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ANTECEDENTS OF BUYER'S TRUST IN MARKETING CHANNELS AND AN IMPLEMENTATION IN TURKISH VALVE MARKET

Yüksek Lisans Tezi

ERKAN İŞÇİMEN

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Danışman: Yrd. Doç.Dr. Emine Çobanoğlu

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ÖZET

PAZARLAMA KANALLARINDA ALICI GÜVENİNİN BELİRLEYİCİLERİ VE TÜRK VANA PAZARINDA BİR UYGULAMA

Hızlı değişen rekabet çevresi, işletmeleri rekabeti göğüslemek için daha yaratıcı ve esnek uygulamalara zorlamaktadır. Alıcı ve satıcı ilişkileri, yoğunlaşan rekabet ortamında giderek önem kazanmaktadır. Rekabet stratejisi olarak ilişkisel pazarlamada, dağıtım kanallarıyla başarılı ilişkiler oluşturma, sürdürme ve geliştirme yaklaşımıyla sadece dağıtım kanallarını değil şirketin tüm pazarlama faaliyetlerini kapsamaktadır. Uzun dönemli ilişkilerin yönetiminin artan önemi, araştırmacıları ve pazarlama profesyonellerini bu ilişkilerin belirleyicileri ve çıktıları konusunda çalışmaya itmiştir. Güven, alıcı ve satıcılar arasında uzun süreli ilişkilere erişmede anahtar etmen olarak ön plana çıkmaktadır. Bu çalışmada, Türk vana pazarında alıcı güveninin belirleyicileri açıklanmıştır. İletişim, tedarikçinin itibarı ve tedarikçinin finansal durumu pazarda alıcı güvenini etkileyen anahtar etmenler olarak görülmektedir.

GENERAL KNOWLEDGE

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ABSTRACT

ANTECEDENTS OF BUYER'S TRUST IN MARKETING CHANNELS AND AN IMPLEMENTATION IN TURKISH VALVE MARKET

Rapidly changing competitive environment is forcing businesses to seek more creative and flexible means for meeting competition. Buyer – seller relationships is getting more importance day by day due to intensifying competition. Relationship marketing as a competitive strategy aims at creation, maintenance and development of successful relationships with marketing channels is currently considered a management approach that covers not only marketing channels but also all marketing activities. The increasing importance of long term cooperative relationship lead researchers and market professional to deal with antecedents and outcomes of the relationships in marketing channels. Trust has been examined as a key factor to achieve long term relationships between a supplier and its marketing channels. With this study antecedents of buyer's trust in Turkish valve market are explained. Communication, supplier's reputation and supplier's financial situation are key factors that affect buyer's trust in the market.

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LIST OF ABBREVIATIONS

AMA	American Marketing Association
CEIR	The European Committee for the Valve Industry
CRM	Customer Relationship Management
EIF	European Industrial Forecasting
EUR	Currency of Europe
POMSAD	Turkish Pump and Valve Manufacturer Association
TQM	Total Quality Management
USD	Currency of United States of America
VMS	Vertical Marketing System
4P	Elements of marketing mix

INTRODUCTION

Rapidly changing competitive environment is forcing businesses to seek more creative and flexible means for meeting competition (Doney and Cannon, 1997). Buyer – seller relationships is getting more importance day by day due to intensifying competition and successful delivery is a key factor for successful value creation. (Kotler and Keller, 2006). Relationship marketing as a competitive strategy aims at creation, maintenance and development of successful relationships with marketing channels is currently considered a management approach that covers not only marketing channels but also all marketing activities (Casielles, Varez and Martin, 2005). Producers (manufacturers or service providers), that can maintain long term relationships with their distributors, dealers or agents, gain a group of sustainable competitive advantages. Especially in industrial markets, relationship of marketing channels has an evolving trend to a network approach rather than independent channel members. Supply chain management applications are an important indicator that supports the trend.

The increasing importance of long term cooperative relationship lead researchers and market professional to deal with antecedents and outcomes of the relationships in marketing channels. In marketing literature, especially after Morgan and Hunt's study (1994), trust is one of main focuses of these researches and applications. Trust has been examined as a key factor to achieve long term relationships between a supplier and its marketing channels. In other words, successful relationship marketing requires trust (Morgan and Hunt, 1994). Setting trust in buyer – seller relationships depends on many variables (Ganesan, 1994; Morgan and Hunt, 1994; Selnes, 1995; Ganesan and Hess, 1997; Doney et all, 1997; Geyskens, Steenkamp and Kumar, 1998; Svensson, 2001; Izquierdo and Cillar, 2002; Yu and Pysarchik, 2002; Kwon and Suh, 2004; Vazquez, Iglesias and Gonzales, 2005; Casielles et al., 2005).

Mostly, *trust* has being evaluated as a composition or an output of other factors in marketing literature. Because of that, if determinators of trust are defined, so trust will be defined. Besides, trust is a result of interaction. So, the concept should be

evaluated as a two – way process. In channel relations, there are two side of trust: buyer side and seller side. In this study, only buyer's trust is investigated. The first main objective of this study is determining the antecedents of buyer's trust.

As an implementation Turkish valve market is selected because of high requirement for buyer's trust due to highly competitive market characteristics. Untouchedness of the market in literature of marketing channels, the market's importance for Turkish economy and potential for developing and the researcher's organic linkages with the market also affected this choice.

Valve market was approximately 14,9 billion EUR (20 billion USD) by the sales of 2004 according to CEIR (The European Committee for the Valve Industry, 2004). European Industrial Forecasting (EIF) forecasts (2005) that the size of valve market will reach 30 billion USD by 2010. Forecasts shows that valve market in Turkey will grow year by year and the size of the market will be nearly 285 million USD by 2010.

2006 total import is 138 billion USD and import for iron commodities is 1,48 billion USD (1,068 %). This ratio was 1,014 % in 2005. Valve import of Turkey is 418 million USD in 2005 (See Graphs). It is 28,3 % of total iron commodities import and also % 0,3 of overall imports of the country. If it is considered that it is a product group that causes foreign trade deficit of Turkey (270 million USD in 2005), the importance of the market can be realized obviously.

Turkish valve market is widely unorganized. From supplier side, Turkish Pump and Valve Manufacturer Association (founded in 1997 as a Pump manufacturers oriented association, in 2005 "Valve" is added in the name of the organization). From seller side, there is a several association just related with occupational or managerial training (Turkish Installation Engineers Association and Turkish Mechanical Installation Equipment Sellers Association). Besides, there are many unregistered manufacturing and selling operations in valve market. This situation causes unfair competition. To overcome this situation's negative results, wholesalers and suppliers mostly work depend on one-year contract system, like a contractual vertical marketing

system. Wholesalers promise a certain amount of sales for the year in the contract and formalize this by giving notes or cheques (in Turkish trade tradition cheques are also post-dated as notes); called as "connection" in the market. Some wholesalers do not have enough financial strength to make connection, so that they buy partially from other distributors or make connection with a wholesaler. So, trust is very important issue to get these yearly connections in Turkish valve market. There is another market characteristic that is one of backgrounds of this study: wholesalers, mostly, are not an exclusive distributors. They have two main distributorships of two valve suppliers on average and also they sell many brands of valves except main distributorship. Due to wholesalers freedom to sell every brand of valve the dependency to supplier reach minimum levels. This is one source of mistrust between buyer and seller or requirement of trust in order to work in the market. As a result, the second main objective of the study is to state antecedents of buyer's trust in Turkish valve market.

As a result, two main objectives of the study can be listed as follows:

- To determine antecedents of buyer's trust,
- To state antecedents of buyer's trust in Turkish valve market.

First three sections are composed of literature review. In the first section of the study, marketing channels have been examined. As a special note marketing channel, distribution channel, and intermediary concepts are used in the same meaning in all over the study. They have been evaluated with a network approach, which is detailed in the study, in whole sections. On the other hand, generally marketing channel is preferred in the study. Scope of marketing channels, importance and functions of them are first issues of this section. Secondly, Participants of distribution channels in consumer, industrial and services markets are given. As the last part of this section, evolution of marketing channels is discussed in terms of marketing eras.

