Strategic Partnership
In the Swedish Marine Industry
- A case study of Ryds
Abstract

*Purpose:* The purpose of this study is to describe the structure of a relationship between a dealer and its manufacturer in the Swedish marine industry from a strategic partnership perspective.

*Design/methodology/approach:* The research method is based on a deductive quantitative approach. A descripto-explanatory research design was applied and the research strategy was a combination of a case study and survey. A survey and three additional qualitative interviews have been conducted in order to gather the information.

*Findings:* The results of this research shows no outstanding factors influencing the strategic partnership between the manufacturer and its dealers in the marine industry. Limited managerial assumption were possible to be drawn for the case company Ryds.

*Research Delimitations:* The study was conducted in a three month period (March - June) in the spring semester 2016 therefore, the study was narrowed down to only one marine manufacture and its dealers in the Swedish market.

*Future recommendations:* For future researcher the presented study can be used as the foundation to further investigate the connection between applied theories of the Commitment- Trust Theory and Relational Marketing through the Key Mediating Variables. It will provide the researcher with insights about, which exact areas/items influence the relationship positively or negatively, resulting in the ability to generally state how strategic partnership is managed in the marine industry.

*Keywords:* Strategic Partnership, Partnership, Alliance, Competitive Advantage, Relational Marketing, bonds, Commitment, Trust
Preface

This report has been written in a three-month period, during the spring of 2016, at Linnaeus University in Sweden under the supervision of Pejvak Ogahzi. The aim is to achieve a degree in social science, therefore we are submitting a project report on: *The success factors of a strategic partnership between the manufacture and its dealer in the marine industry*. The reason for choosing this subject, is based on an ongoing collaboration over three years with the manufacture. The report will try in return to offer improvements for the manufacture. The first chapter introduces the main subjects, which are more detailed explained in Chapter 2, Chapter 3 explains how our research was conducted, and Chapter 4 presents the findings from the research. The path of this study has provided us with theoretical knowledge of how to achieve and maintain a successful strategic partnership and that there are several factors influencing and maintaining it, such as trust as commitment.

Additionally, we would like to express our gratitude and appreciation to the people, who made the accomplishment of this thesis possible. Special thanks to the following people:

- Our professor, Peter Caesar, who has supported and guided us.
- Our examiner, Pejvak Ogahzi, for constructive feedback and advice.
- Pär Svensson and Tom Kühne, who have provided us with information.
- Michael Bretschneider, for educating and guide us in SPSS
- Nick Selman and Alison Lind for contributing linguistic and grammatical improvements

Once again, thank you to all participants of our survey and interviewees.

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Place:………………………….
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1 Introduction

*Growth is never by mere chance; it is the result of forces working together.*

By James Cash Penney

The aim for growth, greater profits and to stand out has become increasingly important (Kale & Singh, 2009). Kotler and Armstrong (2013) agree with this statement and add that growth has become an essential part for businesses aiming at competing more efficiently as well as differentiating themselves from their competitors. Despite the fact that growth is perceived as an essential characteristic, the process of growth is recognised to be challenging (Omri & Ayadi-Frikha, 2014). Various studies have shown different directions of approaches in order to grow (Blackburn, Hart & Wainwright, 2013; Omri & Ayadi-Frikha, 2014; Maital, Seshadri & Seshadri, 2007; Sirmon, Hitt, Arregle & Campbell, 2010; Zulu-Chisanga, Boso, Adeola & Oghazi, 2016).

One way of achieving growth, profits, and differentiation is through attaining a competitive advantage (Omri & Ayadi-Frikha, 2014), which is one objective for Strategic Management (Švárová & Vrchota, 2014; Hu, Zhang & Sørrensen, 2015; Boso, Oghazi, Cadogan & Story, 216). Strategic Management is described as “a basic and fundamental phenomenon, the pursuit of superior performance through the creation of superior value” (Amason, 2011, p. 2). It embraces the analysis of the competitive environment by managing the firm’s resources in order to reach the firm’s objectives and goals (Ibid.).

However, Hill, Jones and Schilling (2014) explain that only the enterprises with the highest effectiveness and efficiency outdo their competitors and increase growth. According to the resources-based view (RBV), a company’s competitive advantage is created through a resource base, “which is composed of valuable, rare, inimitable and non-substitutable resources” (Hu et al., 2015, p. 569). In order to access important information and other specialised competences, which are challenging to acquire and duplicate for competitors, firms collaborate with partners (Yun, Jung & Yang, 2015).

Moreover, it has become crucial in the fast developing business-to-business (B2B) markets to preserve the relationship with partners in order to increase profits and market shares (Chang, Wang, Chih & Tsai, 2012; Mohr & Spekman, 1994; Philipson & Oghazi, 2012). By establishing a network with key partners, sharing and exchanging knowledge
and skills, a competitive edge is build and value can be co-created (Jarillo, 1988; Schoonjans, Van Cauwenberge & Vander Bauwhede, 2013). Belaya and Hanf (2009) elaborated that every relationship shows a possibility to expand profits with a companion and Zhang and Xiong (2009) add that risk can be shared, and therefore be reduced.

Belaya and Hanf (2009) and Sirmon, Hitt & Ireland, (2007) explain that the role of the distributor, inside a network, has become an increasingly important resource, because it links the manufacturer with the end-consumer. The authors elaborate that a dealer can provide key information about customers needs, and co-create value up and down stream. Likewise, it is crucial to pay attention to the distributors wellbeing, nurture the partnership, and obtain a high level of relationship satisfaction to maintain a successful cooperation (Zhang & Xiong, 2009).

A widely used tool to maintain single relationships in a network is through Strategic Partnership (Smith, Hair, & Ferguson, 2014). It has been explained as: “the extent to which there is mutual recognition and understanding that the success of each firm depends in part on the other firm” (Anderson & Narus, 1990, p. 42). In today's society strategic partnership has become an increasingly accepted way for companies to acquisition and sustain competitive advantages (Mohr & Spekman, 1994; Sethuraman & Narus, 1988; Parida, Wincent & Oghazi, 2016) and a significant tool in B2B markets (Gould, 2015, Hutt & Speh, 2012). It is widely noted in the literature that businesses, which work together to reach a common goal are likely to be more effective and efficient (Johnston, McCutcheon, Stuart & Kerwood, 2004; Stanley & McDowell, 2014). As a result, members sacrifice short-term benefits and work instead for a beneficial partnership together (Smith et al., 2014). Mohr and Spekman (1994) explain that it is essential to have knowledge and understanding of the elements that contribute to the success of the partnership, because without them, the majority of partnerships would fail.

To identify a successful strategic partnership the relationship can be analyzed by applying Morgan and Hunt’s (1994) Commitment-Trust Theory. Their theory has been widely used to this day as the foundation for several studies in order to identify key factors to maintain a successful relationship (Ferro, Padin, Svensson & Payan, 2016; MacMillan, Money, Money & Downing, 2005; Friman, Gärling, Millett, Mattsson & Johnston, 2002). The theory helps to understand the dynamics between partners in a structured manner and can
determine if a relationship is beneficial, inefficient, should be improved or be eliminated, by analyzing how commitment and trust are influenced (Morgan & Hunt, 1994).

1.1 The Marine Industry

Increased competition and more demanding customers have also shown effects on the marine industry (Vuorinen, 2015). According to Vuorinen (2015, p. 2) “over the past ten years, consumer behaviour has forced the boatbuilding industry to produce faster, bigger and more luxurious products.” It has led to more mass production and increased imports from countries with low cost production, extending the competition, affecting the end price of the boats (Laaksonen, 2012).

Additionally, Pérez-Labajos, Blanco, Sánchez, Madariaga, Diaz, Torre, Lopez, and Sanfilippo (2014) mention that most purchased boats in Sweden are imported and domestic production only now manufactures small boats up to 7m. Another factor influencing the marine industry and the manufacturing process is the area in which the boat is sold (Ibid.). Mostly the manufacturer is located closely to its end-consumers, due to high transportation costs, customer demand fluctuations and changing trends (Vuorinen, 2015). The author explains that there is a great variety of boats made for different types of oceans, seas and weather conditions, which influence and expands end-consumers’ needs further.

Vuorinen (2015) states that a boat is considered a luxury product only bought for leisure activities. He further explains it is unlike a car, which can be used for transportation from A to B or other necessary activities. Instead, he says a boat provides the consumer with the ability to enjoy their free time on the water. It is a symbol of a certain status and lifestyle and represents a social and cultural artefact furthermore, it has a high investment cost and can only be used seasonally (Ibid.). Therefore, it is not purchased during downtimes and production is rather periodic, and strong fluctuations appear in the manufacturing process (Laaksonen, 2012).

Even though customers appear to be more knowledgeable and demanding, the marine industry has not been able to cope (Vuorinen, 2015). Innovation is rare and new technologies develop rather slow (Ibid.). Although a great amount of general strategic business models have been developed, no literature can be found dealing specifically with
the marine industry (Raviv, Yedidia & Weber, 2009). This results in rather unstructured management, process, and organization skill (Ibid.).

Sirmon et al., (2007 in Raviv et al., 2009, p. 203) “proposed that bundling resources in order to build capabilities, and ultimately leveraging capabilities to provide value to customers can bestow a competitive advantage on the firm, and create wealth for its owners”. Additionally, Ruhanen and Cooper (2004 in Larsson & Lindström, 2014) pointed out that it is of great importance to have joint ventures with partners to exchange knowledge and skills to create competitive advantages.

In this research the focus will be on one boat manufacturer based in Sweden named Ryds and its dealer network (Chapter 3.7.1). Ryds’ Head of Sales, P. Svensson (pers. Comm., 2016-02-18), explained: to become stronger positioned in the market and increase growth, Ryds needs to create greater competitive advantages. Additionally, increased knowledgeable competitors and higher price competition has led to more pressure on the market and Ryds, who needs to find a solution to stay in the market.

1.2 Problem Discussion

It has become increasingly challenging for the marine industry to sell their products and satisfy customer’s needs. Moreover, Vuorinen (2015) explains, a rare amount of theoretical and strategical knowledge about managing the marine industry exists. The author adds the unpredictable, turbulent, and changing environment, and the increased customer demand had a great effect on the industry. P. Svensons (pers. Comm., 2016-02-18) adds customers can easily compare brands, because they are being presented and sold at the same dealer.

Therefore, resource sharing has become one main reason for cooperative behavior (Ibid.). From the collaborations with partners, essential knowledge, skills, and other specialised competences are shared and exchanged creating a competitive advantage (Hu et al., 2015). To survive and grow in this fast changing environment it is essential for a manufacturer to manage partnerships, gather and exchange knowledge about customer needs and demands to stay competitive, and cope with the fast changing business world (Kale & Singh, 2009; Mohr & Spekman, 1994; Hu et al., 2015).
As suggested by Mohr and Spekman (1994) this can be achieved through a successful strategic partnership. The authors define a strategic partnership as a relationship between two parties, which aim at reaching collectively their goals, and creating and achieving mutual benefits, however, still being recognized as an independent firm. They add, without trust and commitment a successful strategic partnership cannot exist, because insufficient trust results in a decrease or absence of information sharing, and low or no commitment hinders the partners of thriving for mutual goals and benefits. Moreover, existing partnerships have to be understood and explored, crucial factors have to be identified to recognize a dealer's profitability and value for the firm (Johnston et al., 2004; Stanley & McDowell, 2014).

If a manufacturer does not have a formal structure regarding their dealer management, it is necessary to seek for potential strategic partners by firstly examine its positive and negative influences and in a next step improve managerial implications to strengthen the partnership (Vuorinen, 2015). Moreover, it is important to support and strengthen the relationship to generate a competitive advantage (Kale & Singh, 2009).

In literature about strategic partnership no specific results have been published in regard of the marine industry and successful strategic partnership factors (Vuorinen, 2015). Therefore, the Commitment-Trust Theory (Morgan & Hunt, 1994) has been used as a guide to uncover the relationships attributes and elements. The reason for applying the Commitment-Trust Theory as a frame for the research lays in the scarcity of industry specific strategies and concepts, its universal approach, and that it has been adapted to many other industries (Wu, Weng & Huang, 2012; Elbeltagi & Agag, 2016; Zineldin, Jonsson, 2000; Hashim & Tan, 2015; Wong & Zhou, 2015; Smith et al., 2014; Goo & Huang, 2008).

But what characteristics build a strategic partnership?
1.3 Purpose

The purpose of this study is to describe the structure of a relationship between a dealer and its manufacturer in the Swedish marine industry from a strategic partnership perspective.

1.4 Delimitations

Due to a limited time of 3 months in the spring semester of 2016 and contact information with only one boat manufacturer, this study is narrowed to the Swedish market. The information about the state of relationship success will only be obtained from the dealer's perception, because only one manufacturer's dealer network is being studied.
2 Literature Review

This chapter provides a review of the chosen theories that have been utilized in this research, in order to answer the research question. The Competitive advantage was used in order to understand how to achieve growth, profits and differentiation. Creating a Strategic Partnership was found to be one way of developing a competitive advantage. In order to achieve a successful Strategic Partnership, key factors were explored, such as the Commitment-Trust theory, the Commitment-model and Relational Marketing Bonds. The chapter ends with a summary of all chosen concepts followed by a new conceptual framework.

2.1 Competitive advantage

One way of achieving growth, profits, and differentiation is through attaining a competitive advantage (Omri & Ayadi-Frikha, 2014). According to Newbert (2008, p. 749), “competitive advantage is generally conceptualized as the implementation of a strategy not currently being implemented by other firms”. In other words, firms need to create resources that are unique or specialized in order to establish a competitive advantage (Dyer & Singh, 1998). If adapted right, it enhances specialisation of quality, products, service technology, and cost leadership (Porter, 1985 in Liu, 2013).

The enterprises that have accomplished a competitive advantage have created additional economic value (Newbert, 2008). According to the mentioned author, an example of how economic value can be generated is through the manufacturing of products/services with supplementary benefits for the same price (differentiation-based competitive advantage), or lower cost but with the same benefits (efficiency-based competitive advantage). However, the difficulties to maintain competitive advantage has increased, due to increased competition, sells products from more than one brand, firms expanding and penetrating new markets, and the end customer has the entire world to choose from (Švárová & Vrchota, 2014). This leads companies to investigate and analyze the business environment to seek for new opportunities to grow (Anokhin, Wincent & Oghazi, 2016).

One successful strategy to create competitive advantage is through strategic partnership (Hu et al., 2015; Mohr & Spekman, 1994). “A long-term and trustful relationship between partnering firms is a unique and inimitable arrangement that adds barriers for outsider to gain access to shared resources and facilities the creation of competitive resources” (Hu
et al., 2015, p. 569). Dyer and Singh (1998) add, a relationship that is distant and loose does not contribute to the competitive advantage, because no idiosyncratic investments (investment that creates switching cost, Chapter 2.3.1 & 2.4.6) have taken place. In addition, the relationship is simple and effortless to copy (Ibid.).

