9		Use of relationship marketing programs in building customer-salesperson and customer-firm relationships: differential influences on financial outcome **Palmatier et al (2007)**	**Customer-Salesperson** 1-My sales person gives me a feeling of trust. 2-I have trust in my sales person. 3- My sales person is trustworthy.	Same above	B to C	0.95	Same above		
10		Use of relationship marketing programs in building customer-salesperson and customer-firm relationships: differential influences on financial outcome **Palmatier et al (2007)**	**Customer-Firm Relationships** 1- The rep firm gives me a feeling of trust. 2-I have trust in this rep firm. 3- This rep firm is trustworthy.	Same above	B to C	0.95	Same above		
11		The commitment – trust theory of relationship marketing **Morgan and Hunt (1994)**	1-In our relationship, my major supplier cannot be trusted at times. 2-In our relationship, my major supplier can be counted on to do what is right. 3-In our relationship, my major supplier has high integrity.	1-7					
12		Relationship drivers of customer commitment **Lacey, 2007**	Given my experience , {firm} 1-is very honest and truthful 2- has high integrity 3-can be trusted completely 4-can be counted to do what is right	1-7	B to C				
13		An empirical study of the effects of guanxi investment on customer loyalty **Tang, Chou & Chen (2008)**	1-This hotel keeps promises it makes to us. 2-This hotel does not always treat us honestly. 3-We need be cautious to when dealing with this hotel 4-This hotel does not make any false claims. 5- This hotel is trustworthy. 6-We trust that this hotel keeps our best interests in mind 7-When making decisions, this hotel considers our welfare and its own	1-7	B to C		Lee and Dawes, (2005)		
14		Relationship marketing in A B2C context: the moderating role of personality traits **Adjei & Clark (2010)**	1-This store gives me a feeling of trust 2-I have trust in this store 3-This store gives me a trustworthy impression	1-7	B to C	0.95	De Wulf et al 2001		

15		Guanxi, trust, and long- term orientation in Chinese business markets **Lee and Dawes (2005)**	1-If problems arise; the seller is honest about the problems. 2-This seller keeps promises it makes to us 3-We believe the information given by this seller 4-This seller is genuinely concerned whether our company succeeds 5-When making decisions, this seller considers our welfare and its own 6-We trust that this seller keeps our best interests in mind 7-The seller is trustworthy						
16		Impact of RM Tactics on switchers and stayers in competitive service industry **Peng and Wang (2006)**	**Trusting Products** 1-I can trust 2-offers high quality products and services 3-keeps its promises 4- is honest	1-7	B to C	0.78			
17		Refining value-based differentiation in business relationships: A study of the higher order relationship building blocks that influence behavioural intentions **Hutchinson et al (2011)**	**Trust Integrity** 1-this supplier usually keeps the promises that they make to our firm 2-whenever this supplier gives us advice on our business operations, we know that they are sharing their best judgment. 3-our organization can count on this supplier to be sincere. **Trust Benevolence** 1-when making important decisions, this supplier is concerned about our welfare. 2-thought circumstances change; we believe that this supplier will be ready and willing to offer us assistance and support. 3-when we share our problems with this supplier, we know that they will respond with understanding 4-in the future we can count on this supplier to consider haw its decisions and actions will affect us 5-when it comes to things which are important to us, we can depend on this supplier's support.		B to B		Geyskens, Steemkamp, Scheer & kumar 1996		
18		Relationship quality evaluation in retailers' relationships with consumers **Vesel and Zebkar (2010a)**	1-I n this retailer they usually keep their promises 2-whenever they advice me about any issues, I knew they are sharing best judgment 3-when buying in this retailer's stores I get exactly what I need	1-7	B to C		Kumar et al ((1995) Westbrook and Oliver (1991)		
19		Creating advocates: the roles of satisfaction, trust and commitment **Gordon Fullerton (2011)**	1-X keeps its promises 2-X is concerned with my needs 3-X is trustworthy	1-7	B to C	0.97			

20		Analyzing stage and duration of anglo-chinese business-to-business relationships **Yen and Barnes (2011)**	1-This exporter keeps the promises s/he makes to our business 2-This exporter is not always completely honest with us (R) 3-We believe the information that this exporter provided us with 4-This exporter is genuinely concerned that our business succeeds 5-When making important decisions, this exporter considers our welfare 6-We trust this exporter keeps our best interests in mind 7-This exporter is trustworthy 8-We find it necessary to be cautious with this exporter (R)	1-7	B to B	0.82	Doney and Cannon (1997)		
21		Relationship between providers and users of market research: the dynamics of trust within and between organizations **Moorman, Zaltman And Deshpande (1992)**	1-If I or someone from my department could not be reached by our researcher, I would be willing to let my researcher make important research decisions without my involvement 2- If I or someone from my department were unable to monitor my researcher's activities, I would be willing to trust my researcher to get the job done right 3-I trust my researcher to do things I can't do myself 4- I trust my researcher to do things my department can't do itself 5-I generally do not trust my researcher	1-7	B to C				
22		Relationship stability, trust and relational risk in marketing channels: evidence from china **Liu, Li, Tao and Wang (2008)**	**Goodwill Trust** **1-**Through circumstances change, we believe that this supplier will be ready and willing to offer us assistance and support. 2-When making important decisions, this supplier is concerned about our welfare. 3-When we share our problems with this supplier, we know that they will respond with understanding. 4-In the future we can count on this supplier to consider how its decisions and actions will affects us. 5-When it comes things which are important to us, we can depend on the supplier's support. **Competence Trust** 1-We believe that the supplier is competent to keep the promise they make to our firm. 2-This supplier's marketing policies help us to perform our tasks effectively. 3-This supplier provides a high quality of sales support. 4-The products provided by this supplier function well. 5- The products delivered by the supplier have good functionality.	1-7	B to B				

23		Service quality, trust, commitment and service differentiation in business relationships **Chenet, Dagger, O'Sullivan (2010)**	1-(company name) is trustworthy 2- your trust (company name) completely 3-(company name) is perfectly honest with you	1-7	B to C				
24		Consumer sociability and service provider expertise influence on service relationship success **Spoke, & Megehee (2010)**	My doctor 1-can be trusred completely 2-can be counted on to do what is right 3-is someone that I have great confidence in. 4-can be relied on	1-7			Morgan and Hunt (1994)		
25		Comprehension of relationship quality in the retail environment **Vesel and Zabkar (2010b)**	1-In this retailer they usually keep their promises 2-whenever they advised me about any issues, I know they are sharing their best judgment			0.82			
26		A buyer's perspective on collaborative versus transactional relationships **Whipple, Lynch and Nyaga (2010)**	**Trust** 1-This supplier keeps the promises it makes. 2-We believe the information this supplier provides us. 3-This supplier is genuinely concerned that we succeed. 4-We trust this supplier keeps our best interests in mind. 5-This supplier considers our welfare as well as its own. 6-This supplier is trustworthy.	1-7	B to B				
27		Exporting services successfully: antecedents and performance implications of customer relationships **Sichtmann & Selasinsky (2010)**	**Trust in the Customers** 1-We perceive the relationship to our customers as enjoyable. 2- Our customers are fair partners. 3- Our customers are trustworthy.	1-5	B to C	0.90			
28		When do relationships pay off for small retailers? exploring targets and contexts to understand the value of relationship marketing **Adjei, Griffith and Noble (2009)**	**Relationship Quality With Suppliers - Trust.** 1-Our suppliers keep promises made to us. 2-Our suppliers are always frank and truthful with us. 3-We believe the information our suppliers provide us. 4-Our suppliers are genuinely concerned that our business succeeds. 5-When making decisions, our suppliers consider our welfare as wells as their own. 6-Our suppliers are trustworthy.	1-5	B to B B to C				
29		The influence of social regards on the customer-service firm relationship: the moderating role of length of relationship **Sabiote & Roman (2009)**	**Trust in the Company** 1-My bank/hair salon can be relied on to keep its promises 2-My bank/hair salon is trustworthy 3-I feel very little risk is involved when dealing with my bank/when going to this hair salon 4-I can count on my bank/hair salon to tell me the truth	1-10	B to C				
30		Building long- term orientation in buyer-supplier relationships: the moderating role of culture **Cannon, Doney, Mullen, & Petersen (2010)**	Buyer firm trust of the Supplier Firm 1-We know this vendor is sincere with us 2-This supplier is genuinely concerned that our business succeeds 3-We believe the information that this vendor provides us 4-We trust this supplier	1-7	B to B				