Second section has been focused on channel relationships with relationship marketing perspective. Firstly, relationship concept in marketing channels is handled. In

the following part, two main relationship types, conventional distribution channels and vertical marketing systems have been compared. Antecedents, dimensions and outcomes of channel relationships are the last matters of the section.

Final section of the literature review examines buyer's trust in relationship between supplier and other participants of marketing channels. Trust in channel relationship has been defined and antecedents of buyer's trust have been explained as the variables of exploratory research.

Objectives of the literature review are:

- Setting a theoretical background for the study,
- Comparison of channel relationships between conventional and vertical marketing channels,
- To determine antecedents of buyer's trust.

The fourth section is background of study. Valve market in the world and Turkey, marketing channels in Turkish valve market and requirement for trust in the relationship of the market are explained in this section.

In the section of methodology includes firstly an exploratory research. Because of the high number of variables at the end of the literature review and special characteristics of valve market had forced to conduct a pre-study. Secondly, research variables with their explanation, research model, and hypotheses have been given. Sampling, data collection method and data analysis techniques used in descriptive research are last issues of the methodology section.

The sixth section is composed of findings of descriptive research. The objective of the research is:

- To state antecedents of buyer's trust in Turkish valve market,

Although hundreds of analysis conducted, only significant findings have been given analysis by analysis. Discussion, implication and conclusion and research limitations are last sections of the study.

1. MARKETING CHANNELS

Launching products that consumers need and want, pricing them accurately and implementing effective promotional plans are required but not enough for customer satisfaction in terms of marketing. The other crucial decision of the marketing mix is *distribution*. Products should be available in convenient location, in adequate quantities and at the right time. The modern channel of distribution came out from this necessity (Jobber, 1995).

Stanton and Etzel (1994) state that management should select marketing channels to serve its products to the market before the products are ready. This means developing and implementing strategies for product's distribution channels and physical distribution. Marketing channels can be defined in different ways by different authors.

Bowersox and Morash (1990) conceptualize a marketing channel as a network activity flows directed toward satisfying customer needs and wants. Pelton, Strutton and Lumpkin (1997) define the term as: "A marketing channel can be defined as an array of exchange relationships that create customer value in the acquisition, consumption, and disposition of products and services. This definition implies that exchange relationships emerge from market needs as a way of serving market needs". This definition especially emphasizes on relationship dimension of the concept.

There are several definitions for marketing channels with different focuses. Firstly, the concept can be examined as people and institutions of marketing that are ordered from manufacturer or producer to middle user or consumers. Some definition in the literature focuses proprietorship: "Marketing Channels are array of people and institutions that take title to or assist for the title transfer, in movement of a product or services from producer to consumer" (Tek, 1999).

According to Kotler and Keller (2006) intermediaries constitute a marketing channel. They define the term formally as "Marketing channels are sets of interdependent organizations involved in the process of making a product or service available for use or consumption". By this definition, marketing channels have been discussed as the group of pathways a product or service follows after production, purchase and use by the consumer.

In line with Bowersox and Morash (1990) and American Marketing Association (AMA Web site, 2006), marketing channels are evaluated as a network of institutions that not only transfer goods and services, but also participate in all marketing activities in the marketing process in this study. In this respect, members of marketing channels act as partners in order to satisfy customers' needs and wants. This approach also means interdependency of all institutions in channels that provides a ground to long term relationships.

1.1. **IMPORTANCE AND FUNCTIONS OF MARKETING CHANNELS**

Most of the final customers buy the products from marketing channels. Without them, the exchange process would be an expensive, time – consuming experience. Marketing channels provide: "1) *Place utility*, by making products available where they are wanted and , by making products available in the quantities, colors, sizes, and other specifications wanted; 2) *Time utility*, by making products available when consumers want them; 3) *Possession utility*, by providing mechanisms that allow consumers to exchange something of value (usually cash, check, or credit) for a product and then take possession of it" (Siegel, 1996).

Coughlan, Anderson, Stern and El – Ansary (2001) stress the necessity of distribution function in their study. As they mention, intermediaries can be cancelled; but their function of distribution can not be. The authors support their claim by stating that despite the number of marketing channels decreased in consumer, business or services markets; their functions were being shifted by previous and next levels of

marketing channels. For instance, if a shoe manufacturer sells its product to the final customer by its own stores, the number of channel levels will decrease. However, the distribution functions can not be canceled, it will be only undertaken by the manufacturer's itself.

Bowersox and Morash (1990) state that Vaile, Grether and Cox (1952), identified eight basic flows as being essential to marketing channel performance. Their grouping includes physical exchange, ownership, promotion, negotiation, financing, risking, ordering and payment (Table 1.1.).

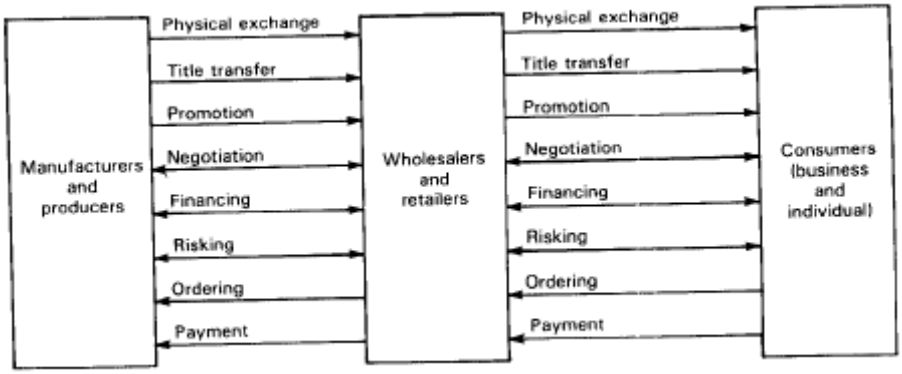

Table 1.1 – Eight Flows in Marketing Channels
Source*:* Bowersox,D. J. and Morash E. A. (1990). *The Integration of Marketing Flows in Channels of Distribution. European Journal of Marketing*. 23,58.

Similar "eight flows", functions performed by marketing channels are given in Kotler's study (2001). They are explained briefly as below:

Information

Marketing channels are in ideal position to give producers useful marketing information, such as which products are currently popular. They gather information about potential and current customers, competitor, and other actors and forces in the marketing environment (Rachman, 1996).

Promotion

They often help a producer by advertising certain product lines to boost their sales. Intermediaries also design and distribute eye-catching store displays and other promotional devices for some products. They develop and disseminate persuasive communications to stimulate purchasing (Kotler, 2001).

Contact

Channels consist of sets of marketing relationships that emerge from the exchange process. An important function performed by intermediaries is their role in optimizing the number of exchange relationships needed to complete transactions (Kotler, 2001).

Matching and Negotiation

They have also a function of matching supply and demand in the marketplace. They reach agreement on price and other terms so that the transfer of ownership or possession can be affected (Kotler, 2001).

Storage

Most marketing channel members maintain an inventory of merchandise, which they acquire from a manufacturer in the hope of eventually selling it to other intermediaries or final customers (Rachman, 1996).

Physical Distribution

By keeping stock on hand in convenient locations, intermediaries can speed up deliveries to customers. Some intermediaries assume complete responsibility for transporting the producer's goods to widely scattered buyers (Rachman, 1996).

Financing

Sometimes an intermediary that is much larger than producers it represents can provide them loans. They provide for buyers' payment of their bills through banks and other financial institutions (Kotler, 2001).

Risk

Finally, they assume risks connected with carrying out channel work. So, producers can avoid the risks associated with damage, theft, and perishable products (Rachman, 1996).

To sum up, marketing channels have a key role in transferring goods and services to customers. They have many functions such as information transferring, promotion, building and maintaining relationships (contact), matching and negotiation, storage, physical distribution, financing and risk.

