



# Relationship marketing in Vietnam: an empirical study

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## Abstract

**Purpose** – The purpose of this paper is to answer two research questions: does relationship marketing orientation (RMO) have an impact on customer satisfaction; and do the individual components of RMO have the same impact on customer satisfaction?

**Design/methodology/approach** – The above questions were answered in the context of an emerging economy using 174 responses obtained from executives of business-to-business firms in Vietnam.

**Findings** – The findings show that among key components of RMO, trust, bonding, shared value, and reciprocity have positive influence on customer satisfaction, while communication and empathy have not. Interestingly, trust and bonding are better than shared value and reciprocity in satisfying customers.

**Research limitations/implications** – The use of cross-sectional data does not allow the interpretation of the time sequence of the relationships among RMO components and customer satisfaction.

**Practical implications** – Managers in developing economies do not jeopardise relationship marketing orientation by mistakenly focusing on relatively less important individual components. In particular, managers may not pay much attention to communication and empathy but importantly, they should place more emphasis on trust and bonding compared to shared value and reciprocity.

**Originality/value** – This paper provides insights on the relative importance of RMO components in contributing to customer satisfaction in the context of Vietnam, a developing economy. These insights will help Vietnamese companies enhance their effectiveness in satisfying customers, growing with them, and reducing risks in doing business when entering a global market.

**Keywords** Vietnam, Customer relationship management, Relationship marketing, Marketing strategy, Relationship marketing orientation, Customer satisfaction

**Paper type** Research paper

## Introduction

The concept of relationship marketing has received considerable research attention from marketing scholars over the last two decades (Ahmed *et al.*, 1999; Bradford *et al.*, 2010; Ballantyne *et al.*, 2003; Brodie *et al.*, 1997; Fang *et al.*, 2008a, b, c; Mavondo and Rodrigo, 2001; Morgan and Hunt, 1994; Murphy and Wang, 2006; Palmatier *et al.*, 2006, 2009; Palmatier, 2008; Sharma and Patterson, 2000; Sin *et al.*, 2002, 2005b; Sorce, 2002; Terawatanavong and Quazi, 2006; Vargo, 2009; Veloutsou *et al.*, 2002; Wilkinson and Louise Young, 2002). A fundamental benefit of pursuing relationship marketing orientation (RMO) is purported to be the creation of stronger customer relationships that enhance performance outcomes, including sales growth, market share, profits,



return on investment, and customer retention (Crosby *et al.*, 1990; Morgan and Hunt, 1994; Sin *et al.*, 2005a; Tse *et al.*, 2004). However, the empirical evidence remains equivocal (Palmatier *et al.*, 2006). Several studies have found support for the fundamental RMO-performance relationship (Crosby *et al.*, 1990; Gordon *et al.*, 2008; Sin *et al.*, 2005a, b; Tse *et al.*, 2004; Winklhofer *et al.*, 2006). Others have shown that in certain situations, RMO may have negative impact on performance outcomes (De Wulf *et al.*, 2001; Hibbard *et al.*, 2001). Importantly, while customer satisfaction (CS) has been considered as the mantra by which firms manage the relationship with their customers, little has been known about the effect of RMO on a firm's CS (Chitturi *et al.*, 2008; Mithas *et al.*, 2005), especially in business-to-business (B2B) context.

Furthermore, as most extant research has been undertaken in developed economies, the role of RMO in transitional economies such as Vietnam is still unclear. While having a low per-capita income compared to five other diverse Asian countries (Deshpande *et al.*, 2004), Vietnam is an emerging economy with a stable and high growth rate of 9 percent over the last decade that has placed Vietnam as the second-highest growth economy in the Asia Pacific region, after China (Ngo and O'Casey, 2009, 2011). However, unlike developed economies in Asia such as Hong Kong (Sin *et al.*, 2002), Vietnam is undergoing a transition from central planning to a form of market socialism (Farley *et al.*, 2008). Such a transitional economy may experience unprecedented changes in social, legal, and economic institutions that may raise serious strategic problems for firms (Zhou *et al.*, 2005). Consequently, there is increased need for marketing to demonstrate productivity of marketing activities in economies transitioning from command structures to market-driven ones (Farley *et al.*, 2008).