31		Buyer-seller relationships: bonds, relationships management, and sex-type **Smith (1998)**	1.-I can count on this rep to follow through on commitments 2-Ulterior motives or hidden agendas are not a concern in this relationship 3-I respect this rep's judgment 4-We trust each other 5-I think s/he would try to take advantage of our relationship (-)	1-7	B to C	0.83	Crosby et al., 1990; Swan et al., 1999		
32		Investments in consumer relationships: A cross-country and cross-industry exploration **De Wulf, Odekerken-Schroder, and Lacobucci (2001)**	1-This store gives me a feeling of trust 2-I have trust in this store 3-This store gives me a trustworthy impression	1-7	B to C				
33		Customer retention and cross-buying in the banking industry: An integration of service attributes, satisfaction and trust **Liu & Wu (2007)**	1-The bank has high integrity. 2-The bank keeps promises it makes to me. 3-The bank can be trusted at times. 4-The bank is trustworthy. 5-The bank is genuinely concerned with my needs.		B to c				
34		The influence of satisfaction, trust and switching barriers on customer retention in a continuous purchasing setting **Ranaweera & Prabhu (2003a)**	In our relationship, My phone company 1-cannot be trusted at times 2-can be Counted to do what is right 3- has high integrity		B to c	0.78			
35		The B2B-relperf scale and scorecard: bringing relationship marketing theory into business-to-business practice **Legas, Lancastre & Legas (2008)**	In our relationship, Firm X 1-is someone to whom I give my confidence. 2-has high integrity. 3-gives us reliable information and advice.	1-7	B to B		Morgan & hunt 1994		
36		An investigation into commitment in non-western industrial marketing relationships **Coote, Forrest, Tam (2003)**	1.-My supplier is honest and truthful. 2-Promises made by my supplier are reliable. 3-My supplier is open in dealing with me. 4-I have great confidence in my supplier. 5-My supplier has a high degree of integrity		B to B	0.88	Morgan & hunt 1994		
37		Strengthening outcomes of retailer-consumer relationships the dual impact of relationship marketing tactics and consumer personality **Odekerken-Schroder, De Wulf & Schumacher (2003)**	1-This store gives me a feeling of trust. 2-I have trust in this store. 3-This store gives me a trustworthy impression.		B to C	0.76			
38		Conflict handling, trust and commitment in outsourcing relationship: A Chinese and Indian study **Ndubisi (2011)**	1-The outsourcer usually keeps the promises it makes to our company. 2-The outsourcer can be relied upon on matters of importance to our company. 3-The outsourcer maintains our confidence under all circumstances. 4-The outsourcer cares for the well-being of our company. 5-*The outsourcer can be counted to do what is right for our company.		B to B & 1-7	0.70			

RM – Organizational Commitment

No	Constructs	Reference and Authors	Items	Scale Details	(B to C) Or (B to B)	Cronbach alpha 0.7+	Key Sources (Key Ref)	Definition	Selected items (Pool items)
1	**RM - Organizational Commitment**	Relationship marketing and customer loyalty **Nadubisi (2007)**	1-the bank makes adjustments to suit my needs; 2-the bank offers personalized services to meet customer needs 3-the bank is flexible when its services are changed 4-the bank is flexible in serving my need	1-5	B to C	0.84	Morgan And Hunt (1994)	A continuing desire to maintain a good relationship (Moorman et al., 1993). Dwyer et al. (1987) suggest that commitment means a motivation to make short term sacrifices to catch the long term rewards	1-I would still keep buying from the company, even if this would be more difficult. 2-I am willing "to go the extra mile" to remain a customer of this company 3-I can make sacrifices to help this company (e.g. money, effort, time... etc) 4-I will continue to deal with this company if its prices increase **5-I am very committed (desired) to** maintaining my relationship with the company **My relationship with the company** 6-is worth my effort to maintain 7-is very important to me 8-is something that I really care about 9-is a long term relationship
2		Factorial and discriminate analysis of the underpinnings of RM and customer satisfaction - **Ndubisi and Wah (2005)**	The same above	1-5	B to C				
3		Effect of gender on customer loyalty: a relationship marketing approach **Nadubisi (2006)**	The same above	1-5	B to C	0.84			
4		Relationship quality antecedents the Malaysian retail banking perspective **Nadubisi (2007a)**	The same above	1-5	B to C				
5		Supplier-customer relationship management and customer loyalty The banking industry perspective **- Ndubisi, Wah and Ndubisi (2007)**	The same above	1-5	B to C				
6		The role of customer gratitude in Relationship marketing **Palmatier, Jarvis, Bechkoff and Kardes (2009)**	1-I am willing "to go the extra mile" to work with the(Target) 2-I have a desire to mentain this relationship {with the (Target)}. 3-I view the relationship with the (Target) as a long-term partnership.	1-7	B to C &		De Wulf, et al 2001 Palmatier et al (2006)		
7		Use of relationship marketing in building customer-salesperson and customer-firm relationships: differential influences **Palmatier et al (2007)**	**Customer-Salesperson** 1-I am willing "to go the extra mile" to work with my salesperson 2-I feel committed to the relationship with my salesperson 3-I view the relationship with my salesperson as a long-term partnership.	1-7	B to C & B	0.89	Same above		
8		Use of relationship marketing in building customer-salesperson and customer-firm relationships: differential influences **Palmatier et al (2007)**	**Customer-Firm Relationships** 1-I am willing "to go the extra mile" to work with this rep firm 2-I feel committed to my relationship with this rep firm 3-I view the relationship with this rep firm as a long-term partnership.	1-7	B to C & B	0.95	Same above		

9		The commitment – trust theory of relationship marketing **Morgan and Hunt (1994)**	1-The relationship that my firm has with my major supplier is something we are very committed to. 2-The relationship that my firm has with my major supplier is something my firm intends to maintain indefinitely 3- The relationship that my firm has with my major supplier deserves our firm's maximum effort to maintain	1-7				
10		Relationship drivers of customer commitment **Lacey (2007)**	My relationship with the firm is 1-strong – I am very committed to continuing it 2-very important to me 3- something that really care about 4-worth my effort to maintain	1-7	B to C			
11		Is guanxi (relationship) a bridge to knowledge transfer? **Ramasamy , Goh and Yeung (2006)**	1-Maintaining a long-term relationship with business partners is important to our firm 2-Our firm focuses on long-term goals in the relationships with our business partners 3-Our firm expects our business partners to be working with us for a long time					
12		Relationship between providers and users of market research: the dynamics of trust within and between organizations **Moorman, Zaltman And Deshpande (1992)**	1-I am committed to my relationship with my researcher 2-I consider my researcher to be part of my department 3-I really care about the fate of my working relationship with my research	1-7	B to C			
13		The role of Xinyong and guanxi in Chinese relationship marketing **Leung, Lai, Chan and Wang (2005)**	1-You and your suppliers have commitment on mutual understanding 2-Your suppliers have commitment on continuous material supply 3-Your suppliers have commitment on provision of standardized products 4-Your suppliers have commitment on timely delivery of materials 5-Your suppliers have commitment in making product adjustments	1-5	B to C			
14		Return on business-to –business relationship marketing investments: strategies for leveraging profits **Palmatier, Gopalakrishna and Houston (2006)**	**Commitment to the Selling Firm** 1-I am willing "to go the extra mile" to work with this rep firm 2-I feel committed to my relationship with this rep firm 3-I view the relationship with this rep firm as a long-term partnership 4-I have a desire to maintain this relationship	1-7	B to B			
15		Exploring the governance mechanism of quasi-integration in buyer-supplier relationships **Cai, Yang and Hu Zuohao (2009)**	1-We expect our relationship with this supplier to continue a long time. 2-Our relationship with this supplier is enduring.					

16		An empirical study of the effects of guanxi investment on customer loyalty **Tang, Chou and Chen (2008)**	**Affective Commitment** 1-I take pleasure in being a customer of this hotel. 2-This hotel takes the best care of her customers. 3-There is a presence of reciprocity in my relationship with this hotel. 4-I have feelings of trust toward this hotel. 5-I'm willing to do something for this hotel as far as my capacity allows	1-7	B to C		Gustafson et al (2005)		
17		Relationship marketing in A B2C context: the moderating role of personality traits **Adjei and Clark (2010)**	1-I am willing " to go extra mile to remain a customer of this store 2-I feel loyal towards this store 3-Even if this store would be more difficult to reach, I would still keep buying from there	1-7	B to C	0.95	De Wulf et al 2001		
18		The effect of relationship dimensions on interpersonal and inter-organizational commitment in organizations conducting business between Australia and China **Mavondo and Rodrigo (2001)**	**Inter-Personal Commitment** 1-The business I have with my partner is an impersonal transaction. 2-My main purpose in commencing the relationship with my partner was to gain immediate benefits for my company. 3-I provide valuable market information to my partner. 4-The relationship I have with my partner was developed over a long period of time. 5-I carry on developing my relationship with my partner so as to provide future advantages for my company. 6-I intend to exchange more important information with my partner. 7-I intend to allow my partner more decision making in the future. 8-My partner and I share similar business values. 9-My partner and I share similar social values. **Inter-Organizational Commitment** 1-We have promised resources (e.g., land, finance, raw materials) to our most important company. 2-Both companies make equal contributions to the business. 3-We expect the company we are dealing with to make the same contribution to the business relationship as we have. 4-We intend to allocate more resources (eg. land, finance, raw materials) to our business relationship with this company. 5-We are bound to the company for future operations. 6-We have discontinued any search for alternative companies to deal with. 7-We believe that the reliability of this company has led to a rewarding business relationship.		B to C & B to B	0.70 0.72			