2.2 Strategic Partnership

*Partnerships are defined as purposive strategic relationships between independent firms who share compatible goals, strive for mutual benefit, and acknowledge a high level of mutual interdependence (Mohr & Spekman, 1994, p. 135).*

The term *Strategic Partnership* is now being used in research to describe strategic partnership alliances and has objectives, such as lowering costs, increasing the market share, accessing external resources, and enhancing innovation capabilities (Kang, 2014, Kale & Singh, 2009). Moreover, it increases tacit knowledge and learning through exchange across the organizations (Jiang, Bao, Xie & Gao, 2016; Kang, 2014). This helps companies strengthen their competitive position (Kale & Singh, 2009). “Strategic alliances are helping companies enhance their strategic presence in the marketplace and develop new solutions to attract new customers or even create whole new market categories” (Hutt & Speh, 2012, p. 112). The benefits companies generate through strategic partnerships are for example, access to markets or technology, economies of scale (from combining research and development), marketing activities, faster entry of products to markets, and sharing of risk (Ibid.).

2.2.1 Strategic Partnership Satisfaction

The partnership will be viewed as successful if all parties are satisfied (Mohd, Perumal & Goaill, 2015). According to Anderson and Narus (1990), satisfaction has been found to influence long-term maintenance of relationship and increase effectiveness, and ease prediction of the future actions of its partner. Cater and Zabkar (2009) explain that appreciating or being satisfied with the partnership is another reason to sustain it. When performance expectations from both firms have been accomplished, it generates mutual satisfaction (Mohr & Spekman, 1994).
The previously mentioned researchers, explain that companies can be expected to have a higher level of communication quality, information sharing, and participation in discussions in comparison to less successful partnerships. If both parties are satisfied with the overall experience with each other, then both will have a positive attitude toward each other and they will more likely to continue the relationship, due to mutual increased commitment (Cater & Zabkar, 2009). According to Henning-Thurau, Gwinner and Gremler (2002) satisfaction is known to have a positive influence on commitment. Higher levels of satisfaction combined with frequent reinforcement encouragement will result in increased commitment (Ibid.). The commitment may, for example be expressed itself in the form of emotional bonding (see Chapter 2.5) (Ibid.). However, even if strategic alliance is a popular form of organizing and accessing resources, it is common to fail when it tries to live up to the expectations and satisfactions (Kale, Dyer & Singh, 2002; Das & Teng, 2001).

2.2.2 Risk in Strategic Partnership

Das and Teng (2001) argue that risk has been an important characteristic in the management of strategic alliance, because alliance is characterised as a risky strategy. One reason companies fail pursuing strategic partnerships is facing the obstacle of opportunistic behavior (Kang, 2014; Hu et al., 2015). Opportunistic behavior needs to be considered in strategic alliance, in case the other partner is not collaborating in a good faith also called Relational Risk (Das & Teng, 2001).

Relational Risk is defined as the “consequence of not having a satisfactory cooperation” (Das & Teng, 2001, p. 253). The same authors explain further that these conflicts occur, because firms are focusing on their own individual benefits (private benefits). The other partner may have hidden objectives with the alliance; for example, tacit knowledge, which in turn shows low commitment to the partnership (Ibid.). They also explain that performance risk is associated with demand fluctuations, intensified rivalry and a lack of competence in the partner firms. Objectives are not achieved through the alliance and result in dissatisfaction (Ibid.).

One way of reducing opportunistic behavior is through trust (Morgan & Hunt, 1994). Trust between business can be built under negotiations through joint commitments that emphasize the significance of the intended partnership and the company’s trustworthiness (Hoffmann & Schlosser, 2001). Mohr and Spekman (1994), Dwyer, Schurr and Oh
(1987), and Mentzer, Min and Zacharia (2000), argue that commitment and trust are two additional attributes successful strategic partnerships. It is essential for firms to be committed to the relationship according to Beamish (1985). Kale and Singh (2009, p. 48) state that commitment is seen as particularly critical in alliance, the expected benefits that the partners are gaining from the alliance have been identified, however, remains fairly unclear about the precisely procedure that is essential to achieve them. In strategic partnerships alliance, commitment is more significant than common, since the both parties must be willing to devote costly resources in order for the relationship to be carried out (Ibid.).

2.3 Commitment-Trust Theory

The Commitment-Trust Theory has been developed by Morgan and Hunt’s (1994) and has been widely used and adopted in past studies to analyse strategic partnerships. Morgan and Hunt (1994) recognized that commitment and trust are required in B2B relationships.

Collaborative relationships are shaped by mutual commitment (Friman et al., 2002) and are central to relationship marketing (Morgan & Hunt, 1994). From the commitment derives the willingness to continue and maintain the relationship (Friman et al., 2002). In research considering the development and progress in evolving markets, strong personal commitment appeared as the main success factor (Stanley & McDowell, 2014; Oghazi, 2014). As it has been noted, the less important the relationship seems to be, the more commitment decreases. More importantly, if the relationship is seen as necessary, commitment increases- and supporting the partners to continue the relationship will result in receiving future benefits and values (Ibid.).

Trust, on the other hand, might be developed during interactions. Friman et al., (2002, p. 405) define trust as: “the willingness to rely on an exchange partner in whom one has confidence”. Trust is defined according to Morgan and Hunt (1994), in terms of reliability and integrity and is known to be crucial to relationship commitment. “Partner trustworthiness is considered a strong force that fosters trust between partners and constitutes a source of the competitive advantage of firms involved in strategic alliances” (Barney & Hansen, 1994, in Jiang et al., 2016, p. 805). One way to develop trust is through
commitment, by making large unilateral commitments with the partner firm (Kale & Singh, 2009).

Morgan and Hunt (1994) developed the Key Mediating Variable (KMV) model of relationship marketing based on the commitment-trust theory, which has been adapted by Elbeltagi & Agag, (2016) and Friman et al., (2002). The KMV model suggests commitment and trust as mediating components between five elements (Elbeltagi & Agag, 2016), relationship termination cost, relationship benefits, shared values, communication, and opportunistic behaviour. All these five forms are an explanation of what is essential in order to develop and maintain long-term collaboration (Morgan & Hunt, 1994). The authors explain these factors as followed:

2.3.1 Relationship termination costs

According to Heide and John (1988) and Jackson (1985 in Morgan & Hunt, 1994, p. 24): “A common assumption in the relationship marketing literature is that a terminated party will seek an alternative relationship and have “switching cost” which leads to dependence”. For example, this type of cost has been caused by idiosyncratic investments (Ibid.). Examples of idiosyncratic investments, suggested by Goodman and Dion (2001) are: promotional programs, advertising campaigns, dedicated personnel, product training sessions, direct mail programs and demonstration equipment. “The buyer's anticipation of high switching costs gives rise to the buyer's interest in maintaining a quality relationship” (Morgan & Hunt, 1994, p. 24). The same authors explain that termination costs are the direct result of changing relationships. This results in the relationship being viewed as important and, therefore, contributes to the commitment of the relationship (Ibid.).

2.3.2 Relationship benefits

In today’s society, companies need to constantly develop or innovate new products, processes, and technologies in order to add superior value to their offerings (Morgan & Hunt, 1994). It has been stated that highly valued companies deliver superior benefits. This results in commitments from partners, who in their turn want to establish, developing and maintain the relationship (Ibid.).
2.3.3 Shared Values

This means that both partners have a common view in regard of behaviour, goals, and policies (Ibid.).

2.3.4 Communication

Morgan and Hunt (1994) refers the term “communication” to the sharing of information between companies. This can be both formal and informal containing essential information in a timely manner (Ibid.). The same authors states that communication increases trust through resolving disputes and aligning opinions and expectations.

2.3.5 Opportunistic behaviour

Only one party is seeking self-interest. This behavior exhibits itself in the distortion of information, shirking and, cheating etc (Das & Teng, 2001).

A research conducted by Friman et al., (2002) shows that the KMV model increases the partner's commitment, due to, the increased losses, which can be anticipated after the termination of such a partnership. The commitment will also increase if both exchange partners share the same values (Ibid.). The authors research also shows that trust, on the other hand, will be affected by the communication between the two parts. Communication in turn will be highly qualified (i.e. timely, reliable and relevant) on the level of trust (Ibid.). On the contrary, when one partner is trying to maximize their own outcome at the expense of others (opportunistic behavior), trust decreases (Ibid.).

The bond between the parties indicates that strategic partners avoid opportunistic behavior, by working towards mutual benefits and long-term gains and thus, creating the substance for a positive productive relationship (Morgan & Hunt, 1994; Smith et al., 2014). Evidence from the commitment-trust theory shows that the dependency between commitment and trust is both positive and unidirectional (Morgan & Hunt, 1994; Smith et al., 2014).
2.4 Commitment Model

As it has been mentioned earlier, commitment is an essential and required ingredient for the maintenance of a long-term relationship (Morgan & Hunt, 1994; Garbarino & Johnson, 1999; Chang et al., 2012; Hennig-Thurau et al., 2002). Continuously strengthen a committed and a long-term relationship is recurring increased investigation in marketing channels. As time goes and the relationship grows, the cost and rewards of participation also expand (Goodman & Dion, 2001). Cater and Zabkar (2009) argue that commitment leads to a strong partnership. As stated by Hennig-Thurau et al., (2002, p. 232) commitment is a “customer’s long-term orientation towards a business relationship that is grounded on both emotional bonds and the customer’s conviction that remaining in the relationship will yield higher net benefits than terminating it”. In addition, commitment might forecast the customer’s relational behaviours, and is seen to have a strong association with customer loyalty (Ibid.).

Through high commitment from both partners, joined and individual goals can be achieved without raising the image of opportunistic behaviour (Mohr & Spekman, 1994). Hence, “the committed partners will exert effort and balance short-term problems with long-term goal achievement” (Ibid., p. 138).
According to Cater and Zabkar (2009, p. 786), “commitment is characterized by a disincentive to replace relationship partners”. There are various factors, which determine the commitment level from influential individual to the entire organization team (Ibid.). The authors explain three components of commitment:

- **Affective commitment** - explained through social bonds, satisfaction, trust, and loyalty. The business wants to continue the relationship because they are satisfied with the partner.
- **Calculative commitment** – explained through satisfaction. In this case, the firm stays in the relationship because of anticipated switching costs or absence of alternatives.
- **Normative commitment** - explained through satisfaction. Partners maintain the relationship because of the feeling of obligation.

Goodman and Dion (2001) have researched the topics and conducted a commitment model. The following diagram (Figure 2) shows some of the more important variables to be considered when determining the level of commitment.

*Figure 2 Commitment Model (Adapted from Goodman and Dion, 2001).*
2.4.1 Power

How people deal with power differs from person to person (Kumar, 1996). While some businesses use their power in order to get the most benefits out of the partnership, meanwhile others recognize responsibility for their partner’s profitability (Ibid.). Five sources of power have been defined by Goodman and Dion (2001). These are based in each success outcome on utilization of referent, reward, coercive and expert factors:

- **Legitimate power** - the authority lie in the hands of the manufacturer, who has the power over the distribution partner.
- **Expert power** - based on the manufacturer's knowledge.
- **Referent power** - the emotional level between the distributors and manufacturers, the ability the manufacturer has to develop a strong bond by demonstrated concerns.
- **Reward power** - ability to provide rewards to the distributor. Rewards are limited, ranging from discount to verbal compliments.
- **Coercive Power** - is fear and force. Such as discount cuts, less sales and marketing support in difficult times.

2.4.2 Trust

It is essential that employees are well informed about about which information, skills and technologies need to be protected or shared when interacting with partner (Kumar, 1996). Goodman and Dion (2001) point out that trust is at state where the partner has confidence in the firm or because of the ability to provide dependability, direction, and expertise. Moreover, trust is also explained as the willingness to perform actions in the belief that the collaboration will result in positive outcomes from the collaboration (Anderson & Narus, 1990). As a result, when the buyer trusts the seller, commitment will arise (Cater & Zabkar, 2009).

Trust contributes more benefits. It helps the manufacturer and retailer to understand their total potential (Ibid.). Trust from both partners makes it possible to share confidential information, to help understand and invest in each other’s businesses, and to reconstruct resources (Kumar, 1996). Trust is, in today's business environment, an important component in distributor-manufacturer partnership (Goodman & Dion, 2001). Through
working together, retailers and manufacturers can deliver superior value to the customers with the lowest potential cost (Kumar, 1996).

According to Cater and Zabkar (2009), trust is instrumental in developing a positive motivation for the continuance of a business relationship as it promotes connectedness and identification.

It is critical to treat the partner with respect when building the interpersonal chemistry, which can be found in the most successful manufacturer-retailer relationships (Kumar, 1996). Thus, another important aspect in the partnership relationship is satisfaction. A satisfied business partner can be expected to continue a relationship whereas those who are dissatisfied are less likely to do so (Ferro et al., 2016). Satisfaction comes from positive awareness and the level of fulfilments of the expectations from each member in the partnership (Ibid.). It was stated that: “economic satisfaction is the prime reason why firms engage in exchange with other firms as […] each channel member is seeking its own profit […]” (Coughlan, Anderson, Stern & El-Ansary, 2001, p. 202).

2.4.3 Dependence

Dependence describes the degree of exertion that the distributor would encounter if the supplier’s product had not been accessible (Goodman & Dion, 2001). Anderson and Narus (1990), also suggest that relative dependence defines the degree to which the firm will be able to influence and be influenced by its companion. The authors further added that relative dependence can be described as a firm’s recognition of the differences concerning its partner and its own dependence on the operational partnership.

According to Anderson and Narus (1990) the firm with a higher relative degree of dependence has more interest in satisfying and supporting the relationship. These firms are more receptive to changes and requests by the partner firm (Ibid.). On the other hand, firms with a lower relative dependence can use their superior position to demand changes from partner. This is based on the belief that it will mutually increase results for the both partners, or increase outcomes for one party in the relationship (Ibid.). The author argues that this assists the effects to move the relationship toward equality with relative dependence. They suggested also that the more influence a firm would have over the other partner, the less conflict the firm would meet. Because it is in interest that the best
outcomes from the partner would comply with the firm’s appeal of act. However, Ferro et al., (2016) explains that a hostage taking company might try to reduce the dependence to ensure that the outcome would be as self-beneficial as possible. Some companies build effective networks based on interdependence (Ibid).