To fill out the above research gap, we take advantage of Vietnam's transitional status to answer two key research questions in this study:

*RQ1.* Does RMO have an impact on CS?

*RQ2.* Do the individual components of RMO have the same impact on CS?

In answering these questions, our approach is different from aforementioned research that has focused on the effect of RMO on business performance (Sin *et al.*, 2005a, b; Tse *et al.*, 2004; Winklhofer *et al.*, 2006). Instead, we provide new insights about the relative importance of individual component of RMO in affecting CS in the context of an emerging economy. Specifically, Figure 1 shows the relationships to be examined in this study. We organise the rest of the paper as follows: the next section presents a review of prior research on RMO, followed by hypotheses. We then provide a description of empirical methods, discuss the results, and present our conclusions.

## **RMO and CS**

Most marketing research and practice assumes that CS is a key factor in determining long-term business success (Crosby *et al.*, 1990; Gaski and Nevin, 1985; Hennig-Thurau *et al.*, 2002; Palmatier *et al.*, 2006). CS refers to the focal organization's (a buyer's) overall evaluation based on the total purchase and consumption experience with a product or service of another party (a supplier) (Andaleeb, 1996; Anderson *et al.*, 1994; Garbarino and Johnson, 1999). "Today, most firm's programs to control customer defections center heavily on the management of customer satisfaction" (Capraro *et al.*, 2003, p. 164). Much of the research on CS in both business-to-consumer and B2B contexts has focused on investigating various outcomes of CS including customer loyalty

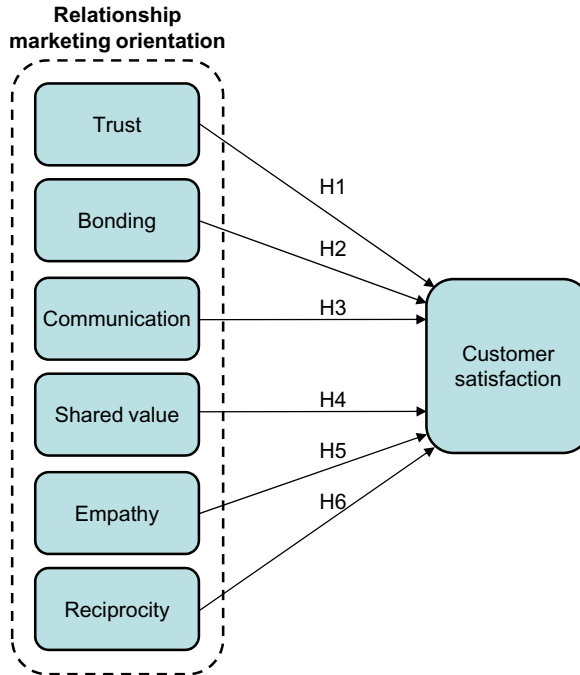


Figure 1.  
Conceptual model

(Homburg and Fürst, 2005; Lam *et al.*, 2004; Rauyruen and Miller, 2007), purchase intention (Chitturi *et al.*, 2008; Eggert and Ulaga, 2002; Rauyruen and Miller, 2007; Whittaker *et al.*, 2007; Voss *et al.*, 2010), word-of-mouth (Chitturi *et al.*, 2008; Eggert and Ulaga, 2002), customer retention (Edward and Sahadev, 2011), share of wallet (Cooil *et al.*, 2007), stock returns risk (Tuli and Bharadwaj, 2009), advertising and promotion efficiency (Luo and Homburg, 2007), financial performance (Fornell *et al.*, 2006; Gruca and Rego, 2005). Given the substantial benefits of CS management, understanding organizational factors that enable firms to achieve high levels of CS has become a strategic imperative for most firms (Mittal and Kamakura, 2001).