19		Refining value-based differentiation in business relationships: A study of the higher order relationship building blocks that influence behavioural intentions **Hutchinson et al (2011)**	**Affective Commitment** 1-we want to remain a member of this supplier's network because we genuinely enjoy our relationship with them 2-our positive feeling towards this supplier are a major reason we continue working with them.		B to B				
20		Relationship quality evaluation in retailers' relationships with consumers **Vesel and Zebkar (2010a)**	**Affective Commitment** 1-I enjoy discussing this retailer with other people 2-i really feel as if this retailer's trouble was my own 3-this retailer has a great deal of personal meaning for me **Calculative Commitment** 1-It would be very hard for me to stop buying at this stores right now even if I wanted to 2-shopping would be more difficult if I could not buy any more at this retailer's stores 3-I can say I would feel deprived unless I could buy at this retailer's stores	1-7	B to C		Allen and Meyer (1990)		
21		Effects of suppliers' marketing program variables on industrial buyers' relationship satisfaction and commitment **Abdul-Muhmin (2002)**	1-The relationship with our major supplier means very much to us 2-We will never do anything to jeopardize the relationship with our major supplier 3- If we had to do it over again, we would not do business with our major supplier (R) 4- If we find better supplier we will stop the relationship with our major supplier (R)	1-5	B to C				
22		Why customers won't relate: obstacles to relationship marketing engagement **Ashley, Noble, Donthu, Lemon (2011)**	1-I am very committed to this company 2-I intend to continue patronizing this company over the next few years 3-I would expand effort on behalf of this company to help it succeed	1-7	B to c				
23		Creating advocates: the roles of satisfaction, trust and commitment **Gordon Fullerton (2011)**	**Affective Commitment** 1-I feel emotionally attached to X 2-X has a great deal of personal meaning for me 3-I feel a strong sense of identification with X **Continuance commitment** 1-It would be very hard for me to switch away from X right now even if I wanted to 2-My life would be disrupted if I switched away from X 3-It would be too costly for me to switch from the X right now **Normative commitment** 1-I feel obligated to continue to doing business with X 2-I belive in being loyal to X because it has done good things for me in the past 3-If I got a better offer from another X, I would not think it right to switch away from my X	1-7	B to C	0.94			

24		Analyzing stage and duration of anglo-chinese business-to-business relationships **Yen and Barnes (2011)**	1-Changing this exporter would be too disruptive for our business 2-If we wanted to shift business away from this exporter our losses could be high 3-We need to keep working with this exporter since leaving would create hardship 4-Our loyalty to this exporter is a major reason why we continue to work with him/her 5-We want to stay associated with this exporter because of our allegiance to him/her 6-We will continue working with this exporter because we are 'part of the family' 7-Given the things we have done with this exporter over years, we ought to continue	1-7	B to B	0.83	Gilliland and Bello (2002)		
25		The effect of channel relationships and guanxi on the performance of inter-province export ventures in the People's Republic of China **Ambler et al (1999)**	**Market Commitment** How do you rate your company on the following 1-Management commitment to the venture 2- Extent of resource allocation to new markets generally 3- Extent of resource allocation to this market 4- Extent of formal planning for the new venture) **Relationship Commitment** The relationship our firm has with the distributor 1-. . . . is something we are very committed to 2-. . . . is something our firm intends to maintain indefinitely 3-. . . . deserves maximum attention)	1-7	B to C	0.79 0.76			
26		Relationship investment and channel performance: An analysis of mediating forces **Luo, Liu, & Xue (2009)**	1-We have a strong sense of loyalty to this channel member. 2-We expect to work with this channel member for several years. 3-We do not want to terminate the relationship with this channel member even if other companies provide much better conditions and terms. 4-We are quite willing to make sacrifices to help this channel member from time to time. 5-Our relationship with this channel member is expected to be a long-term partnership.	1-5			Anderson and Weitz, 1992; Jap and Ganesan, 2000		
27		Consumer sociability and service provider expertise influence on service relationship success **Spoke, & Megehee (2010)**	The relationship that I have with my doctor 1-is something I am very committed to. 2-is very important to me 3- is something I would like to maintain for long time 4-is something I really care about 5-deserves my maximum effort to maintain	1-7			Morgan and Hunt (1994)		
28		Service quality, trust, commitment and service differentiation in business relationships **Chenet, Dagger, O' Sullivan (2010)**	1-You are committed to a long term relationship with (company name) 2- Even if you have alternative sources of supply, you intend to stay with (company name)	1-7	B to C				

29		Comprehension of relationship quality in the retail environment **Vesel and Zabkar (2010b)**	**Emotional Commitment** 1-I enjoy discussing about this retailer with other people 2-I really feel as if this retailer's trouble were my own 3-this retailer has a great deal of personal meaning for me **Calculative Commitment** 1-it would be very hard for me to stop buying at this retailer's stores right now, even if I wanted to 2-Shopping would be more difficult if I could not buy anymore at this retailer's stores 3- I can say I would feel deprived unless I could buy at this retailer's stores			0.77 0.80			
30		A buyer's perspective on collaborative versus transactional relationships **Whipple, Lynch and Nyaga (2010)**	**Long-Term Commitment** 1-We expect this relationship to continue for a long time 2-We are committed to this supplier 3-We expect this relationship to strengthen over time. 4-Considerable effort and investment has been undertaken in building this relationship.	1-7	B to B				
31		Exporting services successfully: antecedents and performance implications of customer relationships **Sichtmann & Selasinsky (2010)**	**Export Commitment** 1- We consider our exporting activities important. 2- We intend to increase the company's exporting activities. 3- We consider our exporting activities to be a valuable investment of resources.	1-5	B to C	0.90			
32		When do relationships pay off for small retailers? exploring targets and contexts to understand the value of relationship marketing **Adjei, Griffith and Noble (2009)**	**Relationship Quality With Suppliers - Commitment.** 1-We have a strong sense of loyalty to our suppliers. 2-We expect our suppliers to be working with us for a long time. 3-We are willing to make long-term investments to help our suppliers. 4-We are really committed to developing a working relationship with our suppliers. 5-We see the relationship we have with suppliers as a long-term alliance. **Relationship Quality with Customers - Commitment.** 1-We have a strong sense of loyalty to our customers. 2-We expect our customer to be working with us for a long time. 3-We are willing to make long-term investments to help our customers. 4-We are really committed to developing a working relationship with our customers. 5-We see the relationship we have with customers as a long-term alliance.	1-5	B to B B to C				
33		How to lengthen, deepen and broaden customer-firm relationships with online financial services? **Liang and Chen (2009)**	1-I am very committed to maintaining my relationship with this company. 2-I am attached to this company..	1-7	B to C				

34		Buyer-seller relationships: bonds, relationships management, and sex-type **Smith (1998)**	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	1-7	B to C	0.76	Anderson & Weitz, 1992		
35		Investments in consumer relationships: A cross-country and cross-industry exploration **De Wulf, Odekerken-Schroder, and Lacobucci (2001)**	1-I am willing "to go extra mile" to remain a customer of this store 2-I fell loyal toward this store 3-Even if this store would be more difficult to reach, I would still keep buying there.	1-7	B to C				
36		The B2B-relperf scale and scorecard: bringing relationship marketing theory into business-to-business practice **Legas, Lancastre & Legas (2008)**	1-our relationship with firm X is a long-term partnership 2-we would not drop firm X because we like being associated with it. 3-we want to remain as a customer of firm X because we have pride in being associated with a firm that carries a technological image.	1-7	B to B		Kumar et al 1995		
37		An investigation into commitment in non-western industrial marketing relationships **Coote, Forrest, Tam (2003)**	1-Maintaining a long-term orientation with my supplier is important to me. 2-My relationship with my supplier is something I intend to maintain. 3-I expect to continue working with my supplier for a long time. 4-I am very committed to the relationship with my supplier. 5-The relationship with my supplier will be profitable over the long run.		B to B	0.91	Ganesan, 1994; Morgan & hunt 1994		
38		Strengthening outcomes of retailer-consumer relationships the dual impact of relationship marketing tactics and consumer personality **Odekerken-Schroder, De Wulf & Schumacher (2003)**	**Relationship Commitment** 1-I am willing 'to go the extra mile' to remain a customer of this store. 2-I feel loyal towards this store. 3-Even if this store would be more difficult to reach, I would still keep buying there		B to C	0.76			
39		Conflict handling, trust and commitment in outsourcing relationship: A Chinese and Indian study **Ndubisi (2011)**	1-Our firm is committed to the relationship with the outsourcer. 2-Our firm intends to maintain the relationship with the outsourcer indefinitely. 3-Our firm puts maximum effort to maintain the relationship with the outsourcer. 4-Our firm is interested in a long-term relationship with the outsourcer. 5-Our firm is committed to maintaining a good relationship with the outsourcer.	1-7	B to B	0.93			