2.4.4 Communication

Communication is defined as informal or formal ways of sharing timely and meaningful information between firms (Anderson & Narus, 1990). According to this definition, the point is focused on the efficacy of information exchange compared to its quantity (Ibid). Goodman and Dion (2001) argue that effective communication has universal acceptance when it comes to business and social relationships. “Manufacturers can also improve benefits received by distributors through fostering meaningful communications with distributors (particularly with respect to unanticipated changes in price, product, or delivery)” (Goodman & Dion, 2001, p. 291). Communication in this case has been identified by Mohr and Spekman (1994) as the key to the vitality of the corporation. Three communication aspects that lead to enhanced commitment when provided by the partner firm can be observed (Goodman & Dion, 2001):

1. Combined effort for setting market planning and goals.
2. Quality of communication
3. Sharing of information

According to Anderson and Narus (1990), a positive correlation between relative dependence and communication could be predicted.

2.4.5 Continuity

Defines the numbers of years in the collaboration (Goodman & Dion, 2001). “As the relationship becomes committed, continuity grows” (Ibid., p.291). The authors argue that some relationship might have been existing for a very long time and suddenly disband, meanwhile some partnership might work closely but never form a relationship that is based on trust and commitment. Nevertheless, some partnership may also be formed in a short time, considering possibilities based on trust and commitment (Ibid.).
2.4.6 Idiosyncratic investment

This has been mentioned by Morgan and Hunt (1994) in the framework of Commitment-Trust Theory in Chapter 2.3 and further implemented by Goodman and Dion (2001). Goodman and Dion (2001, p. 292) moreover “a key distinction of the commitment phase is that the parties purposely engage resources to maintain the relationship”.

2.5 Relational Marketing

Relational marketing aims to reinforce the relational bonds with the customers (Hutt & Speh, 2012). Furthermore, it has an emphasis on how to build, develop, and maintain successful relational exchanges (Chen & Chiu, 2009; Morgan & Hunt, 1994; Chiu, Hsieh & Li, 2005). Chen & Chiu (2009, p. 1581) state that relational marketing “can be regarded as one of the best strategies to gain profitability and competitive advantage for firms and increase customer satisfaction”.

Relational marketing has been defined in B2B context as the “psychological, emotional, economic or physical attachment in a relationship that [is] encouraged by the relation and interaction and offer to unite parties together under relational exchange” (Smith, 1998, p. 78 in Mohd et al., 2015, p. 129). The relationship is described as the formation of bonds between the customer and the company (Roberts, Varki & Brodie, 2003 in Chiu et al., 2005).

Previous investigation conducted by Rao and Perry (2002) and Sweeney and Webb (2007), illustrate that relational bonds might lead to positive outcomes, such as high levels of commitment, trust, satisfaction, and positive purchase behaviour. For example, “based on the commitment-trust theory of relationship marketing report that structural bonds…affect commitment, which increases repurchase intentions and referral intentions” (Lacey & Morgan, 2009 in Lee, Kim, Lee & Lim, 2015, p. 832). Moreover, functional benefits, are initiated to enlighten the firm’s commitment to the relationship (Sweeney & Webb, 2007). The market exchange is designed by economic and structural bonds (Ibid).

It has been stated in several articles, that companies build their strategic partnership based on three types of relational bonds; Social, Structural and Financial (Berry & Parasuraman, 1991; Nath & Mukherjee, 2012; Huang, Fang, Huang, Chang & Fang, 2014; Chiu et al.,
2015; Mohd et al., 2015). Meanwhile, Lin, Weng, and Hsieh (2003) state that economic, social, and structural bonds are the significant factors that inspire customer commitment. In this study, financial bonds have been merged with economical bonds.

2.5.1 Social Bonds

Wilson (1995, in Mohd et al., 2015) describes social bonds as the degree of a mutual personal appreciation. When focusing on social bonds, companies need to have the knowledge that quality is of the utmost importance when developing a relationship of social interactions (Lee et al., 2015). Mohd et al., (2015, p. 132) describe social bonds as “the personal ties that concentrate on the service dimensions to create the relationship between buyers and sellers with the help of friendships, identifications, and interpersonal interactions”. Moreover, increased personal interactions have a positive effect on the relationship, which includes trust, satisfactions, and commitment (Huang et al., 2014).

It is shown in researchers carried out by Sweeney and Webb (2007) and Wilson and Jantrania (1994), that social bonds have a critical aspect when developing and protecting the relationship, which might lead to commitment and trust. According to Hening-Thura et al., (2002) social bonds raise the level of commitment to the organization. In other words, the more the manufacturer engages in social relationships the more the customer will commitment (Ibid.). A research conducted by Cater and Zabkar (2009) shows that when the seller and buyer are bound by a strong personal relationship, they are more committed to manage relationships in comparison to those who do not have such relationships.

Important components to strengthen this bonding strategy is through friendship, familiarity, personalization, and customization (Berry & Parasuraman, 1991; Lee et al., 2015). Through personal interactions and emotional engagement bonds are developed (Lee et al., 2015; Hutt & Speh, 2012). These intangible factors are more difficult to duplicate by competitors (Ibid.)

Social bonds support developing closeness, emotional connection and the mutual understanding between the two parties from caring and listening (Chiu et al., 2005; Chen & Chiu, 2009). It indicates a positive influence on the customer’s feelings allied with the service contribute and experience or emotions to the development of an emotional element of attitude (Chiu et al., 2005). In order to achieve a positive relationship, it is
essential to stay in touch with clients, satisfy their needs, and preserve an encouraging relationship with them (Chiu et al., 2005). Mohd et al., (2015) states that social bonds are obviously disposed to sharing personal information, personal attachment, and external business socialization between the seller’s and the buyer’s main contract personnel. The salesperson needs to have a proactive attitude towards a repeated interaction with its customers to understand the different demands (Lin et al., 2003). This can be done by frequent communication, paying attention to the customer’s need and support information exchange (Lin et al., 2003; Chen & Chiu, 2009).

The relation between social bonds and relationship satisfaction has been found to be “that social bonds between lumber dealers and their suppliers impacted significantly the latter’s relationship satisfaction” (Ibid., 2015, p. 132). Explained by the authors, the satisfaction will be accomplished for the seller if the buyer perceives a strong positive relationship (which have direction and depth of the social bonds). In addition, it was shown that social bonds have a positive affect towards relationship satisfaction (Ibid).

According to Hennig-Thurau et al., (2002, p. 237), “satisfaction is related to the fulfillment of customers’ social needs, and the repeated fulfillment of these social needs is likely to lead to bonds of an emotional kind that also constitute commitment”. This results in the distributor trusting their manufacture, they feel protected, due to the manufacturer's actions engendering positive outcomes, which in turn leads to greater satisfactions (Ibid.).

2.5.2 Structural Bonds

Another way for maintaining customer loyalty is to practice structural bonds (Lin et al., 2003). “Firms focusing on this level rely on structural solutions in establishing and maintaining a relationship with their customers” (Lee et al., 2015, p. 832). It involves managing customer loyalty through provided services, which is valued by the customer and additionally, not available from other sources (Chen & Chiu, 2009; Chiu et al., 2005; Nath & Mukherjee, 2012; Lin et al., 2003). Moreover, structural bonds are expensive and challenging for other companies to deliver (Ibid.).

Structural bonds occur for example when an investment has taken place in the buyer’s organization, which at the end of the partnership cannot be retrieved, for instance,
installation of equipment of long-lasting properties (Begalle, 2008). Another example is solutions that might vary from technical or informational factors (for example, service-delivery system) (Lin et al., 2003), or adopting software in order to share information with the partners and strategic partnership (Lee et al., 2015). In order to determine the quality of relational marketing, process and products are important factors (Chen & Chiu, 2009). Furthermore, it is essential to help customer to make a decision as well as provide valuable information (Ibid.).

The authors summarize the main goal of the structural bonds as to solve the customer’s problems. In other words, structural bonds include the following: solution of problems, delivery of valuable information, and product adaptation (Ibid.). The seller’s ability of knowledge and expertise might also create structural bonds, which prevent switching behaviour (Begalle, 2008). Structural bondings are connected with sustainable investments, therefore “firms that are structurally tied find switching costs to be high and view each other as strategic partners in achieving shared goals” (Lee et al., 2015, p. 832). According to Lin et al., (2003), structural bonds contribute with strong competitive advantage to the companies.

2.5.3 Financial Bonds

According to Lee et al., (2015, p. 831) “the most basic form of relationship bonds is formed based on financial incentives”. It is used in order to secure the loyalty from the customer by using special price offerings or other financial encouragements (Chen & Chiu, 2009; Chiu et al., 2005). This means, the companies focus their tactics on including price incentives, volume discounts, free gifts, extra prompt services, and frequency marketing programs (Lee et al., 2015, Mohd et al., 2015). “Financial bonds reflect both the manufacturer’s perceptions of the benefits for the retailer and the retailer’s view of the rewards or incentives, such as discounts, a reward program, rebates, that reflect profit margin, stimulate sales, and attract customers for retailers” (Mohd et al., 2015 p. 130). The same authors argue motivation for customer to commit in relational exchanges is to save money.

Chiu et al., (2005, p. 1683) claim “monetary promotions improve customers’ perceptions of utilitarian value and thereby increase the acquisition utility of their purchases”. Through the transactional exchanges customer purchases increases leading to positive
relation quality (Huang et al., 2014). Nevertheless, even if it is simply to implement and plan, it has relatively low potential to evolve a strong relationship (Lee et al., 2015). As a result, B2B relationships involve investments that might create switching obstacles (Ibid).

Table 1 presents the reviews constructs with their conceptual and operational definition serving as the base to construct the operationalization in Chapter 3.6.1.

<table>
<thead>
<tr>
<th>Construct</th>
<th>Conceptual Definition</th>
<th>Operational Definition</th>
</tr>
</thead>
<tbody>
<tr>
<td>Competitive Advantage</td>
<td>The degree to which a competitive strategy creates growth, profits and differentiating (Omri &amp; Ayadi-Frikha, 2014).</td>
<td>A concept capturing the degree of how competitive a firm is based on their captured resources.</td>
</tr>
<tr>
<td>Strategic Partnership</td>
<td>The degree to which the partners are working together in order to reach mutual benefits, share compatible goals, and recognize a higher level of mutual interdependence (Kale &amp; Singh, 2009)</td>
<td>A concept capturing the degree of how dependent the firms are on each other in order to maintain the relationship.</td>
</tr>
<tr>
<td>Commitment-Trust Theory</td>
<td>The degree to which the partners are committed and trust each other (Mohr &amp; Spekman, 1994).</td>
<td>A concept capturing the degree of partner’s commitment and trust to the relationship.</td>
</tr>
<tr>
<td>Key Mediating Variable Model (KMV)</td>
<td>The degree to which relationship termination, relationship benefits, shared values, communication and opportunistic behavior affect the relationship (Mohr &amp; Spekman, 1994).</td>
<td>A concept capturing the crucial elements in order to develop and maintain long-term collaboration.</td>
</tr>
<tr>
<td>Commitment model</td>
<td>The degree to which power, trust, communication, continuity, idiosyncratic investment, and dependency effect the commitment (Goodman &amp; Dion, 2001).</td>
<td>A concept capturing crucial elements in order to be committed to the relationship.</td>
</tr>
<tr>
<td>Relational Marketing (RM)</td>
<td>The degree to which the activities are aimed to strengthen, develop and maintain long-term relationship (Hutt &amp; Speh, 2012).</td>
<td>A concept capturing the degree to how social, structural and financial bonds dependent on the trust and commitment to the relationship to become strategic.</td>
</tr>
</tbody>
</table>
Construct | Conceptual Definition | Operational Definition
--- | --- | ---
- Social Bonds (SOB) \( Chapter \ 2.5.1 \) | The degree of how social bonds developing stronger relationship through personal ties, that puts efforts on the service aspect in order to develop the relationship between the purchaser and the sellers through identifications, friendships, and interpersonal interactions (Lin et al., 2003; Chiu et al., 2005; Chen & Chiu, 2009; Lee et al., 2015) | A concept capturing the degree to how social bonds have improved the relationship through trust by increased the communication and reduce opportunistic behaviour.

- Structural Bonds (STB) \( Chapter \ 2.5.2 \) | The degree of how structural bonds enhance the relationship in the business, by provide services which is valued by the customer and additionally, not available from other sources (Lin et al., 2003; Chiu et al., 2005; Chen & Chiu, 2009; Lee et al., 2015) | A concept capturing the degree of how structural bonds have enhanced the relationship through trust by reducing opportunistic behaviour and increased the communication.

- Financial Bonds (FB) \( Chapter \ 2.5.3 \) | The degree of how financial bonds strengthen the relationship through offering financial incentives (Mohd et al., 2015; Lee et al., 2015; Chiu et al., 2005; Chen & Chiu, 2009). | A concept capturing the degree of how financial bonds strengthened the relationship through commitment by increasing the termination and benefits.

Table 1 Constructs and their conceptual and operational definition

2.6 Conceptual Framework

The previous chapter literature review has presented the important elements in order to maintain strategic partnership. It was shown that commitment and trust are two essential attributes that are established through the KMV. As it has been presented by several authors, relational marketing bonds contribute to successful partnerships. In this research's conceptual model, when applied correctly, relational marketing bonds contribute to the KMV. Therefore, social bonds constitute to Communication (shared information), Shared Values (mutual goals), and Opportunistic Behavior (reduced self-interest); Structural bonds contribute to both communication (information exchange) and opportunistic behavior (ways of helping the customer); Financial bonds have an impact
on Relational Termination Cost (discounts, investments) and Relationship Benefits (prompt service).

Figure 3 Conceptual Framework
3 Methodology

This chapter will present the authors chosen research approach of deductive quantitative method in order to acquire the purpose of this research. A descripto-explanatory research design was applied and the research strategy was a combination of case study and survey. Data has been collected through an online survey with 3 additional qualitative interviews. Argumentations and reasoning are presented in the chapters below regarding the different approaches, designs and researches selected to perform this study.

3.1 Research Approach

Research can differ in its approach based on different methods, which can be either inductive or deductive and also rely on qualitative and/or quantitative data (Saunders, Lewis, & Thornhill, 2009). The chosen method for this research is a deductive approach, because theories in regard of strategic partnership and networking have been scrutinized prior the empirical data collection. The authors began with a broad investigation of the themes of growth and profit, followed by networking, and strategic partnership as a tool to create a competitive advantage, additionally narrowed down into several different theories and strategies presented in the Literature Review (Chapter 2).

Moreover, for this study a quantitative approach was chosen, because the topic of strategic partnership has been investigated extensively and the purpose The purpose of this study is to describe the structure of a relationship between a dealer and its manufacturer in the Swedish marine industry from a strategic partnership perspective. In other words, the main focus is to apply and test the theories and investigate common opinions and attitudes from a dealer’s perspective towards their manufacturer. Furthermore, the research aims at confirming and relating strategic partnership items rather than exploring their deeper meaning and discovering new aspects. A large amount of literature is available in the area of strategic partnership, which was the base for conducting a literature review and to construct the conceptual framework. The collected data can be utilized to represent the partnership in a structured and numerical matter allowing the authors to describe and explain a large number of manufacturer-dealer relationships.