1.2. PARTICIPANTS OF MARKETING CHANNELS

Marketing channels have different members. However, the participants of marketing channels can be grouped as *producers, intermediaries* and *end-users* (Coughlan et al., 2001).

Producer means, as a participant of marketing channels, the manufacturer or originator of the product or service being sold. Manufacturers brand their products (e.g. Arçelik, Nokia and Toyota), other manufacturers, do not have a distinct brand, (e.g. Hazelnut or tea producers in Turkey and many of Chinese textile manufacturers) and services companies (e.g. Turkish Airlines, Vodafone, Ernst & Young and Citibank) can be given as examples for the marketing channel membership of producers.

Intermediaries are generally any channel member other than the producer and the end – user (Coughlan et al., 2001). In detail intermediaries can be classified by three groups: *merchants*, *agents* and *facilitators*. Merchants buy; take title to, and resell the

merchandise. Wholesalers and retailers are the best known samples of merchants. Agents search for customers and may bargain with them for the producer; however do not take title to. Brokers, representatives of manufacturers and sales agents can be considered in this group. Transportation companies, independent warehouses, banks, advertising agencies that just assist in the distribution process however do not take title to goods and do not negotiate purchases are called facilitators (Kotler and Keller, 2006).

End – users, include businesses and individual consumers, are the last members of marketing channels. They are evaluated as a participant of marketing channel; because they have functions or flows like other members. For example, a consumer finances a seller and takes risks by purchasing a product. If the product is not consumed immediately, consumer also stores it.

Participants of marketing channels play different roles (the functions mentioned in the previous section performed by these participants) according to the market they operate. All products whether they be consumer goods, industrial goods or services require channel participants, however the category of the product determines the channel structure so that we will examine these structures in three categories.

Marketing Channels in Consumer Goods

There are four types of marketing channels for consumer goods (Table 1.2.). Firstly, as a most direct way to market a product, the manufacturer sells directly to the customer. Cutting out distributor profit margin may make this option attractive to suppliers. This approach also gives them more control over sales. The major examples are “door to door selling, home parties, mail order, telemarketing, TV selling, internet selling and manufacturer owned stores” (Kotler, 2001, p. 492). Dell (computers), Avon (cosmetics), Amway (cosmetics and health care), Rainbow (vacuum cleaners) are samples for firms use this option. In Turkey, many suppliers of water filtering systems, such as BMS, choose this way of marketing.

Secondly, some manufacturers sell their products to retailers, who then resell them to the end user. Consumers then have the convenience of viewing or testing the product at the retail outlet (Rachman, 1996). Gasoline, automobiles, clothing are typical products distributed in this way. Supermarkets such as Wal-Mart, Carrefour and Tansaş and retail outlets, such as Olivium and Outlet Centre are the marketing channels that use this option.

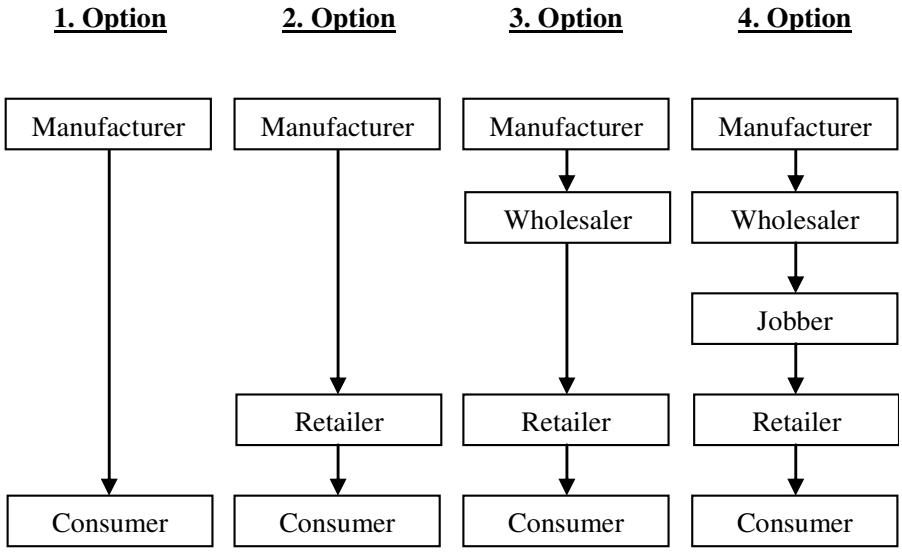

Table 1.2 - Consumer Marketing Channels
Source*:* Kotler, P. and K. L. Keller. (2006). *Marketing Management.* 12th Edition. New Jersey: Pearson Prentice Hall.

Third way of marketing consumer goods is to use two intermediaries. In addition to a retailer, this channel also has a wholesaler. For small retailers with limited order quantities, the use of wholesalers makes economic sense. Because they can buy in bulk from manufacturers, and sell in smaller quantities to numerous retailers. However, the large retailers – who can cut out wholesalers, buy products cheaper and gain a competitive advantage – are considered as a danger for this option (Jobber, 1995). Grocery stores and green grocers are most widespread examples for the option.

The last option for delivering consumer goods is the longest one. This channel is sometimes used by companies entering foreign markets. This level may be seen in the firms in certain industries such as agriculture, where specialists are required, called

jobber (a type of agent), to negotiate transactions or perform such functions as sorting, grading, or dividing merchandise (Kotler, 2001).

Marketing Channels in Industrial Goods

Before explaining marketing channels in industrial goods, it is required to mention characteristics of industrial markets in order to state the reasons of different marketing channel structures from consumer markets.

There are few industries where close personal relationships exist between buyer and seller, in consumer markets. In business marketing, situations where strong personal and business relationships grow between buyer and seller are not as rare. Due to the high strategic importance of many purchases, they need to make absolutely sure that the product fits their needs and that it will be available when needed at right cost. Therefore, many companies enter into long – term contracts, build relationships that enable buyers and sellers to plan jointly, and work to secure the future for both companies (Dwyer and Tanner, 2006).

Due to characteristics of business markets mostly, the channel structure is very

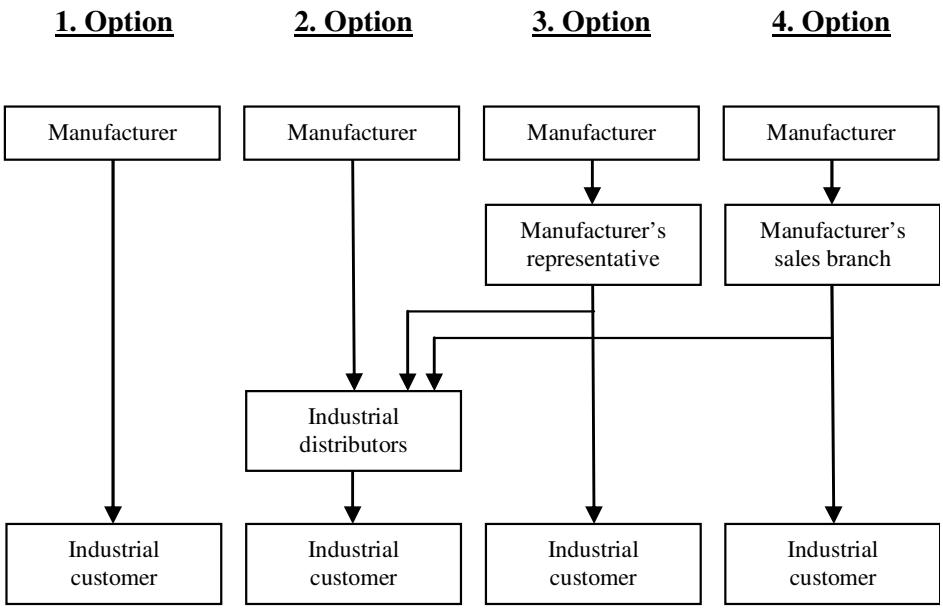

Table 1.3. Industrial Marketing Channels
Source*:* Kotler, P. and K. L. Keller. (2006). *Marketing Management.* 12th Edition. New Jersey: Pearson Prentice Hall.

direct for industrial products. There are few or no intermediaries in the channel (Table 1.3). A manufacturer takes in materials, produces products, and distributes them directly. Others use independent contractors such as manufacturer's representatives, who act on behalf of the producer by selling its products to other businesses.