RM –Conflict Handling

No	Constructs	Reference and Authors	Items	Scale Details	(B to C) Or (B to B)	Cronbach alpha 0.7+	Key Sources	Definition	Selected items (Pool items)
1	RM – Conflict Handling	Relationship marketing and customer loyalty **Nadubisi (2007)**	1-(my bank) the bank tries to avoid potential conflict; 2-the bank tries to solve manifest conflicts before they create problems; 3-the bank has the ability to openly discuss solutions when problems arise	1-5	B to C	0.73	Morgan And Hunt (1994)	Conflict handling is defined as the firm's ability to minimize the negative results of observable and possible conflicts by avoiding and solving conflicts before they create problems, as well as discussing solutions in an honestly way when problems occur.	**The company tries to** 1-avoid potential conflicts 2-solve manifest conflicts before they create problems 3-solve problems together with me 4-takes seriously any concerns I have 5-solve my problems quickly 6-solve my problems easily 7-derive new insights from potential conflicts 8-have the ability to openly and honestly discuss solutions when problems arise 9-put appropriate effort into resolving any concerns I have
2		Factorial and discriminant analysis of the underpinnings of RM and suctomer satisfaction **Ndubisi and Wah (2005)**	The same above	1-5	B to C				
3		Effect of gender on customer loyalty: a relationship marketing approach - **Nadubisi (2006)**	The same above	1-5	B to C	0.73			
4		Relationship quality antecedents the Malaysian retail banking perspective - **Nadubisi (2007a)**	The same above	1-5	B to C				
5		Supplier-customer relationship management and customer loyalty The banking industry perspective **Ndubisi, Wah and Ndubisi (2007)**	The same above	1-5	B to C				
6		The role of Xinyong and guanxi in Chinese relationship marketing **Leung, Lai, Chan and Wang (2005)**	1-Your supplier can always resolve disagreement with you 2-Your supplier can drive new insights from potential conflicts 3-Your supplier can solve problems together with you 4-Your supplier will openly discuss the matter with you when potential conflicts arise	1-5	B to C				
7		Exploring the governance mechanism of quasi-integration in buyer-supplier relationships **Cai, Yang And Hu Zuohao (2009)**	1-The parties work with each other to make adjustments in the ongoing relationship to cope with changing circumstances. 2-When some unexpected situation arises, the parties will work with each other to make a new deal than hold each other to the original terms. 3-If it is necessary, the parties will work with each other to change the price set by contract.				Claro et al (2003) Heide and John (1990)		
8		Using guanxi-style buyer-seller relationships in china: reducing uncertainty and improving performance outcome **Abramson and Ai (1997)**	1-exploring local concerns, as well as my partner, to find a mutually beneficial agreement; compromising; detecting conflicts before they become serious.	1-7	B to c	0.76			

9		Relationship marketing in the financial services industry: the importance of customer education, participation and problem management for customer loyalty **Eisingerich & Bell (2006)**	1-The length of time taken to resolve any concerns I have is adequate 2-My adviser is flexible when dealing with any concerns I have 3-My adviser takes seriously any concerns I have 4-My adviser puts the appropriate of effort into resolving any concerns I have	1-7	B to C				
10		Buyer-seller relationships: bonds, relationships management, and sex-type **Smith (1998)**	**Functional Conflict Resolution** 1-Disputes that arise between us are generally not worked out very well 2-Most disagreements we do have are resolved productively, generating greater understanding between us 3-The way we manage conflict or disputes tends to create stress, frustration, or ill-feelings in our relationship 4-Problems that arise in this relationship tend to be handled jointly, not individually	1-7	B to C	0.83	Anderson & Narus, 1990		
11		The B2B-relperf scale and scorecard: bringing relationship marketing theory into business-to-business practice **Legas, Lancastre & Legas (2008)**	**Relationship Policies and Practices** 1-Firm X has polices that show respect for the customer. 2-Firm X has practices that make solving problems easy. 3-Firm X solves my firm's problems quickly.	1-7	B to B		Sirdeshmuk h et al.,		
12		An investigation into commitment in non-western industrial marketing relationships **Coote, Forrest, Tam (2003)**	1-I am involved in conflict with my supplier. 2- I have significant disagreements with my supplier. 3-I have a tense relationship with my supplier. 4-I am rarely in agreement with my supplier.		B to B	0.80			
13		Conflict handling, trust and commitment in outsourcing relationship: A Chinese and Indian study **Ndubisi (2011)**	**Integrated Conflict Handling** 1-The outsourcer encourages our company to express our feelings and views fully. 2-The outsourcer works hard to thoroughly, jointly learn about issues. 3-The outsourcer openly shares their concerns and issues about our business with our company. 4-* The outsourcer tries to bring all issues into the open in order to resolve them in the best way. **Accommodating Conflict Handling** 1-The outsourcer helps us not to 'lose face' when there is a disagreement. 2-The outsourcer goes the 'extra mile' to get along with our company. The outsourcer tries to accommodate our company's schedules whenever possible. 3-** The outsourcer tries to satisfy our expectations. **Compromising Conflict Handling** 1-The outsourcer looks for middle ground to resolve conflicts. 2-The outsourcer tries to arrive at compromises that are acceptable to both parties. 3-The outsourcer often proposes compromises in order to end deadlocks. 4-* The outsourcer tries to investigate an issue to find a solution that is agreeable to both parties.	1-7	B to B	0.90			

RM – Organizational Communication

No	Constructs	Reference and Authors	Items	Scale Details	(B to C) Or (B to B)	Cronbach alpha 0.7+	Definition	Selected items (Pool items)
1	RM -Communication	The effect of relationship marketing orientation on business performance in a service- oriented economy (**Sin, Tse, Yan, Lee and Chow (2002)**	1-We communicate and express our opinion to each other frequently 2-We can show our discontent towards each other through communication 3-We can communicate honestly	1 to 7	B to B	0.7675	Communication is the capability to offer the valuable and worth information in the suitable time (Ndubisi, 2007). The formal as well as informal sharing of meaningful and timely information between firm and customers	**The company provides** 1-timely information 2-trustworthy information 3-accurate information 4-complete information 5-regular updates information on new products and services 6-regular updates information on new developments 7-regular updates information about the benefits 8-regular updates information about the events, or changes that may affect me. 9- easy ways to contact it for any queries 10-I am overall satisfied with the information provided by the company
2		Relationship marketing orientation scale development and cross-cultural validation **Sin, et al (2005)**	The same above	1 to 7	B to B			
3		Relationship marketing and customer loyalty **Nadubisi (2007)**	1-the bank provides timely and trustworthy information; 2-the bank provides information when there is new banking service; 3-the bank makes and fulfils promises 4-Information provided by the bank is always accurate. Or The bank always provides accurate information.	1-5	B to C	0.78		
4		Factorial and discriminant analysis of the underpinnings of RM and suctomer satisfaction - **Ndubisi and Wah (2005)**	The same above	1-5	B to C			
5		Effect of gender on customer loyalty: a relationship marketing approach **Nadubisi (2006)**	The same above	1-5	B to C	0.78		
6		Relationship quality antecedents the Malaysian retail banking perspective **Nadubisi (2007a)**	The same above	1-5	B to C			
7		Supplier-customer relationship management and customer loyalty The banking industry perspective - **Ndubisi, Wah and Ndubisi (2007)**	The same above	1-5	B to C			
8		The commitment – trust theory of relationship marketing **Morgan and Hunt (1994)**	1-in our relationships, my major supplier keeps us informed of new developments 2- in our relationships, my major supplier communicates well his expectations for our firm's performance	1-7				
9		The effects of organizational differences and trust on the effectiveness of selling partner relationships **Smith and Barclay (1997)**	**Communication Openness** 1-We frequently discuss accounts and opportunities 2-We tell each other things we would not want others to know 3-We talk candidly with each other 4-We provide each other with timely information 5-If I have problem with this rep , I'll tell him or her about it 6-S/he is responsive to my needs for information 7-Sometimes this rep holds back on telling me what s/he knows about our accounts/ opportunities.		B to B			

10		A Reexamination of the Determinants of Consumer Satisfaction. **Spreng, Mackenzie and Olshavsky (1996)**	**Information on the Pricing of Electricity** 1-Regular billing information 2-Regular updates on new products and services 3-Information about the benefits and services 4-Ease of contact points for queries 5-Accurate billing information 6-Your satisfaction overall with the information provided					
11		Exploring the governance mechanism of quasi-integration in buyer-supplier relationships **Cai, Yang and Hu Zuohao (2009)**	**Collaborative Communication** 1-In this relationship, it is expected that any information that might help the other party will be provided to them. 2-It is expected that the parties will provide proprietary information if it can help the other party. 3-It is expected that we keep each other informed about events or changes that may affect the other party. 4-The parties regularly exchange information of supply and demand forecast.				Heide and John (1992)	
12		Is guanxi (relationship) a bridge to knowledge transfer? **Ramasamy , Goh and Yeung (2006)**	1-Our business partners are responsive to our needs for information 2-It is expected that we will keep our business partners fully informed about issues affecting our business 3-Our firm shares confidential information with our business partners 4-Our firm provides our business partners with timely information 5-Our firm discusses business issues candidly with our business partners					
13		How firms relate to their markets: An empirical Examination of contemporary marketing practices **Coviello, Brodie, Donaher, Johnston (2002)**	1-Our organization communicating to the mass market 2- Our organization targeting a specifically identified customers 3-Individuals at various levels in our organization personally interacting with their individual customers 4- Senior managers networking with other managers from organizations in our markets or wider marketing system.					
14		Analyzing stage and duration of anglo-chinese business-to-business relationships **Yen and Barnes (2011)**	1-We feel that our communication with this exporter is timely 2-We feel that our communication with this exporter is accurate 3-We feel that our communication with this exporter is complete 4-We feel that our communication with this exporter is credible 5-We feel that our communication with this exporter is adequate	1-7	B to B	0.93	Mohr and Sohi (1995)	