The overall quantitative research approach was applied to provide statistical evidence of the partnership between a dealer and manufacturer from a strategical partnership
perspective and is key in this research. Nevertheless, a qualitative perspective was taken to collect data through semi-structured interviews. The findings were gathered to supplement the small data set (Chapter 3.7). Even though both approaches were practiced, the main focus was on analyzing quantitative data and use qualitative interviews only to reason for and against the outcome. Therefore, this will be named a quantitative research.

The available strategies will be discussed in the following paragraphs.

3.1.1 Inductive vs. Deductive

There are two different research philosophies, deductive and inductive. “Deductive theory represents the most common view of the nature of the relationship between theory and research” (Bryman & Bell, 2011, p. 11). It begins with investigating primarily existing theories in regard of the author's interest, gain a general understanding of the topic, choose relevant theories and thereby develop the frame to collect data (Ibid.) As a result, the selected theory will provide the foundation for determining the information that needs to be selected, how it is understood, and how it is connected to the result (Oghazi, 2009).

Inductive logic, on the other hand, operates in the opposite manner (Saunders et al., 2009; Bryman & Bell, 2011). It investigates a phenomenon closely at first and in the next step a general conclusion is drawn (Saunders et al., 2009). In other words, data is collected prior to theories.

3.1.2 Quantitative vs. Quantitative

A qualitative approach provides the ability to suggest a complex documentary description of how individuals experience a specified research question (Saunders et al., 2009). This approach will also be effective when trying to identify intangible factors, for example: socioeconomic status, gender role, social norms, etc., that might be related to the process to answer the research question (Ibid.). As a result, a qualitative approach can be utilized and is appropriate for different categories of investigations (Beheshti, Oghazi, Mostaghel & Hultman, 2014; Oghazi, 2009). According to Bryman and Bell (2011) qualitative research provides a better understanding of a given complex reality in a specific situation. Moreover, creating a better awareness of the environment in order to gain a
comprehension of how persons, institutions, groups, and systems influence each other (Sogunro, 2002; Sullivan, 2001).

A quantitative approach, on the other hand, applies data analysis tools to measure and represent information in a numerical and standardized form (Saunders et al., 2009; Oghazi, Mostaghel, Hultman, Parida, 2012). The main focus lies in applying and testing a theory to examine general opinions and attitudes (Ibid.). Also, generalizations can be made and discussed (Oghazi, 2009). In contrast, qualitative approach investigates deeper meaning and causes, and aims at finding new data behind phenomena whereas quantitative aims at quantifying and generalizing the results of the investigated case (Bryman & Bell, 2011).

3.2 Research design

Bryman and Bell (2011) explain research design as a blueprint on how data is conducted, constructed and analysed in a logical order to answer the research question. Research design can be conducted in many ways, and in three different paths: “exploratory, descriptive and explanatory” (Saunders et al., 2009, p. 139). In the following chapters the authors will explain those methods and reason for the chosen research design.

The chosen design “will enable you to answer your particular research question(s) and meet your objectives” (Saunders et al., 2009, p. 141). Therefore, after carefully evaluating and comparing the different research designs (presented in Chapter 3.2) in accordance to the research purpose and the expected results, an explorative research design was dismissed, because extensive research was conducted to construct the theoretical background to develop the researchers survey elements. A descriptive approach was applied to create the literature review and construct the research measurements. In the next step relationships between variables were identified. Consequently, a mixture between a descriptive and explanatory was applied, also referred to as descripto-explanatory studies.

3.2.1 Exploratory Design

According to Gray (2013, p. 36): “exploratory studies seek to explore what is happening and to ask questions about it.” It supports the utilization of unspecific measures and
collects data to get a deeper and more clear understanding of the phenomena or problem (Bryman & Bell, 2011; Saunders et al., 2009). Exploratory research data is collected through literature reviews, interviews with the persons having the appropriate knowledge, and focus group interviews (Saunders et al., 2009). The nature of this research is flexible and might reinforce the main research goal, because new insights and information was collected (Ibid.). This approach can be applied in areas with a lack of knowledge, or prior to a study, to firstly evaluate and in the next step use the collected data as a frame for further research (Bickman & Rog, 2008).

3.2.2 Descriptive Design

Bickman and Rog (2008, p. 15) explain: “the purpose of a descriptive research is to provide a picture of a phenomenon as it naturally occurs.” Most likely description research uses exploratory studies as its foundation to extend the presented framework and/or concepts (Saunders et al., 2009). This approach is used to examine and describe a single variable. In the next step this data will be compared to another specific phenomena or outline its relationship to other variables (Bickman & Rog, 2008). An important factor to separate this approach from the other is that it does not represent a cause-effect relationship, which represents, describes, and explains the dependency between two or more phenomena (Ibid.). However, descriptive research is the forerunner of explanatory research and serves as the reasoning for the research (Saunders et al., 2009). Therefore, it is likely to proceed a descriptive and explanatory research in one project. These studies are named “descripto-explanatory studies” (Ibid., p. 140).

3.2.3 Explanatory Design

In an explanatory research design causal relationships are drawn between variables (Saunders et al., 2009, p. 140). It seeks to answer the question why and how (Ibid.; Gray, 2013) through articulating hypotheses prior to data collection. The hypotheses will then be tested through systematic data collection and analysis. In an explanatory research design the author investigates possible causes or correlation between variables extending descriptive research (Saunders et al., 2009).
3.3 Data sources

For the objective of this study both types of data have been collected, primary data has been collected through surveys directed to the dealers of the manufacturer. Qualitative interviews were conducted to ensure the validity of this study due to a small population investigated, which will be further explained in Chapter 3.5. In advance Pärh Svensson, Ryds sales director, was contacted to discuss the research topic and get a better understanding from Ryds perspective and collect needed information to construct the research such as dealer contact data. Secondary data is represented as scientific articles and books used to present the literature review and create the research outline.

3.3.1 Primary vs. secondary data

There are two types of data sources that the researcher needs to be aware of when gathering accurate information: primary and secondary data (Bickman & Rog, 2008). The two data sources can be used at the same time, in those cases, primary resources are utilized to enrich the secondary sources (Bryman & Bell, 2011). Primary data are specific collected raw data gathered through focus groups, observation, questionnaires, in-depth interviews, distribution audits, and interviews for the research purpose (Saunders et al., 2009; Sanjeev, 2010; Oghazi, 2014). Furthermore, primary data collection is time consuming and requires an extensive planning procedure (Oghazi, 2009; Bryman & Bell, 2011). When gathering secondary data researchers obtain something that has been done by someone else (Ibid.).

3.4 Research strategy

Research strategy can be defined as the “document” of the study (Creswell, 2013). The following research strategies have been mentioned by Bryman and Bell (2011), Saunders et al., (2009), which are experiment, survey, archival analysis, and case study. It must be noted that these strategies can coexist and be combined in a research (Saunders et al., 2009).

Firstly, the authors rejected the experiment and archival analysis, because this research will not include control of behavioural events nor investigate administrative records and/or documents. The appropriate choice of research strategy is a combination of case
study and survey. A case study was chosen to explore a single case. The relationship between the manufacture and its dealers from the perception of dealer's and key elements for a successful partnership has been investigated in a single moment of time. Due to, the quantitative nature of this research data has also been chosen according to a survey strategy to gather the manufactures perception of the relationship with the manufacturer in a single point in time referred to as cross sectional. Moreover, it is less time consuming, more cost efficient and provides the authors with a high response rate if carefully designed.

To decide on a research strategy, the authors compared the strategies in the following paragraphs.

3.4.1 Experiment

It represents in most cases natural science in which the research has manipulated on variable (x) and observed the outcome (y) (Saunders et al., 2009). They are conducted to investigate the variables cause relationship, in which an individual is “pre-tested, then exposed to the experimental treatment, and then post-tested” (Bryman & Bell, 2011, p. 54). It has mostly widely been used in educational and psychological research (Ibid.). Due to, its nature measures and concepts have to be well structured, which is time consuming (Bryman & Bell, 2011). It is applied in exploratory and explanatory research to answer research questions in regard of how and why (Saunders et al., 2009).

3.4.2 Survey

A survey examines closely a desired sample to answer the questions of who, what, where, how much and how many (Saunders et al., 2009). It is a structured approach providing a controllable frame for the research (Ibid.). The collected data can be quantified and analyzed through descriptive and inferential statistics (Ibid.). Furthermore, “surveys include cross-sectional and longitudinal studies using questionnaires or structured interviews for data collection, with the intent of generalizing from a sample to a population” (Babbie, 1990 in Creswell, 2013, p. 14). Cross-sectional studies focus on a snapshot of a situation at one point in time, whereas longitudinal studies observe a phenomena during a certain period of time (Bryman & Bell, 2011).
3.4.3 Archival analysis

Saunders et al., (2009, p. 587) have defined archival analysis as a “research strategy that analyses administrative records and documents as principal source of data because they are products of day-to-day activities.”

3.4.4 Case study

A case study is defined as “a strategy for doing research, which involves an empirical investigation of a particular contemporary phenomenon within its real life context” (Robson, 2002, in Saunders et al., 2009, p. 178). Bryman and Bell (2015, p. 78) explain case study as a “single case with a view to revealing important features about its nature”. A case study can be investigated through single or multiple cases, which then will be analyzed in accordance to its chosen strategy (Yin, 2003).

3.5 Data collection method

In the previous section the case study, survey and the chosen combined research strategies were presented. The relevant method to collected data has been mentioned before as cross-sectional survey. Additionally, data will be collect through qualitative interviews, which will be conducted through a semistructured interview.

3.5.1 Qualitative Interview

A qualitative interview was selected due to a small-investigated population, to increase the validity and get a deeper understanding of the item links in a strategic partnership. A group interview was not suitable, due to the influence the participants can have on another (Bryman & Bell, 2011). Only sales managers or the representative for communicating with the manufacturer were interviewed. Bryman and Bell (2011) explain qualitative interviewing as a very broad term consisting of two ways to construct an interview, unstructured, and semi-structured interviewing (see Chapter 3.5.1.1). An unstructured interview has been dismissed, because the authors will follow the questionnaire design of the survey and reconstruct the statements. Therefore, a semi-structured interview was appropriate with open-end questions. Open end questions are chosen to get a deeper understanding of the partnership and examine relations between the results of the survey.
and questionnaire. A detailed description of the structure and design of the semi-structured interview is presented in Appendix 1.

On the other hand, closed questions are the most appropriate choice when designing the survey, because it is in line with the quantitative approach to collect numerical and quantifiable data. The statements are presented in Appendix 2. Furthermore, it allows the authors to accumulate more data from numerous dealers in a shorter time spread over a larger area. Collected data will be put into comparison and an overview of the relationship will be constructed.

3.5.1.1 Semi-structured Interview

Semi-structured interviews are conducted by using a list of questions that will cover the topics in the same order for every person (Miles & Gilbert, 2005; Bryman & Bell, 2011). On the other hand, an unstructured interview might be composed of only one question, thereby, the interviewee has the opportunity to respond freely, and the interviewer replies with questions that seem to be important to follow up (Saks & Allsop, 2012). The methods most common tool when constructing a survey and questionnaire is to ask the population or sample (presented in Chapter 3.7) questions in regard of the research purpose in either open or closed ways (Gomm, 2008).

3.5.1.2 Open-end Questions

The design of open questions allows the respondents to answer freely and gives the author the possibility to collect new insights about the researched topic (Bryman & Bell, 2011). The amount of data is large and, therefore, time consuming to analyse (Ibid.). Closed questions, on the other hand, give the participant a given choice of answers, he/she has to select one or more of and provide the author with data, which can be compared to all other respondents’ answers (Saunders et al., 2009). The construction of closed questions has to be developed more carefully and is therefore, more time consuming, but collected data can be faster quantified and analysed (Bryman & Bell, 2011).
3.6 Data collection instrument

In this section the authors present the framework on how data will be collected for the questionnaire, which will be explained more detail in Chapter 3.6.2. Prior to designing the questionnaire, the variables applied to collect data will be defined in the next chapter through an operationalization.

3.6.1 Operationalization measurement of variables

According to Bryman and Bell (2011, p. 153): “Concepts are the building blocks of theory and represent the points around which business research is conducted”. Each theory provokes different concepts therefore; it is necessary to divide them into several measures.

The indicators can be devised in numerous ways (Bryman & Bell, 2011, p. 154):

- “Through a question (or series of questions) that is part of a structured or semi-structured interview
- Through the recording of individual’s behaviour using a structured observation schedule
- Through official statistics
- Through an examination of mass media content through content analysis”.

When the concept/framework has been clarified and achieved, the next step is to find the suitable empirical complement for the concept (Ruane, 2005). It is also known as the operationalization (Bryman & Bell, 2011). Operational defined means: “the definition of a concept in terms of the operations to be carried out when measuring it” (Ibid., p. 714).

In this research the key concept has been presented in Chapter 2 and is presented in Table 2 displaying the concepts and its measure.