In this study we see that the relationship marketing literature provides a basic rationale for investing in CS. Indeed, one of the major concerns of B2B marketing managers is establishing, developing, and maintaining successful relationships between suppliers and their customers (Berry, 1995; Grönroos, 1991; Harker, 1999; Morgan and Hunt, 1994; Palmatier, 2008; Winklhofer *et al.*, 2006; Veloutsou *et al.*, 2002). An extensive review of the extant literature indicates that relationship marketing has been conceptualized from both relationship evaluation and organizational culture perspectives (Berry, 1995; De Ruyter and Wetzels, 2000; Grönroos, 1991; Winklhofer *et al.*, 2006; Yau *et al.*, 2000; Sin *et al.*, 2005b). The relationship evaluation perspective focuses on core relationship building blocks that include trust, bonding, empathy, and reciprocity (De Ruyter and Wetzels, 2000; Wilson, 1995; Winklhofer *et al.*, 2006; Yau *et al.*, 2000). The organizational culture perspective concentrates on organizational values that “put the buyer-seller relationship at the centre of the firm’s strategic or operational thinking” (Sin *et al.*, 2005b, p. 186). Winklhofer *et al.* (2006) introduce an alternative conceptualization of relationship

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orientation between the firm and suppliers which is manifested through the basic assumptions, values, artifacts, and behaviours of the firm. More recently, Palmatier (2008) propose a concept of buyer's relationship orientation and define it as customer's desire to engage in a strong relationship with a current or potential seller to conduct a specific exchange. In the current study, we adopt the organizational culture perspective in conceptualizing RMO between the firm and customers. Unlike market orientation that focuses on generating, disseminating, and responding to market intelligence, RMO reflects the firms' philosophy of doing business that is concerned with relationship building by cultivating trust, empathy, bonding, and reciprocity between a firm and its customers (Sin *et al.*, 2005a, b; Tse *et al.*, 2004).

At the operational level, RMO refers to the implementation of the relationship marketing concept. Sin *et al.* (2005b) hypothesize RMO as one-dimensional construct, consisting of six components: trust, bonding, communication, shared value, empathy, and reciprocity. First, trust is an essential component for a successful relationship between the firm and its customers (Berry, 1995). Trust refers to a willingness to rely on an exchange partner in whom one has confidence and reliability (Moorman *et al.*, 1993; Morgan and Hunt, 1994). More specifically, customers usually rely on their perceptions of the exchange partner characteristics such as integrity and benevolence to develop expectations about the exchange partner's future behaviours (Dunn and Schweitzer, 2005; Palmatier *et al.*, 2009). Trust in an exchange partner may result in favourable outcomes (Palmatier *et al.*, 2006). Indeed, when the focal organization trusts its partner it will feel secure based on an implicit belief that the relationship with the partner will result in positive outcomes (Andaleeb, 1996). As such, we theorize that the higher the level of trust between the firm and its customers, the greater the CS:

*H1.* Trust has a positive influence on CS.

Second, bonding refers to the development of an emotional relationship between the two partners acting in a unified manner toward a desired goal (Callaghan *et al.*, 1995; Sin *et al.*, 2005b). A long-term buyer-seller relationship requires the bond developing between the firm and its customers (Sin *et al.*, 2005b). Indeed, bonding is of paramount importance for successful buyer-seller relationship because bonds form the seeds of buyer-seller norms (Palmatier, 2008). In addition, developing strong bonds between the seller and the buyer limits potential conflicts between the two parties (Palmatier *et al.*, 2007). Customers having a stronger relationship with their partners through such bonding are more satisfied than those who do not have one (Guttek *et al.*, 1999). As such, we theorize that the higher the level of bonding between the firm and its customers, the greater the CS:

*H2.* Bonding has a positive influence on CS.

The third component of RMO is communication, which is the glue that holds together a channel of distribution (Mohr and Nevin, 1990). Communication refers to formal and informal exchanging and sharing of meaningful and timely information between buyers and sellers (Sin *et al.*, 2005b). Indeed, communication plays an important role in the formation of cooperation and trust (Anderson and Narus, 1990). Communication is an effective relationship building strategy that helps resolve disputes, align goals, and uncover new value creating opportunities (Morgan and Hunt, 1994; Palmatier *et al.*, 2006). Effective communication fosters positive interaction and enhances CS.