Alternatively, product distribution may be left to a wholesaler, called industrial distributor. When industrial distributors are used, they often are only intermediary between the producer and organization customer. However, it is possible to compound wholesalers with other alternatives such as manufacturer's representatives or manufacturer's sales branch (Siegel, 1996).

In Turkish valve market, usually second and third option is being applied together. Valve suppliers have regional sales representatives and they sell their product by the intermediary of independent industrial distributors. Rarely, valve suppliers prefer to sell directly to the customer, although this is a source of conflict and mistrust between suppliers and their industrial distributors.

Marketing Channels in Services

Marketing channels for services are usually short, either direct or using by an agent. Because the nature of the services, they usually require direct contact between the customer and the service provider. Besides, activities such as storing, transporting, handling are not needed due to intangibility of services (Rachman, 1996).

In summary, there are mainly three channel participants: supplier, intermediaries (if there is any) and consumer. Intermediaries include also three groups of participants: merchants, agents, and facilitators. Wholesaler (is widely used in this study) and retailers are the merchants. Besides, there are different marketing channels structure in consumer goods, industrial goods and services.

1.3. EVOLUTION OF MARKETING CHANNELS

Marketing channels always emerge out of a demand that target market needs and wants be better served. However, markets and their needs are continuously changing; therefore, marketing channels should constantly adapt those changes. This evolution can be examined by dividing into four stages (Pelton et al., 1997).

Production Era

Until the 1930s, many business executives saw marketing as a prolongation of production. Product design was based on the demands of mass – production instead of customer wants and needs. Firms focus on accomplishing high production efficiency, low costs, and mass distribution. Product availability and low prices are two main targets of the consumers according to their assumptions. Producers could easily achieve their marketing activities by just taking orders and shipping goods. (Rachman, 1996; Kotler, 2001) So the earliest marketing issues were in fact distribution issues. Marketing Channels appeared to meet the necessity of more cost – effective ways of moving goods and raw materials. As a result, origins of the modern marketing channels can not be separated from purely distributive practices (Pelton et al., 1997).

Sales Era

The markets became more competitive, since production capacity increased in the late 1920s. Producers had to persuade people to buy so that they expanded their marketing activities (Rachman, 1996). This era holds that consumers and businesses, if let alone, will ordinarily not buy sufficient products of the organizations (Kotler, 2001). The inventories and the cost of managing these inventories will go up dramatically. The organization must tend to aggressive selling and promotion effort. The classical marketing mix surfaced and issues relating to distribution were in the place domain. Many new types of channel intermediaries such as industrial distributors emerged during this period. And wholesalers increased their power in distribution. Several giant retailers had emerged by this time. Relationship between buyers and sellers could not be managed yet (Pelton et al., 1997).

Marketing Era

In 1950s marketing concept was introduced to the business world. According to the concept, the customer is the nucleus of all marketing mix decisions. It is an approach stresses not only customer needs and wants, but also long-term profitability and the integration of marketing with other functional units within the organization (Rachman, 1996). Thus, instead of trying to sell what they have produced, firms should only produce what they can sell. Distribution was shifting from "place" to "convenience". The distribution must provide advantage to consumer, not to producer. The channels solely reactive in this period, they were adapted to meet market needs as a consumer's voice (Pelton et al., 1997).

Relationship Marketing Era

According to the Total Quality Management (TQM) philosophy customers become active partners with producers, wholesalers, or retailers. The philosophy, parallels the relationship marketing era, initiated a mindset among members that a firm's relationship with its customers fosters market share gain and customer retention. This era presents a shift from a customer voice to a customer dialogue. Rather than just reacting to customer-based feedback, the channel member proactively initiates and maintains a participative exchange with its customers (Pelton et al., 1997). Relationship marketing era is one of theoretical base of this study and the concept and its linkages between marketing channels are examined in the next section.

When the eras mentioned above considered these are not historical approaches some are still applied by the companies due to development level by their sector. On the other hand, some firms may be in forward or backward era by its competencies, culture and business sense. However, the importance relationship marketing has being gradually realized by the practitioners.

2. CHANNEL RELATIONSHIPS IN RELATIONSHIP MARKETING ERA

The marketing academicians, researchers and practitioners widely focus on the marketing mix management approach with its 4Ps model since the 1960s (Grönroos, 1994). From the 1970s, gradually, one of the core goals of marketing has been establishing strong and ongoing relationships with all people or organizations that could directly or indirectly affect the achievement of the company's marketing efforts (Kotler and Keller, 2006). Developing and maintaining significant customer relationships is possible by linking the firm to its individual customers, employees, suppliers and other partners for their mutual long term benefits. This alternative paradigm is called relationship marketing (Berkowitz, Kerin, Bartley and Rudelius, 2000).

Morgan and Hunt (1994), define the concept as managing all marketing activities on the base of establishing, developing and maintaining successful relational exchanges.

Strong economic, technical and social linkages among the parties are built by relationship marketing. It should be noted that these mutual long-term interests between the firm and its customers require tie to other stakeholders such as suppliers, employees and marketing channels (Berkowitz et al., 2000).

Grönroos's comprehensive definition of relationship marketing (1994) is "To establish, maintain, and enhance relationships with customers or other stakeholders, at a profit, so that the objectives of all parties involved are met; and that this is done by a mutual exchange and fulfillment of promises".

In relationship marketing approach, marketing must not only do customer relationship management (CRM) but also partner relationship management (PRM). This is one of the most important outcomes of relationship marketing: establishing marketing

network that can provide a sustainable competitive advantage for an organization as a unique company asset. A marketing network includes the firm and its supporting stakeholders. Gradually, companies are not the competing actors; competition is between the marketing networks they are involved (Kotler and Keller, 2006).

Having long term relationships also increase efficiency. Basically, keeping customers is cheaper than attracting them, both in terms of money and time. Relationship marketing brings cost reduction to companies (Evans and Laskin, 1994).

The final outcome of the approach is effectiveness. The building of strong relationships needs a conception of the sources and competencies of different customer groups due to their needs and wants. Increasingly, companies collect information on each customer's past transaction, demographics, psychographics, and media and distribution preferences. They aim profitable growth through capturing a larger share of each customer's expenditures by building high customer loyalty and focusing customer lifetime value (Kotler and Keller, 2006)

The place element provides the means to tie together marketing management and relationship marketing. After all, relationship marketing is a part and parcel of exchange, and the marketing channel provides the place where exchanges occur. There, manufacturers and intermediaries such as wholesalers and retailers work together to add value to the exchange process. Decisions relating to product, promotional, and pricing variables are all made within the context of a marketing channel (Pelton et al., 1997).

To summarize, 4P approach gradually left its place to relationship marketing. As an every marketing issue, marketing channels and relationship between them is widely affected from the approach. As a result of this interaction, establishing and

Relationship marketing brings;	
Objectives of all parties involved are met	Grönross (1994)
Increasing efficiency	Evans and Laskin (1994)
From place function to all marketing activities together	Pelton et sl. (1997)
Strong economic, technical and social linkages	Berkowitz et al. (2000)
Increasing effectiveness	Kotler and Keller (2006)
A marketing network that can provide a sustainable competitive advantage	Kotler and Keller (2006)

Table 2.1. Advantages of Relationship Marketing

maintaining long term relationship oriented marketing channels is the main goal of the channel relationships. Table 2.1. summarizes the advantages of relationship marketing.

2.1. RELATIONSHIPS IN MARKETING CHANNELS

The concept of 'relationship' is often left undefined. This is particularly so in the business administration literature. As noted by Bagozzi (1995), however, the notion of relationship is an ambiguous one. In empirical studies of buyer–seller relationships, they (the relationships) are often identified by letting the respondent, e.g. a manager; name her or his 'most important' partner(s), customer(s) or customer relationship(s). This approach implies that the respondent's (subject's) implicit definition determines the content of the relationship concept. However, it is well known, that the use of a concept may vary across individuals.