<table>
<thead>
<tr>
<th>Construct/Variable</th>
<th>Type of scale and its constructio</th>
<th>Items used</th>
<th>Adapted from</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Social Bonds</strong></td>
<td>Four-items 7-point Likert scale measured by Level of Agreement 1. Totally Disagree</td>
<td>SOB 1- Ryds makes an effort to help us when we need support. (Example: New brochures or other marketing tools) SOB 2- Ryds and us are sharing similar business goals.</td>
<td>Lin et al., 2003 Chiu et al., 2005 Chen &amp; Chiu, 2009 Lee et al., 2015</td>
</tr>
<tr>
<td>Construct/Variable</td>
<td>Type of scale and its constructio</td>
<td>Items used</td>
<td>Adapted from</td>
</tr>
<tr>
<td>--------------------</td>
<td>-----------------------------------</td>
<td>----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------</td>
<td>--------------</td>
</tr>
<tr>
<td></td>
<td>7. Totally Agree</td>
<td>Interactions between my firm and SOB 3- Interactions between my firm and Ryds are characterized by mutual respect. SOB 4- The relationship we have with Ryds deserves our maximum effort to maintain positive outcome from this relationship.</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Four-items 7-point Likert scale</td>
<td>SOB 5- Ryds pays attention to our needs. SOB 6- Ryds leaves me in the dark about things we should know. SOB 7- The relationship that we have with Ryds is very much like being family. SOB 8- Ryds provides us with new information about its company and products/services periodically.</td>
<td>Lin et al., 2003 Chiu et al., 2005 Chen &amp; Chiu, 2009 Lee et al., 2015</td>
</tr>
<tr>
<td>Structural Bonds</td>
<td>Four-items 7-point Likert scale</td>
<td>STB- 1 Ryds offers various ways to deal with transactions in regard of payments. STB- 2 The relationship to Ryds has a positive influence on our business. STB- 3 We can receive responses and explanations immediately after complaining or having problems. STB- 4 Ryds offers various ways to deal with transactions in regard of transportation.</td>
<td>Lin et al., 2003 Lee et al., 2015 Chiu et al., 2005 Chen &amp; Chiu, 2009</td>
</tr>
<tr>
<td></td>
<td>Level of Agreement</td>
<td>STB- 5 Ryds provides a fast and personalised service when end consumers order a customized boat. STB- 6 The terms of our purchasing arrangement with Ryds are fair. STB- 7 The relationship that we have with this manufacturer is something we intend to maintain in the future.</td>
<td>Lin et al., 2003 Lee et al., 2015 Chiu et al., 2005 Chen &amp; Chiu, 2009</td>
</tr>
<tr>
<td>Financial Bonds</td>
<td>Two-items 7-point Likert scale</td>
<td>FB- 1 The relationship with Ryds contributes highly to our turnover. FB- 2 Financial investments have taken place between us and Ryds increasing the costs to change to a different boat supplier.</td>
<td>Mohd et al., 2015 Lee et al., 2015 Chiu et al., 2005 Chen &amp; Chiu, 2009</td>
</tr>
</tbody>
</table>
### Construct/Variable

<table>
<thead>
<tr>
<th>Construct/Variable</th>
<th>Type of scale and its construction</th>
<th>Items used</th>
<th>Adapted from</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>7. Totally Agree</td>
<td>FB- 3 We can receive additional discounts if we buy more. FB- 4 Ryds and us collaborate/work closely to achieve financial goals such as a certain percentage of margin FB- 5 Ryds provides us with marketing and sales support of high quality. FB- 6 The relationship with Ryds has benefited our margin.</td>
<td>Mohd et al., 2015 Lee et al., 2015 Chiu et al., 2005 Chen &amp; Chiu, 2009</td>
</tr>
</tbody>
</table>

**Table 2 Operationalization**

3.6.2 Questionnaire design

The term questionnaire is explained by deVaus (2002, in Saunders et al., 2009, p. 360) as “a general term to include all techniques of data collection in which each person is asked to respond to the same set of questions in a predetermined order.” There are multiples ways to conduct a questionnaire such as structured or interviewer-administered interviews. Figure 4 shows the available questionnaire designs, which will be discussed under the headline Self-administrative vs. Interviewer-Administered Questionnaire, in the following paragraphs.

![Figure 4 Questionnaire (Saunders et al., 2009, p. 363)](image-url)
The chosen survey design is a self-administrative online questionnaire with closed questions to collect data for the research purpose. The respondents are placed in different areas of Sweden underlining the need of an online questionnaire to be able to collect data in a timely manner. The survey will be answered by the respondents without the interviews participation, as a results from a given time frame of 3 months, economical resource limitations and the respondent's placement all over Sweden. Additionally, the internet based survey provider google docs offers support for data analysis reducing extensive working hours, and resulting in no additional costs.

3.6.3 Self-administrative vs. Interviewer-Administered Questionnaire

Bryman and Bell (2011) explain a self-administered questionnaire is answered by the individual without any researcher present, such as with e-mail or postal questionnaires. The two options, self-administered and interviewer-administered, described by Saunders et al., (2009) can also be divided into offline and online methods.

Offline methods need to be send via post creating longer response time and higher cost (Payne, Collin & Wansink, 2011). Therefore, it is a time and resource consuming method, but possible to administrate if the sample is appropriate (relatively small) (Ibid.). This method can increase respondence, but has to be manually analyzed (Ibid.).

Online methods such as online surveys are send through e-mail and can be easily replicated (Kalucy, Hordacre & Patterson, 2008). Therefore, it can include a greater amount of participants and is faster to administer. Moreover, the offered programmes used to create the web survey provide analytic tools reducing time and supplying accurate measures, graphs, and tables (Van Selm & Jankowski, 2006). An important aspect to consider is the clear construction of the statements, because no questions can be asked or discussed personally (Saunders et al., 2009). The authors have to ensure the questions are stated clearly and interpreted as desired by the respondents (Ibid.).

On the other hand, questionnaires can be actively guided by the researchers for example through structured interviews (Bryman & Bell, 2011). During this approach a researcher is present and can clarify any difficulties understanding the questionnaire (Ibid.). As a results, the answers will be greater in validity and reliability (Ruane, 2005). This method requires a large amount of time to be conduct at each interview (Ibid.).
(2011, p. 202) explain that the objective of this method is “to ensure that interviewees’ replies can be aggregated, and this can be achieved reliably only if those replies are in response to identical cues”. Extensive attention has to be given to the appropriate and detailed structure of the interview to ensure its reliability (Saunders et al., 2009).

The main difference between the two presented questionnaire options is concerned with the presents of a researcher or if he is absent (Ibid.).

3.6.4 Questionnaire design/layout

To ensure a high respondents rate and reliable questions a questionnaire needs to have a designed structure (Bryman & Bell, 2011). It allows the authors to ensure they are able to collect the desired data to answer the research question. According to Rattray and Jones (2007), there are crucial factors when designing a questionnaire such as “simplicity, cultural independence, completeness, relevance and neutrality”. Moreover, the intellect of the participant has to be respected and their time limitations (Ibid.). Bryman and Bell (2011) add that it is essential to explain clearly the reason of participation in the survey to the respondents and ensure collected data is confidential and that no names will be published without their permission.

Saunders et al., (2009) explain that when collecting data about people's opinion, rating questions is appropriate. A commonly used tool to measure attitudes is applying the Likert Scale. The Likert Scale is to measure attitudes with giving the respondent a range of answers connect to measures (1-5 / 1-7 / 1-10), which need little to no pre-knowledge to understand and answer (Rattray & Jones, 2007). It is important to, also, consider different scales for different types of questions, which can for example be either towards attitudes or beliefs (Bryman & Bell, 2011). Bryman and Bell (2011, p. 254) suggest to “separate scales for attitudes and beliefs” instead of applying the same scale for all questions.

Those rankings can be formulated for example as strongly disagree to strongly agree or never true to always true (Rattray & Jones, 2007). The distance between the points in the scale are not equally close or far from each other, but it can be assumed that there is a “relative ordering of an individual’s response to an item” (Ibid., p. 236).
The choice of a 7 point Likert Scale has been chosen, because the research purpose desires a wider range than three or five variables to gather the dealer's perception of the relationship. Moreover, it should be greater than six to identify greater significance when evaluating the data. Furthermore, during the completion of the questionnaire the respondents will be alone and, therefore, the ease of the 7 point Likert Scale is appropriate. The applied scales are as followed:

**Level of Agreement**
1= Strongly Disagree  
7= Strongly agree

**Knowledge of Action**  
1= Never True  
7= Always True

Additionally, to ensure the questionnaire is understood and clarified for the participants it is necessary to be pretested (presented in Chapter 3.6.5 pretesting).

The survey was conducted in Swedish, because the participant's native language is Swedish. It supports the elimination of language barriers and misconception of questions.

**3.6.5 Pretesting**

According to Bryman and Bell (2011) when designing a questionnaire, it is crucial to test the questions and the functionality of the survey instruments. They add that pilot studies are particularly important to apply when using a self-completion questionnaire, because unclear questions cannot be explained during the completion process of the questionnaire. In addition, overlooked mistakes can be identified and correct in an ongoing interview process, but this is not possible when the questionnaire is send out to a larger number of participants at the same time (Bryman & Bell, 2011). Errors might be noticed too late to be corrected (Ibid.). The topic of strategic partnership has been investigated extensively by researchers and therefore, a clear literature review was constructed. Moreover, published questionnaires were compared and adapted to create this research's questionnaire. Also the authors were supported by a professor from Linnaeus University with theoretical background.
Furthermore, the questionnaire should be tested on “a small set of respondents”, which represent features of the sample used for the study (Bryman & Bell, 2001, p. 263).

The questionnaire was pretested on a sample in where there was a relationship between two business rather than a manufacturer-dealer relationship, due to inaccessibility to manufacturers. The company name Ryds was replaced with an X representing one partner, which they perceive as strategically important. The pretest was conducted with 3 appropriate people, who have been working in a B2B environment, representing the population under investigation. In the last step the final design was reviewed to a professor at Linnaeus University, to discuss and adjust the questionnaire.

In the final step the online survey was tested in regard of its design and accessibility and test participants measured the needed time to conduct the survey to ensure its length was appropriate. The participants were 5 people, who work in a B2B environment, and the needed time to answer the survey was under 5 minutes for all of them.

3.7 Sampling

When conducting a research not only its concepts, designs, and measures have to be identified, also it is of importance to select the appropriate population to answer the research question (Bryman & Bell, 2011). “When choosing a sampling method for informant selection, the question the researcher is interested in answering is of utmost importance” (Tongco, 2007, p. 147). Bryman and Bell (2011) present two major concepts, census and sampling, to study a population. Census represents collected data from every individual or group of interest of the population (Saunders et al., 2009). It is also referred to as complete enumeration (Bryman & Bell, 2011). On the other hand, sampling provides the right guidelines to develop the appropriate sample and represents a subgroup of the population (Ibid.). If a population is group appropriately into sampling units, the results can be applied for the whole population (Ibid.). In this research it has been presented that a case study and survey design are applied resulting in the choice of census instead of sampling.

The census has been set in accordance to the research design of a case study and its research purpose. It represents one manufacturer (presented in Chapter 3.7.1) and all its dealers, which sell high performance boats and day cruisers. The company boat
manufacturer Ryds and its dealer are the representatives and the objects of investigation. Ryds has a dealer network consisting of 32 dealers, which have all been contacted to gather data. All dealers are located within Sweden and have the same manufacturer in common representing the sample size/population. An amount of 20 survey answers were collected.

3.7.1 Case Study

Ryds is a boat manufacturer in Sweden found in 1960, and started producing boats in 1974 (T. Kühne, pers. comm., 2014-04-10). T. Kühne (pers. comm.2014-04-10), who is part owner of Ryds, said they bought Ryds in 2012, after it had suffered and went bankrupt because of the financial crisis in 2008. He explained, their corporate vision has been safety of life, security, good quality, considered resources in both: production of boats and environment, throughout the years. Today, he adds, they are selling standardized rowing boats, high performance boats and customized steering boats (day cruisers). The number of sold high performance boats is between 300 and 400 per year and makes up 40 million of their 45 million turnover (P. Svensson, pers. Comm., 2016-02-18).

Ryds creates its own advertising posters, magazines, and movies in order to reach the end customers even though they have a dealer as a mediator to the end-consumer (T. Kühne, pers. comm., 2014-04-10). These posters and movies are also available for Ryds resellers to promote Ryds with a suitable message (Ibid.).

Furthermore, T Kühne (pers. comm., 2014-04-10) explains, Ryds is a rather small business with 23 employees of which 19 work in the production department. The sales department is represented by P. Svensson, who communicates with the dealers and retailers and nurtures the relationship (P. Svensson, pers. Comm., 2016-02-18). P. Svensson (pers. Comm., 2016-02-18) describes their existing dealer network consist of 28 companies (some with several locations) inside Sweden and 9 spread over Denmark, Norway, and Germany.

He points out that the company highly values their relationship with their retailers and end consumers. He adds most communication with the dealer takes place face-to-face, and a yearly meeting is organized to bring Ryds and its dealer network together. All
relationships according to P. Svensson are primary based on social interactions and rather unstructured. Moreover, he says, business relationships are more associated with as being like friendships. These characteristics, according to P. Svensson (pers. Comm., 2016-02-18), can be summarized as family-oriented business environment.

3.8 Data analysis method

Data analysis is carried out to present the collected empirical data in forms of numbers and statistics (Saunders et al., 2009). It is applied to categorize, measure, and present the collected data in a structured and systematic way (Ibid.). The choice of the data analysis method highly relies on the researches previously made methodology decisions (Bryman & Bell, 2011). SPSS is used in this research, which is a software supporting the use of analytical tools applied in a research (Saunders et al., 2009). In order to analyse gathered data, it needs to be coded (Ibid.).

The questions measure in the first section of the survey are represented by words/categories also called categorical variables/nominal variables. One question is considering the size of the company in order to categorize them to be able to investigate if there is a different level of partnership regarding the company's size. The categories variables were structured according to the European Commission (2016) definition of Small and medium-sized enterprises (SMEs), which is presented in Table 3.

<table>
<thead>
<tr>
<th>Company category</th>
<th>Staff headcount</th>
<th>Turnover</th>
<th>or</th>
<th>Balance sheet total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Medium-sized</td>
<td>&lt; 250</td>
<td>≤ € 50 m</td>
<td></td>
<td>≤ € 43 m</td>
</tr>
<tr>
<td>Small</td>
<td>&lt; 50</td>
<td>≤ € 10 m</td>
<td></td>
<td>≤ € 10 m</td>
</tr>
<tr>
<td>Micro</td>
<td>&lt; 10</td>
<td>≤ € 2 m</td>
<td></td>
<td>≤ € 2 m</td>
</tr>
</tbody>
</table>

Table 3 Definition of Small and medium-sized enterprises (European Commission, 2016)
These categorized questions need to be ranked to ease the translation into SPSS. They have been classified as followed:

Number of years collaborating with Ryds.
1 = 2 Years or less; 2 = 2-5 Years; 3 = 5-10 Years; 4 = 10 Years or more

The other questions in the section have been coded in the same way: first answer equals one, second answer equals two and so on. All other questions were pre coded through the use of a Likert Scale from 1 - 7 presented in Appendix 2.

In this research, the three bonds consisting out of its different items presented in the operationalization have been investigated to describe the phenomena using descriptive statistics. Each individual bond's items were combined to create its total value (see Appendix 3).

Descriptive statistics focuses on two aspects; the central tendency and the dispersion (Saunders et al., 2009). Central tendency is used to present common, middling or average values represented by one variable. According to Saunders et al., (2009, p. 444) there are three common ways to calculate and measure central tendency:

● “Value that occurs most frequently (mode);
● Middle value or mid-point after the data have been ranked (median);
● Value, often known as the average, that includes all data values in its calculation (mean).”

Moreover, Saunders et al., (2009, p. 447) describe dispersion as “how the data values are dispersed around the central tendency.” Dispersion can be carried out through inter-quartile range dividing data into portions and analyse them accordingly or standard deviation showing to which extend the value differs from the mean. In this research the maximum standard deviation to allow the answer to be judge is 2, if it is greater the range of the data is too large reducing the validity of the calculated mean. To show graphically the data of the bonds a boxplots was created (See Figure 10).