15		Relationship marketing in the financial services industry: the importance of customer education, participation and problem management for customer loyalty **Eisingerich & Bell (2006)**	**Client Education** 1-My adviser keeps me very well informed about what is going on with my investments 2- My adviser explains financial concepts and recommendations in meaningful way 3-My adviser always offers as much information as I need 4-My adviser always explains to me the pros and cons of the investment he/she recommends to me	1-7	B to C			
16		Benefiting from dedication and constraint in buyer-seller relationships **Mitrega & Katrichis (2010)**	**Communication Quality** 1. Business information is provided by … always on time 2. Business information is provided by … in complex and understandable manner **Communication Frequency** 1. Between us and the personnel of company … frequent phone conversations take place 2. We frequently maintain correspondence [e-mail, fax or postal] with representatives of …	1-5	B to b			
17		A buyer's perspective on collaborative versus transactional relationships **Whipple, Lynch and Nyaga (2010)**	**Communication** 1-This supplier keeps us informed of new developments (e.g., R&D, new products/services). 2-This supplier's sales personnel frequently visit our place of business. 3-This supplier devotes a lot of time in getting to know our staff. 4-This supplier gives us opportunities to participate in goal setting to enhance performance. **Information Sharing** 1-We inform this supplier in advance of changing needs 2-In this relationship, it is expected that any information which might help the other party will be provided. 3-The parties are expected to keep each other informed about events or changes that may affect the other party.	1-7	B to B		Jonsson and Zineldin (2003). Mohr and Spekman (1994).	
18		When do relationships pay off for small retailers? exploring targets and contexts to understand the value of relationship marketing **Adjei, Griffith and Noble (2009)**	**Relationship Quality with Suppliers - Communication.** 1-We obtain timely information from our suppliers. 2-We obtain accurate information from our suppliers. 3-We obtain useful information from our suppliers. 4-We obtain credible information from our suppliers. 5-We obtain information from our suppliers frequently **Relationship Quality with Customers - Communication.** 1-We obtain timely information from our customers. 2-We obtain accurate information from our customers. 3-We obtain useful information from our customers. 4-We obtain credible information from our customers. 5-We obtain information from our customers frequently.	1-5	B to B B to C			

19		Buyer-seller relationships: bonds, relationships management, and sex-type **Smith (1998)**	**Communication Openness** 1. We talk candidly with each other 2. Sometimes s/he does not tell me everything I need to know 3. I am responsive to his/her need for information 4. Our communication is open and honest	1-7		0 .64		Anderson & Weitz, 1989	
20		Investments in consumer relationships: A cross-country and cross-industry exploration **De Wulf, Odekerken-Schroder, and Lacobucci (2001)**	**Interpersonal Communication** 1-This store takes the time to personally get to know regular customers 2-This store often holds personal conversations with regular customers 3-This store often inquires about the personal welfare of regular customers **Direct Mail** 1-This store often sends mailings to regular customers 2-This store keeps regular customer informed through mailings 3-This store often informs regular customers through brochures	1-7	B to C				
21		Customer retention and cross-buying in the banking industry: An integration of service attributes, satisfaction and trust **Liu & Wu (2007)**	**Direct Mailings** 1-The bank often sends mailings to promote financial products and services. 2-The bank often informs me through brochures. 3-The bank regularly keeps me informed of new financial products and services.		B to C				
22		An investigation into commitment in non-western industrial marketing relationships **Coote, Forrest, Tam (2003)**	1-I keep my supplier informed about changes in my business. 2- My supplier and I make it a point to keep each other informed. 3-My supplier and I exchange information that may benefit one another. 4-My supplier and I keep each other informed about events and changes.		B to B	0.85		Anderson & Weitz (1992) Smith &Barclay (1997)	
23		Strengthening outcomes of retailer-consumer relationships the dual impact of relationship marketing tactics and consumer personality **Odekerken-Schroder, De Wulf & Schumacher (2003)**	1-This store often sends mailings to regular customers. 2-This store keeps regular customers informed through mailings. 3-This store often informs regular customers through brochures.		B to C	0.90			

RM – Empathy

No	Constructs	Reference and Authors	Items	Scale Details	(B to C) Or (B to B)	Cronbach alpha 0.7+	Definition	Selected items (Pool items)
1	**RM – Empathy**	The effect of relationship marketing orientation on business performance in a service- oriented economy **Sin, Tse, Yan, Lee and Chow (2002)**	1-We always see things from each other's view 2-We know how each other's feels 3-We understand each other's value and goals 4-We care about each other's feelings	1 to 7	B to B	0.8331	**Empathy** is defined as "Trying to see the **desires, needs** and **goals** of the other side and allows for both relationship parties to **understand each other's viewpoint** (Parasuraman et al., 1988; Sin et al., 2002). Ndubisi (2004) added that empathy "refers to **compassion or benevolence,** which denotes **kindness or goodwill** on the part of both partners".	**Sin et al., (2002,2005)** **The company always** 1- understands my viewpoint 2- sees things from my view 3-knows how I feel 4- understands my desires 5- understands my goals 6- understands my needs 7-cares about my feelings 8-is sympathetic when I have Problems 9-is supportive when I have problems 10-gives me individual attention
2		Relationship marketing orientation scale development and cross-cultural validation - **Sin, et al (2005)**	The same above	1 to 7	B to B			

RM – Shared Values

No	Constructs	Reference and Authors	Items	Scale Details	(B to C) Or (B to B)	Cronbach alpha 0.7+	Definition	Selected items (Pool items)
1	RM – Shared Values	The effect of relationship marketing orientation on business performance in a service- oriented economy **Sin, Tse, Yan, Lee and Chow (2002)**	1-We share the same worldview 2-We share the same opinion about the most things 3-We share the same felling towards things around us 4-We share the same values	1 to 7	B to B	0.8581	Shared value is defined as the common beliefs between partners these beliefs usually about behaviours, aims, and rules are fundamental or not, suitable or unsuitable, and correct or incorrect (Morgan and Hunt, 1994).	**The company shares with me the same** 1- values 2-worldview 3- things that I believe in 4- opinion about most things 5-feelings toward things around us
2		Relationship marketing orientation scale development and cross-cultural validation **Sin, et al (2005)**	The same above	1 to 7	B to B			
3		The commitment – trust theory of relationship marketing **Morgan and Hunt (1994)**	Please indicate the degree to which you believe that (1) your supplier would agree with the following statements, and (2) you would agree with the following statements: (two part question) 1-To succeed in this business, it is often necessary to compromise one's ethics. 2-If an employee is discovered to have engaged in unethical behavior that results primarily in personal gain (rather than corporate gain), he or she should be promptly reprimanded.	1-7				
4		Relationship drivers of customer commitment **Lacey, (2007)**	The values that [firm] stands for 1-are consistent with my own personal values. 2-reflect the type of person that I am. 3-are compatible with the things I believe in. 4-are similar to my own.	1-7	B to C			

RM – Reciprocity

No	Constructs	Reference and Authors	Items	Scale Details	(B to C) Or (B to B)	Cronbach alpha 0.7+	Key Sources	Definition	Selected items (Pool items)
1	RM – Reciprocity	The effect of relationship marketing orientation on business performance in a service- oriented economy **Sin, Tse, Yan, Lee and Chow (2002)**	1-My company regards" never forget a good turn" as our business motto 2-We keep our promises to each other in any situation 3-If our customer give assistance when my company had difficulties , then I would be responsible for returning their kindness	1 to 7	B to B	0.7058		**Reciprocity** is considered the aspect of a business relationship that makes **one of the parties able to give something (help, support or make payment) to the other party in reward of a comparable thing (help, support or payment)** to be taken or received later (Callaghan et al.)	1-The practice of ``give and take" of favors is a key part of the relationship between me and this company 2- favors between me and the company have built good relationships 3- I feel a sense of obligation to this company for doing me a favor 4-I will do the company a favor if it did one for me before 5-The company will do me favor if I did one for it before 6-The company believes in "never forget a good turn" for me 7- I believes in "never forget a good turn" for the company 8-If I give assistance when the company has had difficulties, the company should return the kindness 9-If the company gives me assistance when I had difficulties, I should return the kindness
2		Relationship marketing orientation scale development and cross-cultural validation - **Sin, et al (2005)**	The same above	1 to 7	B to B				
3		Analyzing stage and duration of anglo-chinese business-to-business relationships **Yen and Barnes (2011)**	1-I feel a sense of obligation to this supplier's representative to do him/her a favor 2-I think that "calling in" favors is part of doing business with this supplier's representative 3-The practice of "give and take" of favor is a key part of our relationship with supplier's representative 4-I would feel embarrassed if I was unable to respond to a requested favor from my supplier's representative 5-I know that it is a bad business not to return favors to this supplier's representative	1-7	B to B	0.90	Mavondo and Rodrigo (2001)		
4		The dynamics of guanxi in China **Wong (1998)**	1-To pay back favor is more urgent than debts 2-The statement "Attack when near; befriend when distant" is very useful 3-Birds of a feature flock together 4-To be successful in negotiation, it is often necessary to compromise one's individual ethics 5-Encourage others to owe you a favour 6- Making concessions to a Chinese counterpart is a necessity						