Lack of an explicit conceptual definition may intuitively cause different meanings to be subsumed under the label 'relationship'. Definitions are neither necessarily 'true' nor 'wrong', but an explicit conceptual clarification is needed to arrive at an agreed upon meaning of the term 'relationship'. Bagozzi (1995) recently made the following observation: '. . . a glaring omission in emerging relationship marketing in general, . . ., is the neglect of efforts to conceptualize what a marketing relationship is'. To be termed as a relationship, it must last for some time. For relationships to be active, activities such as transactions and / or exchange of information are assumed to take place (Hakansson and Snehota, 1995).

Much of the literature relates to relationships between individuals. In business, relationships are between firms (organizations). Buyer–Seller relationships in business are unique in several ways. Individual sellers and buyers transact on behalf of their organizations. Thus, agreements between individuals are assumed to have binding, legal obligations for their organizations. In much of the recent literature, the emphasis has been on social aspects such as interactions and in particular, on trust and commitment (see e.g. Morgan and Hunt, 1994). However, such social aspects only relate to a subset

of organizational members, i.e. those who are actively involved in the buying and selling activities (Gronhaug, 1999).

The idea of discrete transaction is the foundation on which concepts of relationships are built. According to Macneil (1980) the archetype of discrete transaction is manifested by money side and an easily measured commodity on the other. The concept of discrete transaction specifically excludes relational elements. Discrete transactions are characterized by very limited communications and narrow content. The identity of parties to a transaction that must be ignored creep in.

Macneil (1980) differentiates discrete transactions from relational contracts, relational exchange, along several key dimensions. Most important is the fact that relational exchange transpires over time; each transaction must be viewed in terms of its history and its anticipated future. The basis for future collaboration may be supported by implicit and explicit assumptions, trust and planning. Relational exchange participants can be expected to derive complex, personal, noneconomic satisfactions and engage in social exchange. Because duties and performance are relatively complex and occur over an extended time period, the parties may direct much effort toward carefully defining and measuring the items of exchange. Third parties may be called in to adjudicate, and other customized mechanisms for collaborating and resolving conflict may be designed (Dwyer, 1987).

Morgan an Hunt (1994) argue that there has been a major directional change in both marketing theory and practice over the last ten years and point to number of studies which assume a shift away from “transaction – oriented marketing” towards “relationship – oriented marketing”. They further argue that relationship marketing is becoming a central research paradigm in the literature on marketing channels.

The acknowledgment that exchanges between buyers and sellers to an increasing extent take place within long-term relationships (e.g. Arndt, 1979; Dwyer et al., 1987; Grönroos, 1990) has drawn the attention of both researchers and practitioners to the role of marketing within relationships (e.g. Aijo, 1996; Grönroos, 1994; Selnes, 1995).

In fact, the traditional model of confrontation between buyer and seller which relied on arm's length exchanges and on market competition has now been replaced by a new philosophy advocating the establishment of close and long term relationships based on high levels of cooperation and joint action for the attainment of mutual benefits and satisfaction (Izquierdo 2004).

Buyer – seller relations involve analogous benefits and costs. The former include reduced uncertainty, managed dependence (Spekman, Strauss, and Smith, 1985), exchange efficiency, and social satisfactions form the association. Foremost is the possibility of significant gains in joint – and consequently individual – playoffs as a result of effective communication and collaboration to attain goals. The buyer's perception of the effectiveness of the exchange relation, then, is a significant mobility barrier and a potential competitive advantage for the seller that insulates the latter from price competition.

It is possible, however, that real or anticipated costs outweigh the benefits of relational exchange. Maintenance of the association requires resources. Parties with highly divergent goals may spend considerable economic and psychical resources in conflict and haggling processes. More important may be the opportunity costs of foregone exchange with alternative partners (Dwyer, 1987).

To sum up, relationship is also a key concept in marketing channels. Relationship oriented transactions have many advantages such as managing uncertainty and exchange efficiency. There are also some costs of the approach in marketing channels. For instance, maintenance of relationship requires resources. Although some costs, relationship oriented approach is widely used in marketing channels management due to its advantages. There are several relationship types in marketing channels that are changing depend on sector and firm preferences. In the next section this will be examined.

2.2. RELATIONSHIP TYPES IN MARKETING CHANNELS

Conventional distribution channels consist of independent manufacturer, wholesalers, and retailers (as they mentioned before as participants). Even if this option

decreases earnings for the entire system, each one is a distinct firms aiming to maximize its own profits with little concern for the total performance of the channel. Any channel member has not full or considerable dominancy over the system. Marketing professionals in a rising number of companies grasp the returns to be gained by supervising the channel as a harmonized or programmed system of participating organizations. Recent major development in distribution is the climb of Vertical Marketing Systems (VMS).

Conversely in VMS, members work collectively to accomplish distribution activities. These systems include the organizations as an integrated network. Vertical Marketing Systems lead the retailing sector and are important actors in the business and industrial products and service sectors. The comparison is more explanatory on the differences between two major distribution systems (Table 2.2.).

One of the best definitions of the systems is: “Vertical marketing systems are professionally managed and centrally programmed networks pre-engineered to achieve operating economies and maximum market impact. These systems are rationalized and capital – intensive networks designed to achieve technological, managerial, and promotional economies through the integration, coordination, and synchronization of marketing flows from points of production to points of ultimate use” (Cravens, 1997).

As we can infer from the definition, the key concept in Vertical Marketing Systems is the management (coordination) activities. This action is generally being done by a firm, a member of the channel called as “channel captain”. This firm takes on coordination of the channel is usually owns the others or franchises them or has so much power that they all cooperate. “They achieve economies through volume, bargaining power, and elimination of duplicated services” The channel captain (leader) can be any participant of the channel (Kotler, 2001).

Conventional Distribution Channels	Vertical Marketing Systems
Independent	Unified
Separate, autonomous members	Linked as a single competitive unit
Aggressive intra – channel negotiations	One clear leader
Conflict not controlled	Conflict controlled; stable structure
Usually fail to see big picture	Channel – wide perspective

Table 2.2. Comparison of VMS and conventional distribution channels

Source: Pelton et al. (1997), Marketing Channels: A Relationship Management Approach, USA: Irwin Series, p. 391.

Vertical Marketing Systems have three types in implementation: corporate, administrated, and contractual (Pelton et al., 1997). These types will be examined below:

Corporate (Ownership) Vertical Marketing Systems, is the most controlled form, wherein both manufacturing and distribution are owned by the same company (Rachman, 1996). This type is also seen when a major marketing function is performed by a single firm through two or more channel levels. This is also called as "vertical integration" in marketing literature, is preferential by organizations that need a high control over their channels. Firms in this fashion have better performance monitoring abilities than firms operating other vertical marketing system forms. Marketing executives occasionally see it beneficial to choose forward integration (when a producer owns and operates wholesaler or retailer) and backward integration (when a retailer or wholesaler owns and operates producing facilities) through corporate vertical marketing systems (Pelton et al., 1997).

Possession of distribution channels from source of supply to end – user requires a large investment by the channel owner. This kind of vertical marketing

system is also less adaptable to change compared to the other vertical marketing system forms. For these reasons alliance between supplier and manufacturer may be an alternative.

A *contractual vertical marketing system* is a compromise between a corporate system and administered system. (Pelton et al., 1997) This type of channels consists of independent firms operating at different channel levels that integrate their distribution agendas on contractual basics. With the approach, the members of the channel are legally bound by a contractual agreement that spells out their respective responsibilities. Carefully drafted agreements formalize and legitimize the roles, obligations, and activities expected from each channel participants.