To investigate the relationship between the three bonds a paired T-test was applied. Berman- Brown and Saunders (2008 in Saunders et al., 2009) refer to this type of analysis
as significance testing between two measures. The results is significant if p-value is lower than 0.05, if it is higher there is no significant difference.

The three bonds were further divided by the yes or no question (control Question) if Ryds is their main supplier by splitting them in SPSS to examine if there is a difference in their values. An independent T-test was applied to explore if there is a significance between the variables. It was the only variable used to split the data, due to its small data set.

The authors dismissed the use of regression analysis, due to its small set of data. Moreover, collection of false or wrong data has to be minimized to increase the validity of the outcome and ensure correct measurements (Bryman & Bell, 2011). In the online survey only fully completed surveys were possible to be submitted eliminating the chance of including insufficient data.

Also a control question about the years of collaboration was integrated. Data from surveys answering the question of collaborating with 2 years or less have been excluded, because a business partnerships need time to develop certain characteristics, which were subject of this research. The gathered answers from the semi-structured interview were linked with the quantitative data through the conceptualized framework. The small data set made it insufficient to analyse each social bond item separately. Instead the sum was calculated and the mean was explained with the explanations from the qualitative interviews, which give support to identify key items for future research.

3.9 Quality criteria

The methodology chapter provides an outline of how the authors have conducted their research this includes reducing the error of wrong answers (Saunders et al., 2009). To reduce and prevent errors “attention has to be paid to two particular emphases on research design: reliability and validity” (Ibid., p. 156). Furthermore, the nature of this research is quantitative and, therefore, validity will be presented in two forms content validity and construct validity.
3.9.1 Validity

Validity describes if the conducted research measures what it intended to measure (Saunders, 2009).

Content Validity

Content validity is also called face validity and is explained by Bryman and Bell (2011) as a measure that should be established to assess accuracy within the context of a research. In other words, the framework has to clearly reflect the stated concept and its questions. Creating content validity is a process in which third parties and experts are asked to evaluate the accuracy of the concept and how well the measures seem to reflect the concept (Ibid.). Furthermore, people who hopefully have knowledge about the area of investigation should be asked to evaluate the construct of measure, often represented as questionnaire reflects clearly the concept presented in the research (Ibid.). This can be established through “pilot test your questionnaire” (Saunders et al., 2009, p. 394).

In this research the authors tested the validity by presenting the framework and its developed questionnaire to a professor at Linnaeus University, and has been discussed during seminars. The improvements of the questionnaire were discussed and implemented over several meetings and in exchange of e-mails. The questionnaire was tested by 5 people, with experience in B2B relationships, prior sending it to the dealers.

Construct Validity

According to Saunders et al., (2009, p. 373) construct validity “refers to the extent to which your measurement questions actually measure the presence of those constructs you intended them to measure.” Such measurement can be reflect in attitude scales, aptitude, and personality-tests (Ibid.), resulting in the need to examine the accuracy of the operationalization (Bryman & Bell, 2011).

Constructed validity was established by carefully constructing a literature review and compare multiple questionnaires published to investigate strategic partnership. Moreover, to measure the concepts, the Likert's Scale was implemented as presented in Chapter 3.6.4 and each concept was represented by multiple questions. Additionally, a T-test was applied to display the relationship between the different bonds.
3.9.2 Reliability

Bryman and Bell (2011, p. 158) state that "reliability refers to the consistency of a measure of a concept”. Also if the outcome of the research can be duplicated or if similar observations can be achieved. Furthermore, reliability is influenced by the transparency of interpreted raw data (Saunders et al., 2009). Testing and increasing reliability results in a strong questionnaire structure duplicating consistent findings when applied on a different sample and/or point in time (Ibid.). Reliability can be strengthened by using multiple case studies, focus groups and interviews, and provide a detailed case study/questionnaire guide for the data collection and analysis (Yin, 2003).

The methodology chapter has to be carefully and detailed presented to serve future researches as a frame to duplicate the study (Ibid.) Additionally, internal reliability is concerned with how well the questions and statement in the questionnaire are consistent with each other (Bryman & Bell, 2011). This can be done with the help of Cronbach’s Alpha, which “calculates the average of all possible split-half reliability coefficients” (Ibid., p. 159). Bryman and Bell (2011) further explain if the calculation reaches 1 perfect internally reliability exist and if it reaches 0 no internal reliability is existing. A rule of thumb represents 0.8 as acceptable outcome proving internal reliability.

In this research the authors increased reliability by carefully constructing the methodology chapter to be used as a protocol to duplicate this study. The questions were constructed closely to existing and published frameworks and were tested with a tutor and people with appropriate knowledge to ensure consistent measures in regard of design and language. The survey was constructed in English and translated into Swedish and back to English to make sure the concept was consistent. Furthermore, empirical data was divided from the analysis and a record of each interview and survey was captured to increase transparency. Moreover, interviewees names were kept anonymous to reduce biased answers (see Chapter 3.10).

A Cronbach's Alpha test to test the construct was not applied, because of a survey response of only 17 valid survey answers and a rather small amount of 21 items constructing the bonds.
3.10 Ethical considerations

In a research, according to Saunders et al., (2009) the ethical issues is one important factor to be considered. Diener and Crandall (1978 in Bryman & Bell, 2011, p. 128) divided this issue into four main areas:

• “whether there is harm to participants;
• whether there is a lack of informed consent;
• whether there is an invasion of privacy;
• whether deception is involved.”

In this research, the participants names were kept anonymous by not asking for their company's names when answering the survey. The reason is to avoid any harm to participants, because questions regarding their relationship with the manufacturer were ask and an unfavourable answer might have a negative influence on their business relations. In the qualitative interviews the names of the participant representing the dealer were changed into D1, D2 and D3 to not harm any party. The participants were confronted with this issue and an explanation on how it will be managed was given to increase transparency and decrease deception. Additionally, the participants consent was collected to be allowed to publish their answers. It was also possible to not participate, and withdraw from the research at any point in time.
3.11 Methodology-Summary-Map

**Research Strategy**
- Experiment
- Case Study
- Survey
- Archival Analysis

**Data Collection Method**
- Survey
- Qualitative Interview
  - Questionnaire
    - Online
    - Closed Questions
  - Semi-Structured Interview
    - Open-end Questions

**Population (Census)**
- All dealers, who have a relationship with Ryds for 2 or more years
- 3 selected dealers from population

**Data Analysis Method**
- Descriptive Statistics
- Correlations Analysis

**Quality Criteria**
- Content Validity
- Constructed Validity
- Reliability

*Figure 5 Methodology-Summary-Map*
4 Empirical Findings

This chapter will present the findings of the survey evaluation and semi-structured interviews. The questions for each questionnaire can be read in Appendix 1 and 2. The interviewees will remain anonymous to respect their privacy and prevent any possible harm. They will be named Dealer 1 (D1), Dealer 2 (D2), and Dealer 3 (D3) with a short general description.

4.1 Statistical Results

4.1.1 Descriptive statistics

The survey was sent out to all 32 locations within the dealer network and 20 responses were received, providing a response rate of 62.5%. The survey was available for two weeks. 3 survey results were excluded from the evaluation, due to the collaboration being 2 years of age or younger, which makes it unrepresentative for this study, thus reducing the valid number of answered surveys to 17 (52.1%). This information is concluded in the opening question (control question). The total results are presented in Figure 6, and the new results, excluding the participant with a collaboration of 2 years or less, are shown in Figure 7.

![Pie chart showing the number of years collaborating with Ryds]

Figure 6 Total Result of number of years collaborating with Ryds

$N = \text{Number of Respondents}$
In the second question, the participants were asked to define the size of their company presented in Figure 8 to investigate if there is a difference in the relationship in regard to the dealer’s size. The results shows that 13 (76%) companies are small or medium sized and 4 (24%) are micro sized.
The third question asked where their store is located to ensure they are based in Sweden. This question will not be used for a different purpose. The fourth question in the category section was to see if the relationship differs depending on the importance of Ryds as a supplier and to differentiate the answers accordingly. The answer shows that Ryds is a main supplier to 14 dealers (82%) and not a main supplier to 3 dealers (18%). Presented in Figure 9.

![Figure 9 Is Ryds one of the main boat suppliers](image)

4.1.2 Overview of the total bonds variables

The Questions from Section 1-7 included the items to measure the bonds through the application of a 7-point Likert scale. The three bonds, financial, social and structural are the sum of several items, which are presented in Appendix 3. Their connected questions are presented in Appendix 2.

Table 4 presents the outcome of Total Financial Bonds (TFB), which is a sum of item FB1 - FB6. The results is a mean of 3.98 and std. Deviation of 1.14.

<table>
<thead>
<tr>
<th></th>
<th>N</th>
<th>Minimum</th>
<th>Maximum</th>
<th>Mean</th>
<th>Std. Deviation</th>
</tr>
</thead>
<tbody>
<tr>
<td>TFB</td>
<td>17</td>
<td>2.50</td>
<td>6.50</td>
<td>3.98</td>
<td>1.14</td>
</tr>
</tbody>
</table>

*Table 4: Descriptive Statistics TFB*
Table 5 presents the outcome of Total Social Bonds (TSOB) which is the sum of item SOB1 – SOB8. The result is a mean of 5,05 and std. Deviation of 0,86.

<table>
<thead>
<tr>
<th></th>
<th>N</th>
<th>Minimum</th>
<th>Maximum</th>
<th>Mean</th>
<th>Std. Deviation</th>
</tr>
</thead>
<tbody>
<tr>
<td>TSOB</td>
<td>17</td>
<td>3,75</td>
<td>6,75</td>
<td>5,05</td>
<td>0,86</td>
</tr>
</tbody>
</table>

Table 5 Descriptive Statistics TSOB

Table 6 presents the outcome of Total Structural Bonds (TSTB), which is the sum of item STB1 - STB7. The result is a mean of 4,90 and std. Deviation of 0,85.

<table>
<thead>
<tr>
<th></th>
<th>N</th>
<th>Minimum</th>
<th>Maximum</th>
<th>Mean</th>
<th>Std. Deviation</th>
</tr>
</thead>
<tbody>
<tr>
<td>TSTB</td>
<td>17</td>
<td>3,29</td>
<td>6,29</td>
<td>4,90</td>
<td>0,85</td>
</tr>
</tbody>
</table>

Table 6 Descriptive Statistics TSTB

4.1.3 Paired T-test Values

The t-test shows that the p-value between the financial and social bond is 0,000 with a significance of 0,85693 meaning that there is a significant difference. The same accounts for the structural and financial bond’s p-value of 0,002 with a significance of 0,74243. The p-value 0,436 with a significance of 1,04736 between the social and structural bond suggest there is no significant difference between the values (Appendix 4).

4.1.4 Split files

The three bonds were divided by the variable of strategic partnership. The results are displayed in Table 7. It provides an overview of each bond separated by yes (14 responds) and no (3 responds) in regards to Ryds being their main supplier (Appendix 5).

<table>
<thead>
<tr>
<th>Ryds is Main Supplier</th>
<th>N</th>
<th>Mean</th>
<th>Std. Deviation</th>
<th>Std. Error Mean</th>
</tr>
</thead>
<tbody>
<tr>
<td>TSTB</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Yes</td>
<td>14</td>
<td>5,0102</td>
<td>0,82440</td>
<td>0,22033</td>
</tr>
<tr>
<td>No</td>
<td>3</td>
<td>4,4286</td>
<td>1,00000</td>
<td>0,57735</td>
</tr>
<tr>
<td>TSOB</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Yes</td>
<td>14</td>
<td>5,0536</td>
<td>0,80371</td>
<td>0,21480</td>
</tr>
<tr>
<td>No</td>
<td>3</td>
<td>5,0417</td>
<td>1,31300</td>
<td>0,75806</td>
</tr>
<tr>
<td>Ryds is Main Supplier</td>
<td>N</td>
<td>Mean</td>
<td>Std. Deviation</td>
<td>Std. Error Mean</td>
</tr>
<tr>
<td>-----------------------</td>
<td>----</td>
<td>-------</td>
<td>----------------</td>
<td>-----------------</td>
</tr>
<tr>
<td>TFB</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Yes</td>
<td>14</td>
<td>4,0595</td>
<td>1,22406</td>
<td>0,32714</td>
</tr>
<tr>
<td>No</td>
<td>3</td>
<td>3,6111</td>
<td>0,75154</td>
<td>0,43390</td>
</tr>
</tbody>
</table>

*Table 7 Descriptive Statistics for Split Case*

4.1.5 Independent T-Test

In Table 8, the independent t-test outcome is presented and \( p > 0.05 \) in every case resulting in no significance between the variables. The results of the standard deviation vary between 0,75 and 1,31 indicating that the results have to be interpreted critically. The total evaluation is presented in Appendix 6.

<table>
<thead>
<tr>
<th>P-Value</th>
<th>Mean Difference</th>
</tr>
</thead>
<tbody>
<tr>
<td>TSTB</td>
<td>0,728</td>
</tr>
<tr>
<td></td>
<td>0,58163</td>
</tr>
<tr>
<td>TSOB</td>
<td>0,427</td>
</tr>
<tr>
<td></td>
<td>0,01190</td>
</tr>
<tr>
<td>TFB</td>
<td>0,201</td>
</tr>
<tr>
<td></td>
<td>0,44841</td>
</tr>
</tbody>
</table>

*Table 8 Independent T-test*

4.2 Qualitative Interviews

4.2.1 Dealer 1 (pers. Comm. 2016-04-28)

D1 has been categorized as a small enterprise, which has been in a collaboration with Ryds for more than 10 years. Together their share mutual goals, such as to provide high quality service and products to end-consumers, and to increase turnover. The collaboration with Ryds is important in order to increase profits. As the interviewee was saying: “why would you put effort in the relationship, if you are not gaining anything?”. In other words, D1 maintains the relationship based on their most important goal, to earn money. They explain that it has only provided minor monetary benefits, but none have affected their margin positively.

Nonetheless, D1 tries annually to negotiate for a beneficial margin in order to increase the turnover. D1 further explained that even if the most important factor is to earn money
with your partner, mutual goals, besides those of a financial nature, are the basis for the relationship.

For D1 an important factor is achieving mutual goals. Both parties highly profit from their business operations, and contribute positively to their margin. If Ryds does not stay attentive to the relationship it would reflect negatively in the turnover of both parties. D1’s opinion is that receiving mutual benefits creates a strong partnership.