5		Guanxi, trust, and long- term orientation in Chinese business markets **Lee and Dawes (2005)**	1-We will do the salesperson a favor if he did one for us before 2-The salesperson will do us favor if we did one for him before		B to C	0.85	Develope d from interviews	
6		Impact of personal and cultural factors on knowledge sharing in china **Huang, Davison and Gu (2008)**	**Anticipated Reciprocal Relationships:** 1-My knowledge sharing would strengthen the ties between existing members in the organization and myself. 2-My knowledge sharing would get me well acquainted with new members in the organization. 3-My knowledge sharing would expand the scope of my association with other members in the organization. 4-My knowledge sharing would draw smooth cooperation from outstanding members in the future. 5-My knowledge sharing would create strong relationships with members who have common interests in the organization				Bock et al., (2005)	
7		The effect of relationship dimensions on interpersonal and inter-organizational commitment in organizations conducting business between Australia and China **Mavondo and Rodrigo (2001)**	1-``Calling in'' favors is part of doing business. 2-The practice of ``give and take'' of favors is a key part of the relationship between my partner and I. 3-I feel a sense of obligation to my business partner for doing me a favor. 4-I would feel embarrassed if I was unable to provide a requested favor to my partner. 5-It is bad business not to return favors. 6-If my partner was to do me a wrong, I would retaliate in kind.		B to C & B to B	0.74		
8		A research model for Guanxi behavior: Antecedents, measures, and outcomes of Chinese social networking **Taormina & Gao (2010)**	1-I often do favors for my associates. 2-My associates can rely on me to do favors for them. 3-I think it is important to return a favor to an associate. 4-I am appreciated for favors I do for my associates. 5- Favors I did for my associates have built good relationships with them.	1-7				
9		The measurement of guanxi: introducing the GRX scale **Yen, Barnes, &Wang (2011)**	1-I feel a sense of obligation to this supplier's representative for doing him/her a favor. 2-I think that “calling in” favors is part of doing business with this supplier's representative. 3-The practice of “give and take” of favor is a key part of the relationship between my supplier's representative and me. 4-I would feel embarrassed if I was unable to provide a requested favor to my supplier's representative. 5-I know that it is a bad business not to return favors to this supplier's representative. 6-I am happy to do a favor for this supplier's representative, when he/she requests one.	1-7	B to C			

RM – Equity

No	Reference and Authors	Items	Scale Details	(B to C) Or (B to B)	Cronbach alpha 0.7+	Definition	Selected items (Pool items)
1	Marketing of competence-based solutions to buyers in exploratory relationships: perspective of OEM suppliers **Li (2011)**	**Supplier-Buyer Relationship Value** 1-The firm captured a lot value from the relationship with this new customer 2-The firm gained a lot of benefits from the relationship with this new customer 3-The firm added a lot of innovative value from the relationship with this new customer 4- The firm created more value relative to costs and benefits involved from the relationship with this new customer	1-7	B to B		Equity provides a fairness condition in the relationship between the customer and the marketer. To achieve mutual goals, for both customers and sellers, in a successful and efficient way (Lewis, 1996) Both partners are more willing to create and grow equity as it ensures balanced gains, where **sellers provide customers by satisfying goods and services** in a well environment and on the other side **customers pay money in the form of prices.** If this condition is missing, then equity is absent which might lead to dissatisfaction (Ndubisi, 2003).	1-I get a satisfying buy for the money 2-There is a balance in my dealings with the company(in the give and take with the company) 3-There is equity in my dealings with the company(in the give and take with the company) 4-There is fairness in my dealing with the company(in the give and take with the company) 5-Prices charged by this firm are fair 6-This firm gives me real value 7-Overall we provide each other with equal benefits. 8-The company provides satisfying products and services 9-The company provides products and services with a satisfying price
2	Understanding the effect of customer relationship management efforts on customer retention and customer share development **Verhoef, (2003)**	**Payment Equity** 1-How satisfied are you about the insurance premium? 2-Do you think the insurance premium of your insurance is too high, high normal, low, or too normal.	1-5	B to c	0.88		
3	Value, satisfaction, loyalty and retention in professional services **Trasorras, Weinstein and Abratt (2009)**	**Customer Value** 1-Compared to the price we pay, we get reasonable quality 2-Compared to the quality we get, we pay a reasonable price 3-The purchasing relationship delivers us superior net value	1-5				
4	Reciprocity as a key stabilizing norm of interpersonal marketing relationships: scale development and validation **Pervan, Bove andJohnson (2009)**	**Exchanging Good** 1-Overall we provide each other with equal benefits. 2-There is a balance in our dealing. 3-There is equity in our dealings. 4-The benefits we provide and receive even out over time. 5-There is a balance in the give and take 6-There is fairness in our dealing.	1-7				
5	Relationship drivers of customer commitment **Lacey (2007)**	**Economic Value -** Please indicate your level of agreement or disagreement with the following statements concerning [firm] compared to others in its industry. 1-I get an excellent buy for the money. 2-Prices charged by this firm are extremely fair. 3-This firm gives me real value					

Relationship Quality

No	Constructs	Reference and Authors	Items	Scale Details	(B to C) Or (B to B)	Definition	Selected items (Pool items)
1	RM –Relationship Quality	Factorial and discriminate analysis of the underpinnings of RM and customer satisfaction **Ndubisi and Wah (2005)**	1. My bank shows high professionalism in its services 2. My relationship with the bank fulfils my expectations 3. My relationships with the bank meet my goal 4. My relationship with the bank is desirable 5. I have a good relationship with my bank	1-5	B to C	Smith (1998, p.78) defines relationship quality as "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". In other words, relationship quality refers to how much the relationship will meet customers' perceptions, needs, and goals (Wong and Sohal, 2002).	**My relationship with the company** 1-is desirable 2-meets my goals 3- fulfills my expectations 4-is strong 5-Overall, is very good
2		Relationship quality antecedents the Malaysian retail banking perspective **Nadubisi (2007a)**	1-My relationship with the bank is desirable 2-My relationship with the bank meets my goals 3-My relationship with the bank fulfills my expectations 4-The bank shows high level of professionalism 5-Overall, I have a good relationship with the bank	1-5	B to C		
3		Supplier-customer relationship management and customer loyalty The banking industry perspective - **Ndubisi, Wah and Ndubisi (2007)**	The same above	1-5	B to C		
4		When do relationships pay off for small retailers? exploring targets and contexts to understand the value of relationship marketing **Adjei, Griffith and Noble (2009)**	**Relationship Quality with Suppliers** 1-We have a strong sense of loyalty to our suppliers. 2-We expect our suppliers to be working with us for a long time. 3-We are willing to make long-term investments to help our suppliers. 4-We are really committed to developing a working relationship with our suppliers. 5-We see the relationship we have with suppliers as a long-term alliance. **Relationship Quality with Customers -** 1-We have a strong sense of loyalty to our customers. 2-We expect our customer to be working with us for a long time. 3-We are willing to make long-term investments to help our customers. 4-We are really committed to developing a working relationship with our customers. 5-We see the relationship we have with customers as a long-term alliance.				