The contractual form of vertical marketing system, that now constitute one of the most significant developments in the economy, may include various formal arrangements between channel participants, including retailer cooperatives, wholesaler-sponsored voluntary organizations and franchising. 'Retail cooperatives', also known as 'retailer – sponsored cooperative organizations', are established when groups of independent retailer come together. They voluntarily agree to pool their buying power and initiated a wholesale company performs shipping, warehousing, promotion, or information management functions for the members of vertical marketing systems. 'Wholesaler – sponsored voluntary organizations' are chains of independent retailers to help them to compete with large chain organizations. The wholesale develops a program in which independent retailers standardize their selling practices and achieve buying economies that enable the group to compete effectively (Kotler, 2001). 'Franchising' is the most common form of the contractual vertical marketing system. The type is popular in fast food restaurants (e.g. Mc Donald's), bottling (e.g. Coca Cola), auto rental business (e.g. Hertz) or other retail lines (Cravens, 1997).

Administrated vertical marketing systems like to conventional channels in the member separately owned and operated. Yet, they are different in a member coordinates consecutive stages of production and distribution. This is a less formal arrangement in which one member of the distribution chain has enough power to lead others. The dominant firm performs functions for the shared benefits of the whole chain. This

leading company is known as the channel captain, which is mentioned before. Some companies can control unusual cooperation from others in terms of displays, preferred shelf space, or promotional and pricing policies, by virtue of their expertise, brand image, market share, overall reputation, strong consumer demand, and / or ability to grant rewards (Kotler, 2001).

Administrated systems are one step removed from conventional marketing channels. Channel managers operating in conventional channels often attempt to create an administered vertical marketing system to compete more effectively against more vertically integrated systems. This strategic option is far more feasible for larger, more powerful manufacturers or retailers because they have the power necessary to secure cooperation (Pelton et al., 1997).

Often the channel captain is the manufacturer as opposed to the retailer. Gillette, Procter and Gamble and Kodak are some manufacturers that employ administered vertical marketing systems. On the other hand, sometimes retailer may be seen as the leader of the channel. Toys 'R' Us is a good sample for this leadership by developing computer software that spots emerging trends in toy sales. By passing on this information to toy manufacturers, the channel captain (Toys 'R' Us) helps the industry balance its production volume (Rachman, 1996). Tansaş, DİA or BİM (some supermarkets implement private label marketing in Turkey) can be shown as examples for retailer's channel coordination, because of their tight control on the manufacturers.

To summarize, there are two types of relationships in marketing channels. Conventional distribution channels and vertical marketing channel are two types of relationships in channel literature. Vertical marketing systems are unified, linked as a competitive unit usually with a clear leader. Conflicts are controlled in this system and it is more stable than conventional distribution channels. In vertical marketing system there are three types: corporate (ownership), administered and contractual marketing systems. Although there is a clear contract between valve suppliers and wholesalers in Turkish valve market, the channel structure may be described as administered vertical marketing systems.

2.3. ANTECEDENTS, DIMENSIONS AND OUTCOMES OF CHANNEL RELATIONSHIPS

Great advances have been made in the study of channel relationships in recent years and marketing researchers have provided new insights into relational – oriented exchanges**:** *determinant factors* (Kumar et all, 1995); *dimensions* (Dwyer et all, 1987) and *outcomes* (Noordewier, 1990; Izquierdo, 2004).

Antecedents of relational exchange (determinant factors) are generally grouped into two categories: economic factors and social factors (Geyskens et al. 1998, Grønhaug, 1999).

Economic factors refer to the desire to improve economic outcomes and to adapt the firm to environmental uncertainty (Izquierdo, 2004). Dependence of buyer and / or seller is the other important economic factor that determines relationships.

For a true relationship to be present some social aspect such as mutual trust and commitment is often assumed (see, e.g. Dwyer et al., 1987). Reciprocity and voluntary participation by the actors are also required (Bagozzi, 1995). In most situations a certain level of trust is a prerequisite, i.e. the exchange partners must rely on and have confidence in each other (Morgan and Hunt, 1994). Committed exchange partners are also essential. In relationships, high-powered market incentives are partly absent. Without commitment from the parties involved, high-performance relationships are almost unthinkable. Reciprocity (interdependency) is also crucial for longitudinal relationships of advantage for the parties to exist (Grønhaug, 1999).

Dimensions of buyer – seller relationships have been researched by various main concepts such as effect and power, conflict, continuity of relationship, communication dimensions, channel structure, channel climate (Mohr and Nevin, 1990) channel leadership (Price, 1991), action strategies (Boyle and Dwyer, 1992), trust, dependency, control, cooperation, transaction costs (Andaleeb, 1995), uncertainty, performance (Geyskens et al., 1998), product perception (Hakkio and Laaksonen, 1998). Literature focuses commonly four dimensions in channel relationship (İşbaşi, 2001): power, conflict, trust and communication.

Power is the competence of one channel member to provide a change in another member's behavior (Pelton et al., 1997). Otherwise, power is a potential for impact (Coughlan et al., 2001) on the actions of another channel member. Members strive to ensure that others behave in a manner that enhances their own performance. Without leadership, the organizations may work at cross – purposes and operate in a manner devoid of customer focus and efficiency. Channel leadership (or channel captainship) is the judicious use of power to coordinate channel members behaviours (Dwyer et al., 2006). On the other hand, if power is used for only self interest without goodwill, this will damage the channel network.

As it is mentioned in Shipley and Egan's article (1992), French and Raven (1959) identified five sources of social power: *reward power* is used to obtain conformity through promise of rewards; *coercive power* is founded on the fear of punishment for non-compliance; *legitimate power* is based on legitimate rights; reference power seeks compliance through the pursuit of mutual interests and finally expert power obtains when a member believes another has more relevant expertise.

Conflict between channel members, is felt or enacted tension that can grow out of some sources such as differences in goals, lack of communication (Dwyer et al., 2006), differences in respond time to the causes, differences in degree of effort, horizontal and vertical intrachannel and interchannel competition and differences in compensation The opportunities for conflict in business marketing channels are limitless. For instance, a distributor's refusals to maintain required inventory levels or a manufacturer's insistence on a nonexclusive distribution policy are sources of conflicts between channel members (Hutt and Speh, 1995).

Trust is another important dimension of buyer – seller relationships. This dimension will be examined in the third section of the study.

Communication is also a key factor that affects channel relationships as mentioned by Mohr and Nevin (1990), in establishing, developing and maintaining phases of relationship. An inefficient communication channel can cause

misunderstandings, disabilities in developing appropriate strategies and disappointments (Hakkio and Laaksonen, 1998).

In marketing literature *outcomes* in buyer – seller relationships focus these concepts: possession and acquisition costs (Noordewier, John and Nevin, 1990), acquiescence, propensity to leave, cooperation, functional conflict and uncertainty (Morgan and Hunt, 1994), long term orientation (Ganesan, 1994; Izquierdo and Cillan, 2004), relationship enhancement, relationship continuity (Selnes, 1995), Satisfaction with economic outcomes, satisfaction with non – economic outcomes, realized competitive advantage (Vazquez et al., 2005).

To sum up, the issue of channel relationship has several antecedents, dimensions and outcomes. Antecedents of channel relationships can be classified in two groups: economic factors and social factors. As the key factor of the research, trust is taken place in social factors of channel relationship antecedents. From this respect, buyer's trust will be examined in the next section of the study.

3. TRUST IN RELATIONSHIPS BETWEEN SUPPLIER AND MARKETING CHANNELS (BUYER'S TRUST)

Relationships between marketing channels are changing fundamentally, in many industries. Companies are widely searching for having fewer but more intense relationships with their channel partners. Goals of efficiency and effectiveness are the drivers of the trend. Companies believe that they can attain less system costs through by focusing on fewer channel members for marketing.

However, such exclusive relationships also increase the vulnerability of channel members to each other. Consequently, trust is considered a core factor for such relationships to realize their full potential (Geyskens et al., 1998) and it has assumed a core role in the development of the marketing (Dwyer et al., 1987; Morgan and Hunt, 1994).