Ryds shares all essential information with D1, additionally, inviting them to their facilities, listening to their opinions about new boats, as well as improvements and proposals. Therefore, D1 is able to fulfill the needs of the end consumer, thereby, increasing sales. Ryds supports D1 with; catalogues, capital and material for exhibitions, and advertisements in newspapers and on the internet. D1, further adds Ryds listens to their needs and complains. It is not often that discussions and/or conflicts occur. Ryds stands for their mistakes and try as quickly as possible to fix them. If a mistake has a larger impact on D1, such as delayed delivery, Ryds provides compensation.

Another service that Ryds provides is the assembling of customized boats, but according to D1 it is a very time consuming process offered by Ryds. Therefore, they create the parts and D1 assembles them at their own facilities. Ryds offers the flexibility to organize and coordinate deliveries of missing parts or items needed for repairs. Additionally, they provide transportation solutions for sold boats. For example, they will deliver orders to their final destinations even when original shipping information is changed. It provides D1 with monetary benefits through reduced transportation costs.

According to D1, if the purchasing agreements would be dishonest, the collaboration would not exist. Ryds are responding to D1s concerns regarding agreements and the collaboration. D1 highly values this aspect of the relationship. This leads to D1 feel both respected and important in the regard to their collaboration with Ryds.

Ryds provides D1 with an extra discount when requesting larger orders. The discount is used by D1 to offer promotions to the end-consumer. This is one key factor for D1 sustaining the relationship. The different payment and transaction options provided by
Ryds are another reason for D1 to stay in the relationship. It provides D1 the opportunity to buy a larger quantity of boats for reaching sales goals.

The exchange of information occurs through e-mails, phone calls, and personal visits. The most appreciated method is personal visits. D1 feels more important and appreciated when the sales manager arrives to inspect their facility and present new marketing tools to improve their current advertisements.

D1 does not consider exiting the relationship or switching to a new manufacture. The collaboration is more valuable in comparison to other dealers and would decrease D1’s current status. The partnership has had a positive outcome for D1, due to Ryds brand image, products, and quality.

4.2.2 Dealer 2 (pers. Comm. 2016-04-28)

Dealer 2 is categorized as a medium-size enterprise, and has been working with Ryds for over 10 years. They share mutual goals and D2 stated that “without mutual goals, or knowing the other person's objectives, the relationship cannot survive”. D2 argues that the most essential factor to achieve their goals is through trust. By keeping promises and delivering quality products, as well as caring about their needs, Ryds enhances the feeling of trust. Ryds appear to be aware of the obstacles and/or goals D2 has through frequent communication.

D2 perceives Ryds as positive support when they have complaints or problems. Ryds carefully listens to their opinions and dissatisfactions. However, it is hard to receive compensations from Ryds for mistakes or prompted services to solve issues. “It is a long way to solve problems” D2 said. Firstly, a great amount of email exchanges takes place to identify the problem. Only if the mistake was made by Ryds will they try to correct it. This has negative consequences for D2’s business, and a great effect on the price for the end consumer. D2 has to, for example, compensate for delayed deliveries.

Ryds also provides D2 with discounts when purchasing larger amounts of boats, as in the case of D1, which helps maintain the relationship. The discounts have improved D2s margin and turnover, however, they have not resulted in a perceived closer partnership.
Ryds stays in contact with D2 through emails, personal meetings (which is most appreciated), and phone calls. The information flow, as in case of D1, is very transparent. D2 explains that occasionally information is shared within Ryds dealer network, which can be explained through a family-oriented relationship structure. It has not been noticed that specific pieces of information have been left out.

The relationship is based on a large amount of personal visits, which tend to be informal and unorganized. Meetings are spontaneous, following no specific agenda. Important information and business subjects are discussed during these spontaneous visits, however lack of structure has led to loss of information and has led to certain important subjects being neglected. D2 explains that a more structured approach could be beneficial. The relationship according to D2 is based on values such as, listening to opinions, reflections and mutual respect. This is an important factor for D2 in maintaining the relationship.

Another reason to maintain the relationship is the marketing and sales tools provided by Ryds. For D2, the promotion costs are high, therefore, the support of Ryds results in monetary benefits and is highly valued. As mentioned in the case of D1, D2 also appreciates the flexibility of different payment options.

At the current state, D2 has no intentions on switching dealers. Ryds is a well-known, well established, and popular brand, which in turn has a positive effect on their brand. The partnership has increased customer loyalty leading to increased sales. It would be very complicated and time consuming to switch provider, even if D2 offers several brands. The purchasing arrangements are described as fair.

4.2.3 Dealer 3 (pers. Comm. 2016-05-02)

Dealer 3 is categorized as a micro company, with less than 10 employees and has been working with Ryds for more than ten years. According to D3, the relationship can be seen as family-oriented, however this does not always have a positive effect. The information flow is fragmented, complaints are handled slowly, and deliveries are postponed resulting in additional working hours, and monetary losses for D3. The problem solving process is long and slow, but a solutions are most commonly reached for both parties. General information such as new product offers are frequently exchanged by the partners, through emails and personal meetings.
Despite late delivery, Ryds provides on-time services concerning customized boats. This is an important factor to D3. Because of D3’s size, they lack the capacity to assemble boats on their own. Therefore, they need to rely on Ryds’ manufacturing skills.

Several situations occurred in which D3 felt that Ryds were withholding essential information. D3 speculates that certain withheld information may have potentially had an impact on purchases and sales. Consequently, D3 has had to increasing their communication efforts and time investment in order to decrease misunderstandings.

D3 explains that even if Ryds listens to their complains, the feeling of mutual respect and caring is not present. One reason, according to D3, is that they are a small company and might be less important to Ryds. Even though miscommunication has let to disagreements that have shadowed the relationship, Ryds’ well established brand and the delivery of high quality boats has impacted the partnership positively.

Furthermore, Ryds offers discounts when purchasing larger quantities of boats. This contributes to the shared goal between Ryds and D3, to increase profits. Moreover, it is a reason to sustain the relationship. Nevertheless, the provided discounts are the only factor in the relationship that has had an impact on the turnover. It has not been achieved by working closely with Ryds D3 explains.

D3 has no financial engagements with Ryds, which makes it possible for them to switch to another manufacturer, but they have no intention of pursuing this. Ryds are one of their most important supplier, because the brand is highly valued by their customers and even if the collaboration is rough, they are prepared to make an effort in order to maintain the relationship.
5 Discussion of Strategic Partnership Bonds

5.1 Total Financial Bond Variable

According to Lee et al., (2015, p. 831) “the most basic form of relationship bonds is formed based on financial incentives”. The Total Financial Bond (TFB) has a mean of 3.98 and a Std. Deviation of 1.14 indicating that the mean needs to be interpreted with caution. In a 7-point Likert Scale the middle 3.5 is marked as neutral, the TFB difference is 0.48, which does not indicate a strong bond. Instead, it would need to be higher than 6 to be perceived as significantly creating a strategic partnership with benefits. Lee et al., (2015) explains that financial bonds are simply to plan and implement the financial strategies in form of incentives. This has relatively low potential to evolve to a strong relationship. This could be an indication for the rather neutral TFB’s mean.

5.1.1 Interview integration

All three interviewed dealers agree that an advantage of increased profits one reason for maintaining the relationship, and decreased cost through volume discounts. Based on Chen and Chiu (2009); Chiu et al., (2005) and Mohd et al., (2015) financial bonds are made in order to secure the loyalty of the consumer, by price offers, financial encouragements, and to save money. Moreover, it might have an influence on the commitment, through the financial incentives. As D1 explain; why would you put effort into a relationship, if you are not gaining anything? Additionally, all three dealers are expecting to maintain the relationship, due to, the received benefits from the financial incentives.

It can be assumed that these three dealers will continue the relationship, because an advantage of increased profits. Chen and Chiu (2009) and Chiu et al., (2005) agree by stating strategic financial bonds influence the relationship positively, which is highly valued by the companies. In return both parties support the develop of the relationship. This contradicts with a rather neutral outcome of the TFB mean, indicating a need to investigation TFB’s individual measurements by re-testing it on a larger data sample.

However, one reason the mean could be rather neutral might be Ryds not contributing to the dealer's turnover nor collaborate to reach mutual goals. Even if Ryds has an impact
on the dealer’s turnover, it is only because of the discount. This explains one of the TFB items, which could be investigated further to define clearer the connections from the individual bonds to the KMV. Therefore, create a clear deviation of the trust and commitment items to analyse them statistically (Figure 3).

5.2 Total Social Bond Variable

Mohd et al., (2015, p. 132) describe social bonds as “the personal ties that concentrate on the service dimensions to create the relationship between buyers and sellers with the help of friendships, identifications, and interpersonal interactions”. The Std. deviation of 0,86 indicates that a mean of 5,05 of the Total Social Bonds (TSOB) is rather solid, but again a small data set reduces the validity of the result and only slight assumptions can be drawn. In order to be defined as a significant factor, the mean would need to be over 6. The TSOB mean of 5,05 can be assumed to have an influence on the relationship, but is still not significant enough to be considered a strong and beneficial bond.

Reasons for a slightly higher mean might be the relationship being seen as family-oriented by all three interviewed dealers. This assumption is supported by Mohd et al., (2015), who explain that personal ties are established through friendship characters and behaviours. Also, the mean could be positively influenced, if the dealers would have the feeling of mutual respect. For example, D1 and D2 demonstrate that the relationship is based on mutual goals, meanwhile D3 says the opposite.

Another reason the mean is exceeding 3,5 and is slightly higher, could be derived from the manufacturer engaging in a social relationship similar to a friendship with its dealers, which according to Chiu et al., (2005) results in a higher customer commitment. On the other hand, mistreatment can lead to an irritated relationship (Lin et al., 2003) influencing the mean negatively. The interview responses show positive and negative opinion about the way they have been treated resulting in a need to test sub variables in a larger scale to compare its outcome to the current TSOB. Individual measured items can be redefined or re-tested to explore the reasons for it.
5.3 Total Structural Bond Variable

Structural bonds involve managing customer loyalty through providing services, which are valued by the customer and additionally, not available from other sources (Chen & Chiu, 2009; Chiu et al., 2005; Nath & Mukherjee, 2012; Lin et al., 2003).

The mean is 4.90 with a std. Deviation of 0.85 expressing the value can be accepted, but statements are rather assumptions and to be judged with care to identify the relationship characters. The level of the mean indicates that the bond has a statistically slight positive influence on the partnership, due to it being higher than the middle of the scale, 3.5. However, it is not above 6, therefore, cannot be defined as a significant factor, which would result in a beneficial strategic partnership.

It was stated by Lee et al., (2015) that firms are relying on structural solutions in order to develop, maintain, and establish relationships. The mean of 4.90 might not exceed, because the interviews show dissatisfaction about complaint handling, and information flow, which could have a negative impact. A reason for a rather positive mean can be generated according to Chen and Chiu (2009) by providing support to customers to make right decisions. All dealers agree that the marketing support of Ryds has had a positive influence on their relationship and supports their own business as well.

The service to help and solve the customer’s problems is seen as contradicting. Modest assumptions can be drawn that this factor has a negative influence on the mean. Even though, Chen and Chiu (2009) display that the main goal for structural bonds is to solve the customer’s problem. This indicates a need for further development and bridging of the bonds to the KMV’s to identify statistically, which individual factors are influencing the mean’s outcome.

5.4 Paired sample test

The results of the paired sample test show $p < 0.05$ meaning there is no significant difference between TFB to TSTB and TSOB. It indicates that the financial bond has no connections to the other variables and stands out, which creates an interest of further investigation. The reason could be that financial bonds focus on price incentives tactics.
only (Lee et al., 2015, Mohd et al., 2015), which are easy to implement and therefore, not
seen as important, resulting in low potential to evolve a strong relationship.

There is significance between the social and structural bonds, which could be, according
to Chen and Chiu (2009); Lee et al., (2015) and Hennig-Thurau et al., (2002) a results of
personal interactions based on structured communication, reaching mutual goals, and
respect and care of each other's wellbeing. This has not been able to be differentiated
through the items concept resulting in a need to investigate and if necessary redefine the
items and their concept. The goal is to achieve a low p-value to indicate the strategic
partnership is equally connected in its bonds leading to a positive relationship.

To get a clearer picture of the diversion of the total bonds results a boxplot of each bond
is presented in Figure 10.

![Boxplots of Total Bond Variables](image)

*Figure 10 Boxplots of Total Bond Variables*

The blue box (represents 50% of the answers) with its middle mark named median
(Financial Bond = 3,6667; Social Bond = 5,000; Structural Bond = 5,1429), and the area
below and above presents half of the score values are greater than or equal to this value
and half are less. The median of the financial bonds is the lowest as presented through the mean earlier and can again be identified as the least strong bond of the three, suggesting a difference between the groups variable. The length of the blue box indicates how spread the data is within the 50%. The longest box is the financial bond, which confirms the need to repeat the survey with a greater amount of data to make sufficient assumptions.

Even tough, as explained the social and structural bond are rather positive, the boxplot shows that through the upper whiskers the social bond value has a higher maximum and minimum compared to the structural bond, questioning the previous presented means. This could indicate for future research to investigate in the difference between social and structural bonds.

It is important to note that the relationship bonds mean need to be rather high (above 6) before labelling a strategic partnership beneficial. The value of the standard deviation indicates that the means are representable, but the results has to be handled with caution because of a small investigated population. The standard deviation is the highest between Structural - Financial Bonds, reducing its validity and should be carefully judged.

5.5 Results of Splitt Bonds

Firstly, it has to be noted that the number of responses were unequally spread (yes=14, no=3), which makes the results not sufficient enough to make strong statements. Besides, it can be noted that from a statistical perspective no significant difference (see Table 8) appears and therefore, no relationship exists, but it has to be handled carefully, because the values of the standard deviation > 0.8 (see Table 7) reduces the validity of the mean. It could be more elaborated in further studies investigate if there would be a more equal spreading between yes and now.
6 Conclusion

Growth and increasing profits can be achieved through a strong strategic partnership consisting of key elements Commitment and Trust. In this research the Relational Marketing Bonds were applied to answer the purpose of this study.

*The purpose of this study is to describe the structure of a relationship between a dealer and its manufacturer in the Swedish marine industry from a strategic partnership perspective.*

After carefully constructing the research's conceptual framework and instruments operationalization data was obtained and analyzed. The results of this study can not be generalized for the marine industry, due to the small set of data. Instead, the survey should be repeated to identify a more sufficient data set for the bonds, and therefore, investigate its reasons and managerial implications.

Nevertheless, tendencies are shown (Table 9) providing data for Ryds case. The mean of the three bonds is not significantly high to identify a beneficial strategic partnership. Ryds and the dealer might miss the opportunity to create a competitive advantage, which is one way to achieve growth, profits, and differentiation. The result from the significant test shows the TFB can not be put into context and needs further investigation.