As such, we theorize that the higher the level of communication between the firm and its customers, the greater the CS:

*H3.* Communication has a positive influence on CS.

Fourth, shared value refers to the extent to which partners have beliefs in common about the propriety and importance of behaviours, goals, and policies (Morgan and Hunt, 1994; Sin *et al.*, 2005b). High levels of shared values enhance the feeling of association, nurture an associative long-term relationship, and has significant impact in developing relationship commitment (Mukherjee and Nath, 2007). The greater the enhancement of relationship via shared value, the more satisfied customers are likely to be. As such, we theorize that the higher the level of shared value between the firm and its customers, the greater the CS:

*H4.* Shared value has a positive influence on CS.

The fifth component of RMO is empathy that enables a partner to see the situation from the other partner's perspective (Sin *et al.*, 2005b; Wang, 2007). In particular, empathy is defined as seeking to understand the desires and goals of somebody else (Sin *et al.*, 2005b). Without empathy to understand and adapt to buyer needs, reciprocal favours may not be chosen appropriately (Geddie *et al.*, 2005). Empathy may facilitate the communication between the buyer and the seller, consequently increasing buyers' understanding of how the industry operates (Coulter and Coulter, 2003). Firms that better understand what customers desire are better able to satisfy customers. As such, we theorize that the higher the level of empathy between the firm and its customers, the greater the CS:

*H5.* Shared value has a positive influence on CS.

Finally, reciprocity is also required in RMO. "Reciprocity refers to the processes that enable customers to interact and share information with the firm and that enable the firm to respond to customers" (Jayachandran *et al.*, 2005, p. 178). Reciprocity occurs when actions taken by one exchange partner are matched by the other (De Wulf *et al.*, 2001). Reciprocity causes either party to provide favours for the other in return for similar favours to be received (Callaghan *et al.*, 1995; Sin *et al.*, 2005b; Yau *et al.*, 2000). Without the established reciprocal communications, a firm may have lower CS as customers are unable to communicate their needs and problems to the firm (Jayachandran *et al.*, 2005). As such, we theorize that the higher the level of empathy between the firm and its customers, the greater the CS. Given the above discussion, we hypothesize that:

*H6.* Empathy has a positive influence on CS.

## **Research design**

### *Sample characteristics and data collection*

In this study, we identified potential respondents from a commercially available list of business executives in manufacturing B2B companies, who held senior- and top-level management positions and were chosen on the basis of their knowledge of marketing activities. To enhance the generalizability of our findings, respondents came from a broad cross section of B2B industries.

Prior to distributing the questionnaire, about 600 telephone contacts were made to potential respondents to introduce the survey and request for participating.

To encourage participation in the study, they were informed that they would receive an industry report presenting the results of the study. Based on those who did not refuse the request, a total of 300 potential respondents representing 300 firms were contacted via mail or e-mail with a request to complete and return the attached questionnaire. At the beginning of the questionnaire, the surveyed firm was asked to figure out one specific supplier that:

- had been on business together for at least six months; and
- the respondent knew well about this partner (not necessarily the best partner).

Then all the questions afterwards on RMO and CS were related to this specified supplier. Two weeks after the questionnaires were dispatched, a reminder was sent to remind participants and to thank those already completed and returned the survey. To encourage participation in the study, potential respondents were informed that they would receive a summary of the research findings soon after the completion of fieldworks and also were promised that the result of the research will help improving their performance in the business.

We received 174 useable responses, producing a response rate of 58 percent. Of the 174 firms, joint-stock companies accounted for 35 percent, wholly foreign-owned 26 percent, private 25 percent, state-owned 7 percent, and international joint venture 7 percent. This business ownership structure has shown the result of reconstructing ownership of enterprises in the past ten years in Vietnam. Regarding respondents, purchasing manager accounted for 63 percent of the sample, managing director 16 percent, vice director 8 percent, and unclassified 13 percent.