Marketing approaches should lead building confidence relationship between the parties. Besides, fulfilling promises is the mutually beneficial business relations and marketing responsibility based on developing trust (Grönroos, 1994).

3.1. DEFINITION OF TRUST IN CHANNEL RELATIONSHIPS

Researchers have widely examined trust in their studies on channel relationships. These studies have been dramatically increased since the article of Dwyer et al. (1987).

Many researchers in social psychology and business administration literature define trust as mutual expectation between two parties, fulfilling promises made (Dwyer et al., 1987; Casielles et al., 2005).

Clopton approaches the subject as a “key link that leads to the adoption of coordinated behaviors” (1984); according to Bateson’s study (1988), trust is an expression of confidence between the parties in an exchange or a relationship.

In some of studies, the concept has been defined as a belief of a firm that the other company will behave in such a way that will bring positive results and will not perform actions that will bring negative results (Anderson and Narus, 1990; Crosby et al., 1990).

Morgan and Hunt’s definition (1994) is one of most widely quoted trust definitions, in the reliability of channel partner and trustworthiness in the intentions, motivations, honesty and benevolence of the partner.

Trust is a key element in the establishment of relationships (Grossman, 1998). According to the researcher, the degree of trust, that is perceived from one party, covering three aspects: Capacity for prediction, dependence and faith. This definition focuses on recognition of channel member.

Empirical studies measure this term by means of two criteria (Ganesan 1994; Kumar et al., 1995; Doney and Cannon, 1997; Casielles et al., 2005): credibility and benevolence.

Credibility is expectancy that the partner is trustworthy, keeps his word, is committed to his obligations word or written statement of a credible partner, can be relied on (Doney and Cannon, 1997).

Benevolence is channel member’s belief that its partner is motivated to seek mutual gains. A benevolent partner is interested in one’s interests or welfare (Anderson et al., 1987; Crosby et al., 1990) and will not take unexpected actions that would have a negative impact on the firm (Andaleeb, 1995; Anderson and Narus, 1990) Ganesan (1994) considers that benevolence includes friendship between the parties and the sacrifices made to satisfy the other party.

3.2. ANTECEDENTS OF BUYER'S TRUST IN CHANNEL RELATIONSHIPS

Mostly, *trust* has being evaluated as a composition or an output of other factors in marketing literature. Because of that, if determinators or antecedents of trust are defined, so trust will be defined. In other word, it is not possible to establish trust without knowing the drivers of trust.

Besides, trust is a result of interaction. So, the concept should be evaluated as a two – way process. In channel relations, there are two side of trust: buyer side and seller side. In this study, only buyer's trust is investigated.

The antecedents of buyer's trust have been reported by numerous researchers (Table 3.1.). Ganesan (1994) specifies four variables as sources of trust: *experience, perception of specific investment, reputation of supplier* and *satisfaction with past outcomes*.

Morgan and Hunt (1994), in their widely referred study, states that *communication* and *shared values* have positive relationship with trust. According to the authors, *opportunistic behavior* is also an antecedent of buyer's trust; however its effect is negative. Communication and satisfaction with outcomes is also declared by Selnes (1995); but the researcher also adds *competence* and *conflict resolution* of supplier. Both variables have positive relationships with buyer's trust.

Doney and Cannon (1997) evaluate trust drivers by dividing into two dimensions: supplier firm and salesperson of the supplier. *Reputation, size, confidential information sharing* and *willingness to customize* of supplier and *length of relationship* with the supplier are in the dimension of supplier. Other dimension includes *salesperson* oriented variables. Length of relationship variable has been also reported by Ganesan (1994), Ganesan and Hess (1997) as a control variable with the name of *experience with the vendor*. They also accompany *importance of the product, environmental volatility* and *mutual dependence* as different sources of buyer's trust. Dependency is also stated

by Geyskens, Steenkamp and Kumar (1998). Although there are positive types when used for conflict resolution or channel leadership, *partner's coercive power use* (as it mentioned before in page 26) is also taken as a driver with negative relationship by the authors.

Differently from the most of literature on buyer's trust, Svensson (2001) specifies buyer and seller harmony factors such as *business sense and judgement harmony, character harmony, congruence* and *consistency*. The researcher also declared *openness of management* and *expertness* as other drivers. In line with Svensson, Izquierdo and Cillar (2002) mention *expertise and knowledge* as an antecedent of trust, in their study about interaction of dependence and trust in long-term industrial relationships.

Yu and Pysarchik (2002) focus conflict, satisfaction and trust in their study about Korean manufacturer – retailer relations. Not only they evaluate conflict and satisfaction as sources of trust, but also they specify the variables as consequences of trust. According to them, there are interdependency between the factors. Kwon and Suh (2004) examine factors affecting the level of trust and commitment in supply chain relationships. They also state that *perceived conflict* is a driver of trust.

	RESEARCHER	YEAR	VARIABLES	RSHIP
ANTECEDENTS OF BUYER'S TRUSTS	Ganesan	1994	experience	(+)
			perception of specific investment	(+)
			reputation	(+)
			satisfaction with past outcomes	(+)
	Morgan,Hunt	1994	communication	(+)
			shared values	(+)
			opportunistic behavior	(-)
	Selnes	1995	communication	(+)
			competence of supplier	(+)
			conflict resolution	(+)
			satisfaction with outcomes	(+)
	Doney,Cannon	1997	frequent business contact with salesperson	(+)
			frequent social contact with salesperson	(+)
			length of relationship with salesperson	(+)
			length of relationship with supplier firm	(+)
			salesperson expertise	(+)
			salesperson similarity	(+)
			supplier firm confidential information sharing	(+)
			supplier firm size	(+)
			supplier firm willingness to customize	(+)
			supplier reputation	(+)
			trust of salesperson	(+)
	Ganesan,Hess	1997	environmental volatility	(+)
			experience with the vendor	(+)
			importance of the product	(+)
			mutual dependence	(+)
			satisfaction with outcomes	(+)
	Geyskens,Steenkamp,Kumar	1998	communication	(+)
			environmental uncertainty	(+)
			own dependence	(+)
			partner's coercive power use	(-)
	Svensson	2001	ability	(+)
			business sense and judgement harmony	(+)
			character harmony	(+)
			competence of supplier	(+)
			congruence	(+)
			consistency	(+)
			expertness	(+)
			openness of management	(+)
	Izquierdo,Cillar	2002	expertise and knowledge	(+)

Table 3.1. Antecedents of Buyer's Trust as a result of literature survey

ANTECEDENTS OF BUYER'S TRUST (...continues)	RESEARCHER	YEAR	VARIABLES	RSHIP
	Yu,Pysarchik	2002	economic conflict	(-)
			non-economic conflict	(-)
			economic satisfaction	(+)
			non-economic satisfaction	(+)
	Kwon,Suh	2004	asset specificity	(+)
			information sharing	(+)
			partner's reputation	(+)
			perceived conflict	(-)
	Casielles,Varez,Martin	2005	communication	(+)
			existence of guarantees in providing service	(+)
			familiarity	(+)
			moment of truth	(+)
			perception of specific investment	(+)
			quality of the service	(+)
			reputation	(+)
			satisfaction with outcomes	(+)
			shared values	(+)

Table 3.1. Antecedents of Buyer's Trust as a result of literature survey (continued)

Trust between buyer and seller in services marketing has been examined by Casielles, Varez and Martin (2005), researchers from Spain. Besides they have reported some services focused factors such as *moment of truth*; they also declare common factors with the industry market such as *quality, communication, reputation* and *guarantees*.

Antecedents of buyer's trust as a result of literature survey are sorted by variables as in Table 3.2.