<table>
<thead>
<tr>
<th>Item</th>
<th>Mean</th>
<th>Std. Deviation</th>
</tr>
</thead>
<tbody>
<tr>
<td>TFB</td>
<td>3,98</td>
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<tr>
<td>TSOB</td>
<td>5,05</td>
<td>0,86</td>
</tr>
<tr>
<td>TSTB</td>
<td>4,90</td>
<td>0,85</td>
</tr>
</tbody>
</table>

*Table 9 Summary of Mean and Std. Deviation*

Even if the relationship is seen as rather neutral, Ryds has the potential to develop it. The TSOB and TSTB means are rather close to the significant level of 6 indicating that there are potential items to be developed in their partnership.

From a theoretical perspective a strategic partnership is perceived as distinct if there are strong personal ties reflected through personalized service offers, identification,
friendship, and interpersonal interactions. It supports developing closeness, emotional connection and mutual understanding between the two parties through caring and listening. Positive interactions is highly valued by the customer and strengthens the loyalty and reducing the risk of switching to another brand. Moreover, a strategic partnership is beneficial when structures and systems for communication exists, such as financial incentives.

Summarized, the relationship Ryds has with their dealers does not show a strong strategic partnership and therefore misses out at creating a competitive advantage to outstand its competitors. Slightly positive tendencies can be assumed and further tested by adapting and strengthening the conceptualization.

6.1 Implications

In the following sections implications are deriving from academical, managerial, limitations, and future research, which have occurred during the procedure.

6.1.1 Implication for Academics

Strategic partnership has been around for several years, which contributes with several theories and academical material. However, the authors did not successfully connect the relationship bonds and KMV’s to conceptualize and test it in the survey. It is of importance to define the items carefully to further judge the results. A split analysis of each item was not possible due to a small data set, but if a larger sample is investigated the key concept of this research could be tested. An investigation of the difference in the variable of main supplier could lead to implications to allocate resources efficiently on beneficial relationships and reduce efforts on less important dealers.

6.1.2 Implication for Managerial

Additionally, no general managerial implication for the marine industry can be drawn resulting from too vague and insufficient data. A small amount of participants for the survey might still generate relevant insights of Ryds relationship with its dealers. The interviews show that the dealers have diverse, positive and negative opinions and experiences resulting from the collaboration. In other words, the research provides Ryds with feedback of their current dealer relationships. As shown in Chapter 4, the dealer feel
that the complaint handling needs to be reconsidered. This information supports Ryds with the opportunity to improve their strategies and reorganize efforts to sustain the relationship. The negative influences collected from the data results in no or low benefits in the partnership.

**Suggested improvements**

- Consider Unconscious Behaviour - Unconscious friendly behaviour has great effect on the relationship. Ryds should try to become more aware of good practices and translate them into strategic management guidelines.

- Develop Communication - even though everyone receives information, research shows strong variation in the opinion about it. Ryds should consider implementing a more consistent information flow to reduce misunderstandings and increase efforts in systematically structuring relationship to increase structural bonds

- Improve Complaint handling, and deliveries - The survey and interviews indicate problems in this area. Ryds should investigate their current strategy and through a more structured approach in the partnership these problems could be eliminated.

- Create stronger financial attachments - Ryds might reconsider creating higher switching cost, because the interviews and survey showed no financial investment have taken place with Ryds to secure the relationship.

6.1.3 Limitation

The research could have included Ryds complete dealer network but long distances, cultural differences and language barriers are existing and could have biased the results. This would have needed further research in the theoretical background and a greater amount of research time.

A further limitation was the ability to provide an operationalization connecting of the Commitment- Trust Theory to the bonds with the help of the KMV’s. This resulted from a lack of pre knowledge about quantitative research and its implications for a structured conceptualization leading to the existing gaps between the survey items and their
definitions. The connection between the items to the KMV’s is crucial to make further statements about the individual items creating each bond. For future research, the authors will be aware of the quantitative structure of the conceptualization.

Another influencing factor of this research is Response Bias. Due to a wide spread dealer network, the authors were not able to personally visit, in order to make the respondent rate higher and increase validity. Additionally, at this time of the year, the marine industry has its high season reducing participants time to answer the survey.

The research was limited to only the dealer's perception of the relationship. This creates the question of negative answers resulting from miscommunication rather than an intentional or strategical move in the relationship from Ryds side. A negative output could also have resulted from a temporary discomfort in the relationship, because the survey was only answered at one point in time.

6.1.4 Future Research

For future researcher the presented study can be used as the foundation to further investigate the connection between the Commitment-Trust Theory and the bonds through the KMV’s. It will provide the researcher with insights about, which exact areas/items influence the relationship positively or negatively, resulting in the ability to state generally how strategic partnership is handled in the marine industry. Additionally, new managerial approaches can be implemented to overcome identified obstacles improving the relationship and creating competitive advantage for both sides.

An additional factor, which could be worth investigating is if there is a difference in the relationship depending on the importance of the manufacturer to the dealer and vice versa. In a manufacturer dealer network, it might not be beneficial to have strong bonds with each individual. Therefore, a division could support identifying important and unimportant strategic partners to ensure resources are spent efficiently. This could also lead to a beneficial relationship creating competitive advantages.

It could be of great interest to examine if in a larger sample the outcome of the financial bond being the “weakest” of the three bonds repeats, because this was also highlighted in the literature.
Another aspect to consider is to investigate the partnership in two points in time, pre-seasonal and after seasonal to compare how interactions during the most “stressy” time of the year influence and effect the partnership.
Reference List


## Appendix

### Appendix 1 Semi-Structured Interview

<table>
<thead>
<tr>
<th>Concept</th>
<th>Concept definition</th>
<th>Operational definition</th>
<th>Interview questions</th>
</tr>
</thead>
</table>
| Social Bond           | When you are developing a stronger relationship through interpersonal interactions, and maintain the relationship with the customer through loyalty (Lin et al., 2003; Chiu et al., 2005; Chen & Chiu, 2009; Lee et al., 2015) | To explore how social bonds have influenced and developed the relationship              | 1. How do you stay in contact with your partner in order to maintain the relationship?  
2. Does the manufacturer care about your needs and obstacle you encounter?  
3. Does Ryds provide you with new information about its company and products/services periodically?                                                   |
| Structural Bond       | When you design solutions for the customers problems into the service-delivery system, in order to enhance customer relationship in the business (Lin et al., 2003; Chiu et al., 2005; Chen & Chiu, 2009; Lee et al., 2015) | Explore if the manufacturer utilize structural bonds when considering service-delivery in order to enhance the relationship | 1. How does the manufacturer provide detailed information about its products and services, in order to help your create an attractive offer for the customers?  
2. How does the manufacturer responds and explanations after they received your complaint or problem?  
3. What kind of training courses does the company provide for you?                                                                                     |
| Economical Bond       | Occurs when strengthen and maintain the relationship from the outcome of sales volume, discount                                                                                                                | To explore if the economical factors have strengthened and developed the relationship.   | 1. Does the company provide discounts for you?  
2. Can you receive additional discount if you buy even more?                                                                                           |
<table>
<thead>
<tr>
<th>Concept</th>
<th>Concept definition</th>
<th>Operational definition</th>
<th>Interview questions</th>
</tr>
</thead>
<tbody>
<tr>
<td>and margins (Mohd et al., 2015; Lee et al., 2015; Chiu et al., 2005 Chen &amp; Chiu, 2009)</td>
<td></td>
<td>3. Has the relationship with Ryds benefited your margin?</td>
<td></td>
</tr>
<tr>
<td>Section</td>
<td>Statement English / Swedish</td>
<td>Answer options</td>
<td></td>
</tr>
<tr>
<td>------------------------------</td>
<td>--------------------------------------------------------------------------------------------</td>
<td>-------------------------------------</td>
<td></td>
</tr>
<tr>
<td>Number of years collaborating with Ryds?</td>
<td>Hur många år har ni samarbetat med Ryds?</td>
<td>2 years of less 2-5 years 5-10 years More than 10 years</td>
<td>2 år eller mindre 2-5 år 5-10 år Mer än 10 år</td>
</tr>
<tr>
<td>Size of firm in terms of employers and turnover:</td>
<td>Företagets antal anställda och omsättning</td>
<td>&lt; 250 and ≤ € 50 m &lt; 50 and ≤ € 10 m &lt; 10 and ≤ € 2 m</td>
<td></td>
</tr>
<tr>
<td>Where is your business located?</td>
<td>Vart är företaget lokaliserat? Var snäll och skriv in ert landskap t.ex.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Is Ryds one of your main boat suppliers?</td>
<td>År Ryds en av era viktigaste båtleverantör?</td>
<td>Yes No</td>
<td>Ja Nej</td>
</tr>
<tr>
<td>Section</td>
<td>Statement English</td>
<td>Swedish</td>
<td>Answer options 7-point Likert Scale measured by</td>
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<tr>
<td>---------</td>
<td>------------------</td>
<td>---------</td>
<td>---------------------------------------------</td>
</tr>
<tr>
<td>Section 1</td>
<td>The relationship with Ryds contributes highly to our turnover.</td>
<td>Samarbetet med Ryds bidrar starkt till vår omsättning.</td>
<td>Level of Agreement (1) Totally Disagree (7) Totally Agree</td>
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<tr>
<td></td>
<td>Financial investments have taken place between us and Ryds increasing the costs to change to a different boat supplier. (e.g. several model boats in stock).</td>
<td>Finansiella investeringar mellan oss och Ryds skulle innebära ökade kostnader vid eventuella byten av leverantör (t.ex. flera olika båtmodeller på lager).</td>
<td>Level of Agreement (1) Totally Disagree (7) Totally Agree</td>
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<tr>
<td></td>
<td>We can receive additional discounts if we buy more.</td>
<td>Vi erhåller ytterligare rabatter vid större affärer.</td>
<td>Knowledge of action (1) Never True (7) Always True</td>
</tr>
<tr>
<td>Section 2</td>
<td>Ryds offers various ways to deal with transactions in regard of payments. (e.g. different periods of payback time).</td>
<td>Ryds erbjuder olika sätt att hantera transaktioner gällande betalningar. (t ex olika perioder av återbetalningstider).</td>
<td>Level of Agreement (1) Totally Disagree (7) Totally Agree</td>
</tr>
<tr>
<td></td>
<td>The relationship to Ryds has a positive influence on our business.</td>
<td>Relationen till Ryds har en positiv inverkan på vår verksamhet.</td>
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<tr>
<td></td>
<td>We can receive responses and explanations immediately after complaining or having problems.</td>
<td>Vi kan omedelbart få svar efter klagomål eller om ett problem har uppstått.</td>
<td>Level of Agreement (1) Totally Disagree (7) Totally Agree</td>
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<tr>
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<td>/ Swedish</td>
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<tr>
<td>---------</td>
<td>------------------</td>
<td>----------</td>
<td>-----------------------------------------------</td>
</tr>
<tr>
<td>Section 3</td>
<td>Ryds makes an effort to help us when we need support. (example: New brochures or other marketing tools.)</td>
<td>Ryds bidrar med hjälp när vi behöver stöd (Så som nya broschyrer eller andra marknadsföringsverktyg).</td>
<td>Level of Agreement (1) Totally Disagree (7) Totally Agree</td>
</tr>
<tr>
<td></td>
<td>Interactions between my firm and Ryds are characterized by mutual respect.</td>
<td>Samspelet mellan vårt företag och Ryds kännetecknas av ömsesidig respekt.</td>
<td>Level of Agreement (1) Totally Disagree (7) Totally Agree</td>
</tr>
<tr>
<td></td>
<td>The relationship we have with Ryds deserves our maximum effort to maintain positive outcome from this relationship.</td>
<td>Det krävs vårt yttersta engagemang i relationen med Ryds för att upprätthålla positiva resultat.</td>
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<td>Section 4</td>
<td>Ryds provides a fast and personalized service when end consumers order a customized boat.</td>
<td>Ryds ger en snabb och personlig service när slutkonsumenterna beställer en specialtillverkad båt.</td>
<td>Knowledge of action (1) Never True (7) Always True</td>
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<tr>
<td></td>
<td>The terms of our purchasing arrangement with Ryds are fair.</td>
<td>Villkoren i vårt inköpsavtal med Ryds är rättvisa</td>
<td>Knowledge of action (1) Never True (7) Always True</td>
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<tr>
<td></td>
<td>The relationship that we have with this manufacturer is something we intend to maintain in the future.</td>
<td>Relationen med denna tillverkare är något som vi har för avsikt att behålla i framtiden.</td>
<td>Knowledge of action (1) Never True (7) Always True</td>
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<td>Section 5</td>
<td>Ryds provides us with marketing and sales support of a high quality.</td>
<td>Ryds förser oss med marknadsföring och säljestöd av en hög kvalitet.</td>
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<td>The relationship with Ryds has benefited our margin.</td>
<td>Förhållandet med Ryds har gynnat vår marginal.</td>
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<td>/</td>
<td>Swedish</td>
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<td></td>
<td>Ryds and us collaborate/work closely to achieve financial goals such as a certain percentage of margin.</td>
<td>/</td>
<td>Ryds och vi samarbetar/ARBETAR NÄRA FÖR att uppnå finansiella mål, t.ex. en viss procent av marginalen.</td>
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<tr>
<td></td>
<td>Ryds and us are sharing similar business goals.</td>
<td>/</td>
<td>Ryds och vi delar liknande affärmål.</td>
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<tr>
<td></td>
<td>Ryds pays attention to our needs.</td>
<td>/</td>
<td>Ryds uppmärksammar våra behov.</td>
</tr>
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<td></td>
<td>Ryds leaves me in the dark about things we should know.</td>
<td>/</td>
<td>Ryds utelämnar saker vi behöver veta</td>
</tr>
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<td>Section 6</td>
<td>Ryds offers various ways to deal with transactions in regard of transportation.</td>
<td>/</td>
<td>Ryds erbjuder olika sätt att hantera transaktioner när det gäller transport.</td>
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<td>Level of Agreement (1) Stämmer inte alls (7) Stämmer helt</td>
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<td>Ryds and us are sharing similar business goals.</td>
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<td>Ryds och vi delar liknande affärmål.</td>
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<td>The relationship that we have with Ryds is very much like a family.</td>
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<td>Relationen vi delar med Ryds liknar ett familjeförhållande.</td>
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<td>Ryds provides us with new information about its company and products/services periodically.</td>
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<td>Ryd förser oss med uppdaterad och ny information om företaget och deras produkter / tjänster med jämna mellanrum.</td>
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## Appendix 3 Descriptive Statistics of Bonds

<table>
<thead>
<tr>
<th></th>
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### Paired Samples Statistics

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<td>Structural Bonds</td>
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### Paired Samples Correlations

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### Appendix 5 Split Cases

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