Customer Retention

No	Constructs	Reference and Authors	Items	Scale Details	(B to C) Or (B to B)	Definition	Selected items (Pool items)
1	Customer Retention	Contextual perceived Value? Investigating the role of contextual marketing for CRM in a mobile commerce context **Lee and Jun (2007)**	1-I have intention to re purchase product or service from the. 2-It is likely that I will use Mc for repurchase. 3-I expect my use of MC for repurchase to continue in the future.			Customer retention refers to customers' readiness to maintain and invest in the relationship with an organisation (Hennig-Thurau and Klee, 1997; Gounaris, 2005; Richard *et al.*, 2007). In the same view, Keiningham *et al.* (2007: 364) see customer retention as *"customers' stated continuation of a business relationship with the firm"*.	1-I have an intention to re purchase from this company in future. 2-I will continue to purchase from this company 3-I intend to buy more from this company in future 4-I expect my relationship with this company to last a long time 5-I am willing to buy from this company for a premium price to reduce purchasing risk 6-I usually Pay less attention to the competitors offers 7-I encourage my friends and relatives to buy from this company by recommending it to them 8-I never encourage current or potential customer to move away from this company 9-I usually offer service ideas to the company
2		Relationship drivers of customer commitment **Lacey (2007)**	Increased Purchase Intentions In the next 12 months, how likely are you to make more purchases overall from [firm]? Increased Share-of-Customer In the next 12 months, how likely are you to make a larger share of your [product category] purchases from [firm] rather than other [product category firms]?	1-7			
3		The role of customer gratitude in Relationship marketing **Palmatier, Jarvis, Bechkoff and Kardes (2009)**	**Customer Purchase Intentions.** 1-I would be very likely to buy something today. 2-I would come back to this store. 3-I would likely buy from this store in the future.	1-7	B to C		
4		Consumer reactance against loyalty programs **Wendlandt and Schrader (2007)**	**Purchase Intention** 1-I will continue to buy books at "company name"		B to C		
5		Why customers won't relate: obstacles to relationship marketing engagement **Ashley, Noble, Donthu, Lemon (2010)**	**Shopping Frequency** 1-Ifrequently use/go to this company 2-I would consider myself a regular customer of this company 3-My visits to/use of this company's services are very frequent 4-I hardly ever use this company (R)	1-7	B to c		

6		How to lengthen, deepen and broaden customer-firm relationships with online financial services? **Liang and Chen (2009)**	1. I consider purchasing more products from the Web company. 2. I consider increasing the volume of business with the Web company. 3. I consider purchasing an additional product from the Web company.	1-7	B to C			
7		The effect of automated service quality on bank financial performance and the mediating role of customer retention **Al-Hawari (2006)**	1-Saying positive things 2-Recommending your bank 3-Encouraging friends 4-Consider your bank first choice 5-Switch to competitors if you face problems 6-Complaining to other consumers 7-Complaining to the bank 8-Complaining to external agencies 9-Remove some business in the case of more attractive price 10-Remaining with the same bank if fees increase 11- Pay higher fees than competitors charge for the benefits you receive from your bank 12-Do less business with your bank	1-10				
8		Customer retention: A usage segmentation and customer value approach **Weinstein (2002)**	1-Stay loyal longer 2-Talk favorably about the organization 3-Pay less attention to the competition 4-Are less price sensitive 5-Offer service ideas to the organization 6-Cost less to serve than new customers					
9		The meaning and measurement of customer retention **Aspinall, Nancarrow, & Stone (2001)**	1-Likelihood to use and renew 2-Likelihood to contribute 3-Likelihood to recommend					
10		Investments in consumer relationships: A cross-country and cross-industry exploration **De Wulf, Odekerken-Schroder, and Lacobucci (2001)**	**Behavioral Loyalty** 1-What percentage of your total expenditures for clothing do you spend in this store? 2-Of 10 times you select a store to buy clothes at, how many times do you select this store? 3-How often do you buy clothes in this store compared to other store where you buy clothes?	1-7	B to C			
11		Value, satisfaction, loyalty and retention in professional services **Trasorras, Weinstein & Abratt (2009)**	**Retention** 1-Next time we will buy again from our current service provider 2-In the foreseeable future we will consider our current supplier as part of our consideration set 3-We intend to continue the purchasing relationship with our supplier	1-5			Eggert and Ulaga (2002)	

12		Does online relationship marketing enhance customer retention and cross-buying **Liang, Chen, Wang (2008)**	1-How long have you been the customer of this online securities corporation?					
13		Customer retention and cross-buying in the banking industry: An integration of service attributes, satisfaction and trust **Liu & Wu (2007)**	**Customer Retention** 1-What do you think are the chances of you totally maintaining this relationship: 2-Within the next six months? 3-Within the next one year? 4-Within the next two years?		B to C			
14		The influence of satisfaction, trust and switching barriers on customer retention in a continuous purchasing setting **Ranaweera & Prabhu (2003a)**	1-What do you think are the chances of you totally terminating your relationship with your phone Co 2-Within the next six months? 3-Within the next one year? 4-Within the next two years?		B to c			
15		Strengthening outcomes of retailer-consumer relationships the dual impact of relationship marketing tactics and consumer personality **Odekerken-Schroder, De Wulf & Schumacher (2003)**	**Customer Retention Orientation of the Retailer** 1-This store makes efforts to increase regular customer's loyalty 2-This store makes various efforts to improve its tie with regular customers 3-This store really cares about keeping regular customers		B to C	0.91		

Appendix V: Table of outliers test and univariate tests of normality

Variables		Descriptive Stat.			Kolmogorov-Smirnov			Shapiro-Wilk			Skewness	Kurtosis
		Mean	S.D	5% Trimmed	Stat.	*df*	Sig.	Stat	*df*	Sig.		
Guanxi - Trust												
1	Trust1	4.19	.828	4.28	.289	305	.000	.762	305	.000	-1.341	2.533
2	Trust2	4.12	.742	4.16	.263	305	.000	.814	305	.000	-.642	.603
3	Trust3	4.04	.840	4.11	.306	305	.000	.802	305	.000	-.986	1.115
4	Trust4	4.04	.731	4.08	.303	305	.000	.803	305	.000	-.767	1.553
5	Trust5	4.01	.767	4.06	.295	305	.000	.822	305	.000	-.676	.712
6	Trust6	3.98	.801	4.04	.318	305	.000	.802	305	.000	-1.004	1.872
Guanxi - Bonding												
7	Bond1	3.52	.973	3.57	.261	305	.000	.879	305	.000	-.586	.064
8	Bond2	3.60	.975	3.64	.239	305	.000	.887	305	.000	-.476	-.112
9	Bond3	3.74	.944	3.78	.272	305	.000	.869	305	.000	-.611	.026
10	Bond4	3.67	.987	3.72	.279	305	.000	.867	305	.000	-.716	.220
11	Bond5	3.77	.910	3.82	.275	305	.000	.861	305	.000	-.688	.466
12	Bond6	3.66	1.014	3.72	.289	305	.000	.860	305	.000	-.772	.211
Guanxi - Empathy												
13	GEm1	3.80	.828	3.85	.299	305	.000	.842	305	.000	-.706	.862
14	GEm2	3.74	.813	3.78	.305	305	.000	.843	305	.000	-.630	.609
15	GEm3	3.81	.838	3.86	.290	305	.000	.848	305	.000	-.668	.726
16	GEm4	3.85	.835	3.90	.301	305	.000	.838	305	.000	-.763	.940
17	GEm5	3.99	.819	4.06	.306	305	.000	.792	305	.000	-1.144	2.566
18	GEm6	3.97	.760	4.01	.294	305	.000	.829	305	.000	-.578	.555
Guanxi - Face												
19	Face1	3.61	.981	3.65	.266	305	.000	.878	305	.000	-.595	-.001
20	Face2	4.00	.864	4.07	.256	305	.000	.841	305	.000	-.745	.514
21	Face3	3.48	.987	3.52	.270	305	.000	.872	305	.000	-.655	.102
22	Face4	3.82	.786	3.85	.287	305	.000	.846	305	.000	-.483	.452
Guanxi - Affection												
23	Affec1	4.00	.825	4.06	.308	305	.000	.811	305	.000	-.855	.739
24	Affec2	3.62	.986	3.69	.270	305	.000	.875	305	.000	-.608	-.049
25	Affec3	3.74	.890	3.79	.297	305	.000	.853	305	.000	-.709	.478
26	Affec4	3.41	1.048	3.45	.252	305	.000	.888	305	.000	-.511	-.329
27	Affec5	3.84	.824	3.89	.274	305	.000	.852	305	.000	-.552	.494