#### *Measures and validity*

We measured six components of RMO using 22 items developed by Sin *et al.* (2005b). Responses were made on a seven-point Likert scale, ranging from strongly disagree (1) to strongly agree (7). These measures show satisfactory reliability properties with composite reliability values range from 0.89 to 0.94 as shown in Table I. CS was measured with seven items adapted from Gaski and Nevin (1985). Responses were made on a seven-point Likert scale, ranging from strongly disagree (1) to strongly agree (7). The measure also shows a satisfactory reliability property with the composite reliability value being 0.97.

Convergent validity was satisfactory as internal consistency values for all constructs (ranging from 0.89 to 0.97) were above the threshold of 0.70 (Fornell and Larcker, 1981; Nunnally, 1978). Discriminant validity is also exhibited as the square roots of the AVE values are consistently greater than the off-diagonal correlations (Fornell and Larcker, 1981) and no individual correlations (0.44-0.79) were higher than their respective reliabilities (0.89-0.97) as shown in Table II.

To assess the model fit for both outer-measurement and inner-structural models, we calculated the goodness-of-fit (GoF) index using the formula suggested by Tenenhaus *et al.* (2005). In particular, the GoF was computed by taking the square root of the product of the average communality of all constructs and the average  $R^2$  value of the endogenous constructs as:  $GoF = \sqrt{\text{communality} \times \bar{R}^2}$ . The computed GoF for the model was 0.71, which indicates good fit of the model to the data (Scheepers *et al.*, 2005). In addition, the predictive relevance of the model ( $Q^2$ ) was also calculated. Using omissions distances between 5 and 15 the  $Q^2$  value for the model was 0.51, indicating satisfactory predictive relevance of the model.

Constructs and manifest variables	Loading
How strongly do you agree or disagree with each of the following statement about the relationship between your company and your company's major suppliers? <i>Trust</i> (CR = 0.94, AVE = 0.80)	
1. We trust each other	0.90
2. They are trustworthy on important things	0.85
3. According to our past business relationship, my company thinks that they are trustworthy persons	0.91
4. My company trusts them	0.91
<i>Bonding</i> (CR = 0.93, AVE = 0.76)	
1. We rely on each other	0.87
2. We both try very hard to establish a long-term relationship	0.93
3. We work in close cooperation	0.92
4. We keep in touch constantly	0.74
<i>Communication</i> (CR = 0.89, AVE = 0.73)	
1. We communicate and express our opinions to each other frequently	0.85
2. We can show our discontent towards each other through communication	0.89
3. We can communicate honestly	0.81
<i>Shared value</i> (CR = 0.93, AVE = 0.78)	
1. We share the same worldview	0.86
2. We share the same opinion about most things	0.90
3. We share the same feeling about most things around us	0.87
4. We share the same values	0.90
<i>Empathy</i> (CR = 0.92, AVE = 0.74)	
1. We always see things from each other's view	0.86
2. We know how each other feels	0.83
3. We understand each other's values and goals	0.91
4. We care about each other's feelings	0.85
<i>Reciprocity</i> (CR = 0.89, AVE = 0.74)	
1. My company regards "never forget a good turn" as our business motto	0.85
2. We keep our promises to each other in any situation	0.82
3. If our customers gave assistance when my company had difficulties, then I would repay their kindness	0.90
<i>CS</i> (CR = 0.97, AVE = 0.83)	
1. Overall, I believe we are both quite satisfied with our working relationship	0.89
2. This among the best partner relationships that our managers have experienced	0.94
3. Our firm's relationship with partner A has been a happy one	0.90
4. Our firm's relationship with partner A has fully met our firm's expectations	0.91
5. Our firm is proud of having this working relationship with partner A	0.88
6. We are very pleased with what partner A does for us	0.92
7. If we had to do it all over again, we would still choose to use partner A	0.93