Guanxi - Reciprocity												
28	GRecip1	2.93	1.125	2.94	.228	305	.000	.880	305	.000	-.261	-1.046
29	GRecip2	3.02	1.031	3.03	.199	305	.000	.897	305	.000	-.282	-.654
30	GRecip3	2.82	1.093	2.82	.183	305	.000	.900	305	.000	-.063	-.951
31	GRecip4	3.23	1.074	3.26	.261	305	.000	.877	305	.000	-.491	-.599
32	GRecip5	3.11	1.045	3.12	.215	305	.000	.894	305	.000	-.364	-.582
33	GRecip6	3.38	1.009	3.42	.233	305	.000	.893	305	.000	-.463	-.199
Relationship Investment - Social Programs												
34	RISP1	2.89	1.178	2.88	.211	305	.000	.893	305	.000	-.122	-1.096
35	RISP2	3.10	1.108	3.11	.245	305	.000	.883	305	.000	-.357	-.856
36	RISP3	3.10	1.091	3.11	.228	305	.000	.893	305	.000	-.341	-.754
Relationship Investment - Structural Programs												
37	RISTP1	2.95	1.157	2.94	.186	305	.000	.909	305	.000	-.089	-.927
38	RISTP2	3.22	1.168	3.25	.255	305	.000	.885	305	.000	-.417	-.816
39	RISTP3	3.12	1.205	3.13	.224	305	.000	.900	305	.000	-.229	-.993
40	RISTP4	3.37	1.050	3.41	.276	305	.000	.875	305	.000	-.543	-.461
41	RISTP5	2.90	1.123	2.90	.200	305	.000	.897	305	.000	-.156	-.973
42	RISTP6	3.30	1.066	3.33	.254	305	.000	.883	305	.000	-.529	-.417
43	RISTP7	3.22	1.142	3.24	.261	305	.000	.882	305	.000	-.399	-.832
44	RISTP8	3.40	1.015	3.43	.260	305	.000	.885	305	.000	-.467	-.409
45	RISTP9	3.47	1.010	3.52	.316	305	.000	.836	305	.000	-.840	.137
Relationship Investment - Financial Programs												
46	RIFP1	3.19	1.127	3.21	.256	305	.000	.884	305	.000	-.318	-.914
47	RIFP2	3.37	1.081	3.42	.296	305	.000	.861	305	.000	-.536	-.634
48	RIFP3	3.04	1.123	3.04	.237	305	.000	.887	305	.000	-.204	-1.010
49	RIFP4	3.50	1.098	3.56	.321	305	.000	.833	305	.000	-.853	-.029
50	RIFP5	3.17	1.173	3.19	.256	305	.000	.883	305	.000	-.341	-.948
51	RIFP6	3.21	1.125	3.23	.270	305	.000	.874	305	.000	-.421	-.833
52	RIFP7	3.23	1.092	3.26	.283	305	.000	.860	305	.000	-.549	-.667
Relationship Marketing - Reciprocity												
53	Recip1	3.12	1.176	3.13	.245	305	.000	.884	305	.000	-.384	-.885
54	Recip2	3.25	1.047	3.28	.258	305	.000	.873	305	.000	-.565	-.409
55	Recip3	3.24	1.103	3.27	.246	305	.000	.889	305	.000	-.448	-.610
56	Recip4	3.28	1.041	3.31	.266	305	.000	.873	305	.000	-.550	-.433
57	Recip5	3.31	1.019	3.35	.238	305	.000	.889	305	.000	-.493	-.251
58	Recip6	3.54	.990	3.59	.290	305	.000	.861	305	.000	-.730	.172

Relationship Marketing - Equity												
59	Equity1	3.81	.853	3.87	.333	305	.000	.808	305	.000	-1.036	1.620
60	Equity2	3.85	.811	3.90	.336	305	.000	.807	305	.000	-.942	1.453
61	Equity3	3.80	.744	3.84	.326	305	.000	.822	305	.000	-.583	.647
62	Equity4	3.80	.739	3.84	.352	305	.000	.793	305	.000	-.701	.603
63	Equity5	3.82	.729	3.86	.353	305	.000	.792	305	.000	-.777	1.097
64	Equity6	3.68	.889	3.73	.335	305	.000	.814	305	.000	-1.000	1.144
Relationship Marketing - Commitment												
65	Commt1	3.70	.796	3.72	.331	305	.000	.824	305	.000	-.697	.525
66	Commt2	3.40	.951	3.43	.288	305	.000	.857	305	.000	-.659	-.063
67	Commt3	3.30	.955	3.32	.255	305	.000	.875	305	.000	-.507	-.266
68	Commt4	3.74	.784	3.77	.313	305	.000	.838	305	.000	-.531	.270
69	Commt5	3.60	.837	3.62	.289	305	.000	.859	305	.000	-.398	-.238
70	Commt6	3.58	.807	3.60	.300	305	.000	.848	305	.000	-.500	.093
71	Commt7	3.61	.763	3.63	.304	305	.000	.837	305	.000	-.498	.377
72	Commt8	3.68	.774	3.71	.325	305	.000	.823	305	.000	-.710	.866
Relationship Marketing - Organizational Trust												
73	OrgTrust1	3.74	.789	3.78	.325	305	.000	.821	305	.000	-.795	1.196
74	OrgTrust2	3.79	.707	3.82	.339	305	.000	.800	305	.000	-.694	1.377
75	OrgTrust3	3.83	.710	3.87	.356	305	.000	.783	305	.000	-.854	1.733
76	OrgTrust4	3.85	.720	3.90	.372	305	.000	.757	305	.000	-1.089	2.434
77	OrgTrust5	3.87	.749	3.91	.337	305	.000	.786	305	.000	-1.008	2.533
78	OrgTrust6	3.67	.747	3.69	.294	305	.000	.842	305	.000	-.330	.172
79	OrgTrust7	3.85	.708	3.89	.356	305	.000	.783	305	.000	-.789	1.365
80	OrgTrust8	3.87	.742	3.91	.326	305	.000	.813	305	.000	-.702	1.216
Relationship Marketing - Conflict Handling												
81	CH1	3.83	.783	3.88	.332	305	.000	.816	305	.000	-.772	.970
82	CH2	3.81	.773	3.85	.340	305	.000	.806	305	.000	-.856	1.365
83	CH3	3.36	.970	3.39	.277	305	.000	.865	305	.000	-.594	-.215
84	CH4	3.64	.812	3.66	.309	305	.000	.842	305	.000	-.613	.420
85	CH5	3.75	.729	3.77	.314	305	.000	.828	305	.000	-.442	.459
86	CH6	3.74	.741	3.77	.330	305	.000	.816	305	.000	-.659	.933
87	CH7	3.71	.750	3.73	.333	305	.000	.816	305	.000	-.547	.172
88	CH8	3.75	.694	3.77	.330	305	.000	.811	305	.000	-.399	.247
Relationship Marketing - Communication												
89	Comun1	3.72	.776	3.76	.344	305	.000	.806	305	.000	-.841	1.110
90	Comun2	3.79	.702	3.83	.350	305	.000	.789	305	.000	-.777	1.557
91	Comun3	3.75	.772	3.79	.322	305	.000	.824	305	.000	-.705	1.035
92	Comun4	3.73	.786	3.78	.322	305	.000	.817	305	.000	-.834	1.457
93	Comun5	3.77	.827	3.82	.344	305	.000	.801	305	.000	-1.025	1.593
94	Comun6	3.72	.814	3.76	.332	305	.000	.816	305	.000	-.885	1.230
95	Comun7	3.80	.800	3.85	.343	305	.000	.803	305	.000	-.940	1.441
96	Comun8	3.83	.798	3.88	.337	305	.000	.807	305	.000	-.926	1.500

97	Comun9	3.90	.767	3.95	.338	305	.000	.802	305	.000	-.798	1.001
98	Comun10	3.79	.758	3.83	.350	305	.000	.794	305	.000	-.908	1.540
Relationship Marketing - Empathy												
99	Em1	3.77	.729	3.80	.317	305	.000	.821	305	.000	-.547	.932
100	Em2	3.71	.740	3.74	.320	305	.000	.827	305	.000	-.510	.439
101	Em3	3.74	.757	3.78	.311	305	.000	.821	305	.000	-.683	1.361
102	Em4	3.59	.803	3.60	.247	305	.000	.865	305	.000	-.190	-.014
103	Em5	3.66	.796	3.68	.293	305	.000	.848	305	.000	-.520	.490
104	Em6	3.74	.731	3.77	.327	305	.000	.817	305	.000	-.622	.962
105	Em7	3.59	.862	3.61	.289	305	.000	.861	305	.000	-.499	-.020
Relationship Marketing - Shared Values												
106	SV1	3.61	.749	3.63	.294	305	.000	.838	305	.000	-.415	.419
107	SV2	3.55	.814	3.57	.262	305	.000	.861	305	.000	-.393	.325
108	SV3	3.43	.886	3.45	.224	305	.000	.885	305	.000	-.280	-.037
109	SV4	3.43	.912	3.45	.223	305	.000	.889	305	.000	-.301	-.092
110	SV5	3.47	.899	3.49	.219	305	.000	.882	305	.000	-.347	.169
Relationship Quality												
111	RQ1	3.78	.702	3.81	.329	305	.000	.813	305	.000	-.419	.282
112	RQ2	3.76	.732	3.80	.335	305	.000	.814	305	.000	-.612	.705
113	RQ3	3.63	.825	3.67	.308	305	.000	.839	305	.000	-.714	.747
114	RQ4	3.71	.841	3.75	.311	305	.000	.842	305	.000	-.708	.621
Customer Retention												
115	CR1	3.80	.742	3.83	.333	305	.000	.816	305	.000	-.627	.722
116	CR2	3.79	.734	3.83	.365	305	.000	.780	305	.000	-.858	1.140
117	CR3	3.80	.709	3.83	.342	305	.000	.802	305	.000	-.640	.964
118	CR4	3.40	.944	3.42	.276	305	.000	.868	305	.000	-.561	-.168
119	CR5	2.92	1.169	2.92	.192	305	.000	.905	305	.000	-.002	-1.011
120	CR6	3.71	.837	3.75	.322	305	.000	.826	305	.000	-.863	1.134
Perceived Relationship Investment Over All												
121	PRI1	3.58	.840	3.59	.303	305	.000	.850	305	.000	-.513	-.078
122	PRI2	3.56	.857	3.57	.291	305	.000	.859	305	.000	-.495	-.055
123	PRI3	3.50	.896	3.51	.264	305	.000	.876	305	.000	-.427	-.134
124	PRI4	3.83	.766	3.88	.334	305	.000	.813	305	.000	-.766	1.090
125	PRI5	3.80	.763	3.84	.331	305	.000	.817	305	.000	-.720	.986