**Table I.**  
Measurement  
model results

## Results

We used PLS-Graph 3.0 to test effect of RMO on CS. PLS is the method of choice for all cases in which the number of observations is lower than 250 (Reinartz *et al.*, 2009). In *H1-H6*, we expected that each component of RMO has a positive influence on CS. The results shown in Table I indicate that trust (TR-CS:  $\beta = 0.32$ ,  $t = 3.85$ ), bonding (BO-CS:  $\beta = 0.22$ ,  $t = 2.26$ ), shared value (SV-CS:  $\beta = 0.19$ ,  $t = 2.34$ ), and reciprocity (RE-CS:  $\beta = 0.12$ ,  $t = 1.96$ ) have positive influences on CS. These findings support *H1*, *H2*, *H4*, and *H6*. However, we found no empirical evidence to support the influence

Constructs	1	2	3	4	5	6	7
<i>Discriminant validity</i>							
1. Trust (TR)	0.89 (0.94)						
2. Bonding (BO)	0.72	0.87 (0.93)					
3. Communication (CO)	0.60	0.78	0.85 (0.89)				
4. Shared value (SV)	0.52	0.58	0.64	0.88 (0.93)			
5. Empathy (EM)	0.60	0.70	0.67	0.79	0.86 (0.92)		
6. Reciprocity (RE)	0.44	0.60	0.56	0.54	0.59	0.86 (0.89)	
7. Customer satisfaction (CS)	0.70	0.72	0.64	0.64	0.67	0.57	0.91 (0.97)

**Table II.** Discriminant validity and tests of differences between correlations

**Notes:** All correlations are significant ( $p < 0.01$ ); diagonal entries are square root of AVE and composite reliabilities in bracket; others are correlation coefficients

of communication (CO-CS:  $\beta = 0.03$ ,  $t = 0.33$ ) and empathy (EM-CS:  $\beta = 0.09$ ,  $t = 0.86$ ) on CS. Thus, *H3* and *H5* are not supported.

Regarding the *RQ2*, we expected that components of RMO carry distinct weights relative to their influences on CS. We answered this question by undertaking a Hotelling-Williams test to compare non-independent correlations (TR-CS, BO-CS, CO-CS, SV-CS, EM-CS, and RE-CS) that share a variable (Steiger, 1980). Significant differences between the strengths of effects of trust, reciprocity, bonding, and shared value on CS were found. Specifically, the results of the test in Table I indicate that trust is stronger than reciprocity in contributing to CS ( $t_{(TR-CS \text{ vs } RE-CS)} = 2.25$ ); bonding is stronger than shared value and reciprocity in contributing to CS ( $t_{(BO-CS \text{ vs } SV-CS)} = 1.69$  and  $t_{(BO-CS \text{ vs } RE-CS)} = 3.12$ ). The predictive relevance of the model was examined via the average variance accounted (AVA) for that was of acceptable magnitude at 0.77 as shown in Table III.

**Discussion and directions for future research**

The primary goal of this paper is to examine how RMO contributes to CS in the context of Vietnamese B2B firms. Our findings contribute to the literature in two ways. First, our study provides an indication to the relative importance of each component of the RMO,

Predictor variables	Predicted variables	Path weights	Variance due to path	$R^2$	Critical ratio
<i>H1</i> Trust	Customer satisfaction	0.32	0.23		3.85 <sup>b</sup>
<i>H2</i> Bonding	Customer satisfaction	0.22	0.16		2.26 <sup>b</sup>
<i>H3</i> Communication	Customer satisfaction	0.03	0.02		0.33
<i>H4</i> Shared value	Customer satisfaction	0.19	0.12		2.34 <sup>b</sup>
<i>H5</i> Empathy	Customer satisfaction	0.09	0.06		0.86
<i>H6</i> Reciprocity	Customer satisfaction	0.12	0.07	0.66	1.96 <sup>b</sup>
AVA				0.77	

**Notes:**  $p < 0.01$ ,  $t^* > 1.65$ , and  $t^{**} > 1.96$ ; <sup>a</sup>exceeds minimum acceptable level 0.015; <sup>b</sup>exceeds minimum acceptable level 1.96; test of differences between correlations of TR-CS, BO-CS, CO-CS, SV-CS, EM-CS, and RE-CS;  $t_{(TR-CS \text{ vs } BO-CS)} - 0.53$ ;  $t_{(TR-CS \text{ vs } SV-CS)} 1.16$ ;  $t_{(TR-CS \text{ vs } RE-CS)} 2.25^{**}$ ,  $t_{(BO-CS \text{ vs } SV-CS)} 1.69^*$ ;  $t_{(BO-CS \text{ vs } RE-CS)} 3.12^{***}$ ;  $t_{(SV-CS \text{ vs } RE-CS)} 1.27$

**Table III.** Partial least squares results for the theoretical model



so managers do not jeopardise RMO by mistakenly focusing on relatively less important individual components. In particular, our findings show that trust, bonding, shared value, and reciprocity are key drivers of CS, while communication and empathy are not. Previous studies on the performance implication of RMO indicate that in the context of Hong Kong and China, the six components of the RMO are drivers of firm performance (Sin *et al.*, 2002, 2005a, b; Gordon *et al.*, 2008). Our findings indicate two interesting implications. First, individual components of RMO are effective in the context of specific group of customers. In the current study, we do not place our focus on firms potential customers but existing customers that had been on business together for at least six months and both partners knew well about each other. In this context, efforts in communication and empathy are not likely of paramount importance. Instead they are more likely important in building initial relationship. This finding is in line with previous work by Coulter and Coulter (2003), which shows that because empathy (and communication) is an ancillary attribute relative to basic product expectations, their importance in relationship building appears to diminish as industry experience leads the buyers to expect a certain level of relationship outcomes. Previous research also shows that business relationship building is a multi-stage process that emphasizes communication and empathy are key ingredients in identifying prospects (Rich, 2000). Future research may consider performance implications of RMO across different customer portfolio including customer acquisition, customer retention, and cross-selling groups.

Second, performance implication of RMO's individual components may depend on specific business culture. With respect to communication and empathy, our findings is not in line with previous studies in the context of Hong Kong and China (Sin *et al.*, 2002, 2005a, b; Gordon *et al.*, 2008). We found that when it comes to Vietnam, managers are advised to not pay much attention on communication and empathy but trust, bonding, shared value, and reciprocity. Future studies could consider to what extent cultural factors facilitate or hamper the impacts of individual components of RMO on CS.

Another contribution of our study is that trust, bonding, shared value, and reciprocity are not equally weighted contributors of CS. Instead, managers should place more emphasis on trust and bonding compared to shared value and reciprocity. This finding is refreshing because previous studies have not focused on the relative importance of individual components of RMO on CS. Specifically, our findings show that trust and bonding are more likely stronger signals of CS in comparison to shared value and reciprocity. This finding supports an important business relationship practice that in many industries buyers favour business associations with those suppliers based on years of trust development (Rich, 2000). That high level of trust would enhance the confidence that the partner will behave with integrity and benevolence, and fuel a more lasting relationship (Fang *et al.*, 2008; Rich, 2000). Similarly, our findings confirm the significant role of bonding in building an effective business relationship because the development of strong ties between buyers and sellers make it very difficult to end the relationship, "even when one partner would like it to end" (Wilson, 1990, p. 8). High levels of bonding enhance a firm's ability to restrict competitive forces by raising barriers to imitation.

While the study has provided interesting insights to our understanding of RMO practice in the context of a developing economy like Vietnam, to some extent finding are limited with cross-sectional data. Indeed, using cross-sectional data does not enable us to interpret the time sequence of the relationships among RMO components and CS. The findings, therefore, might not be interpreted as proof of a causal relationship.

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The development of a time-series database and the testing of the RMO association with CS in a longitudinal framework would provide more insight into research result.

This study on RMO, a well-known research topic in developed economies, is quite new for Vietnamese companies in a transitional economy. Our findings highlight the distinct roles of trust, bonding, shared value, and reciprocity in achieving superiority in CS. In contrast, communication and empathy have no effect on CS. The findings also show that trust and bonding are relatively more important than shared value and reciprocity in affecting CS. Based on our findings on the relative importance of RMO components in contributing to CS, further studies in this field are encouraged to help Vietnamese companies enhance their effectiveness in satisfying customers, growing with them, and reducing risks in doing business when entering a global market.

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#### Further reading

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