VARIABLES	RSHIP	RESEARCHER	YEAR
communication	positive	Morgan,Hunt	1994
		Selnes	1995
		Geyskens,Steenkamp,Kumar	1998
		Casielles,Varez,Martin	2005
openness of management	positive	Svensson	2001
competence of supplier	positive	Selnes	1995
		Svensson	2001
conflict	negative	Selnes	1995
		Yu,Pysarchik	2002

		Kwon,Suh	2004
congruence	positive	Svensson	2001
supplier firm willingness to customize	positive	Doney,Cannon	1997
dependence	positive	Ganesan,Hess	1997
importance of the product	positive	Ganesan,Hess	1997
own dependence	positive	Geyskens,Steenkamp,Kumar	1998
partner's coercive power use	negative	Geyskens,Steenkamp,Kumar	1998
experience with the vendor	positive	Ganesan	1994
		Doney,Cannon	1997
		Ganesan,Hess	1997
		Casielles,Varez,Martin	2005
expertise and knowledge	positive	Svensson	2001
		Izquierdo,Cillar	2002
supplier firm size	positive	Doney,Cannon	1997
existence of guarantees in providing service	positive	Casielles,Varez,Martin	2005
information sharing	positive	Doney,Cannon	1997
		Kwon,Suh	2004
moment of truth	positive	Casielles,Varez,Martin	2005
perception of specific investment	positive	Ganesan	1994
		Casielles,Varez,Martin	2005
asset specificity	positive	Kwon,Suh	2004
quality of the service	positive	Casielles,Varez,Martin	2005
reputation	positive	Ganesan	1994
		Doney,Cannon	1997
		Kwon,Suh	2004
		Casielles,Varez,Martin	2005
salesperson	positive	Doney,Cannon	1997
shared values	positive	Morgan,Hunt	1994
		Casielles,Varez,Martin	2005
uncertainty	positive	Ganesan,Hess	1997
		Geyskens,Steenkamp,Kumar	1998
satisfaction with outcomes	positive	Ganesan	1994
		Selnes	1995
		Ganesan,Hess	1997
		Geyskens,Steenkamp,Kumar	1998
		Yu,Pysarchik	2002
		Kwon,Suh	2004
		Casielles,Varez,Martin	2005

Table 3.2. Antecedents of Buyer's Trust as a result of literature survey (by variable)

In the next section, background of study has been examined.

4. BACKGROUND OF STUDY

For the implementation, Turkish valve market is selected because of high requirement for buyer's trust due to highly competitive market characteristics. Untouchedness of the market in literature of marketing channels, the market's importance for Turkish economy and potential for developing and the researcher's organic linkages with the market also affected this choice.

Valve Market in the World

Valve market was approximately 14,9 billion EUR (20 billion USD) by the sales of 2004 according to CEIR (The European Committee for the Valve Industry). European Industrial Forecasting (EIF) forecasts (2005) that the size of valve market will

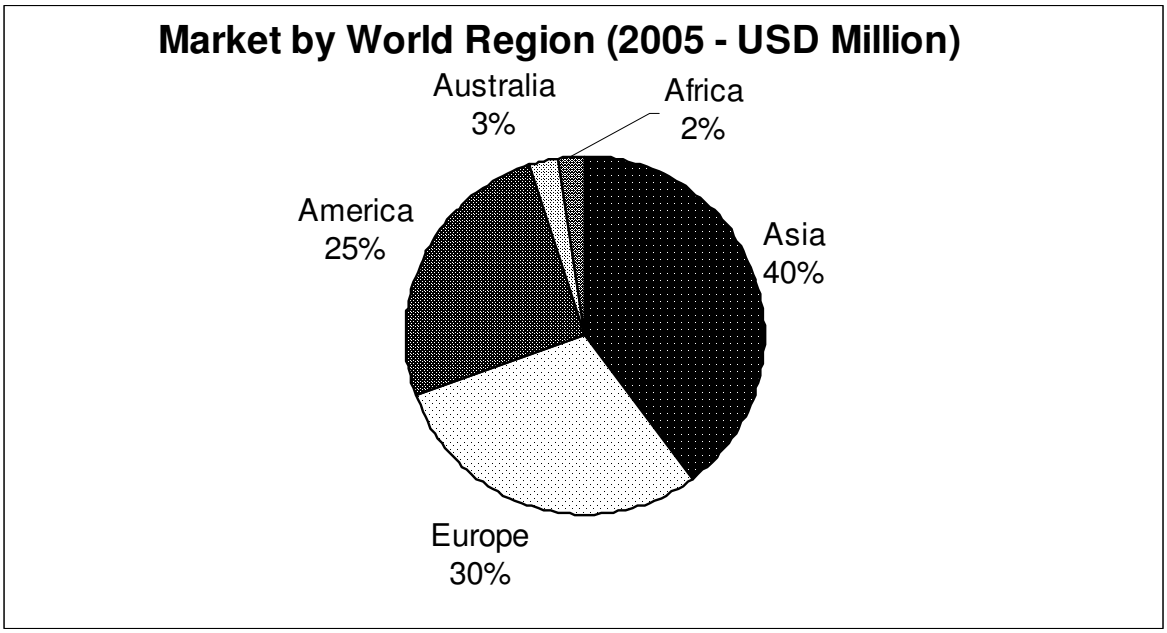

Figure 4.1. World Valve Market By Region

Source: European Industrial Forecasting Ltd. (2004). The World Valve Market and Actuator Market 2005-2010. United Kingdom.

reach 30 billion USD by 2010. According to the same research company's data continents of Asia, Europe and America has 95 percent of valve market all over the world (Figure 4.1.).

Sales of complete valves (i.e. original equipment) are fundamentally determined by investment in plant and equipment by valve-using industries. For this reason, it should be paid close attention to trends in investment and to the sub-division of investment appropriate for monitoring the valve market.

Although GDP growth is the main influence on the growth of investment, investment in valve-using industries does not necessarily move in proportion to global investment. In the advanced industrial countries the investment in valve-using industries tends to grow more slowly than investment as a whole because the latter includes a high volume of rapidly growing investment in information technology which has no valve content. In developing countries, the link between global investment and investment in valve-using industries is usually closer than in the industrial countries because emphasis is on infrastructure, which normally has relatively high valve content.

Besides trends in global investment, the analysis of the valve market requires that investment is sub-divided because valve content, and valve types required, depends on valve applications which vary by end use industry. Main end use industries that use valve are grouped as below (Table 4.1.):

Market By End Use Industry	2005 (Million USD)	Share %
General Industry	6.812	33,68%
Oil, Gas, Refining	4.039	19,97%
Chemicals	3.436	16,99%
Water & Severage	3.435	16,99%
Power Generation	2.501	12,37%
World Valve Market	20.223	100,00%

Table 4.1. World Valve Market By End Use

Source: European Industrial Forecasting Ltd. (2004). The World Valve Market and Actuator Market 2005-2010. United Kingdom.

The first three group cover valve requirements in energy-intensive high technology applications and valve unit costs are usually higher than in the two other groups. Water and sewerage is identified because of its very specific applications. Although general industry has end uses which vary widely in valve requirements, it is more dependent on the overall growth of the economy than are the other four groups.

Valve Market in Turkey

Turkish valve market is widely unorganized. From supplier side, Turkish Pump and Valve Manufacturer Association (founded in 1997 as a Pump manufacturers oriented association, in 2005 "Valve" is added in the name of the organization). From seller side, there are two associations just related with occupational or managerial training (Turkish Installation Engineers Association and Turkish Mechanical Installation Equipment Sellers Association). Besides, there are many unregistered manufacturing and selling operations in valve market. This situation causes not only unfair competition, but also difficulty of data collection for the market. Because of that in this study, market overview is based on exploratory research and Karabulut's market research (2006). There are six main valve suppliers which dominate Turkish valve market: Duyar, Klinger, Gedik (with brand of Termo), Elmor (with the brand of E.C.A), Ayvaz and Kayalar (with the brand of K.A.S). It is highly competitive market and there is no one leader. There are different leaders in terms of product types. However, it could be stated, there is a domination of these six valve suppliers in Turkish valve market, which includes more than 200 valve suppliers. This domination is also supported by the unique Turkish valve market research of Karabulut (2006).

Forecasts show that valve market in Turkey will grow year by year and the the size of the market will be nearly 285 million USD by 2010 (Figure 4.2.).

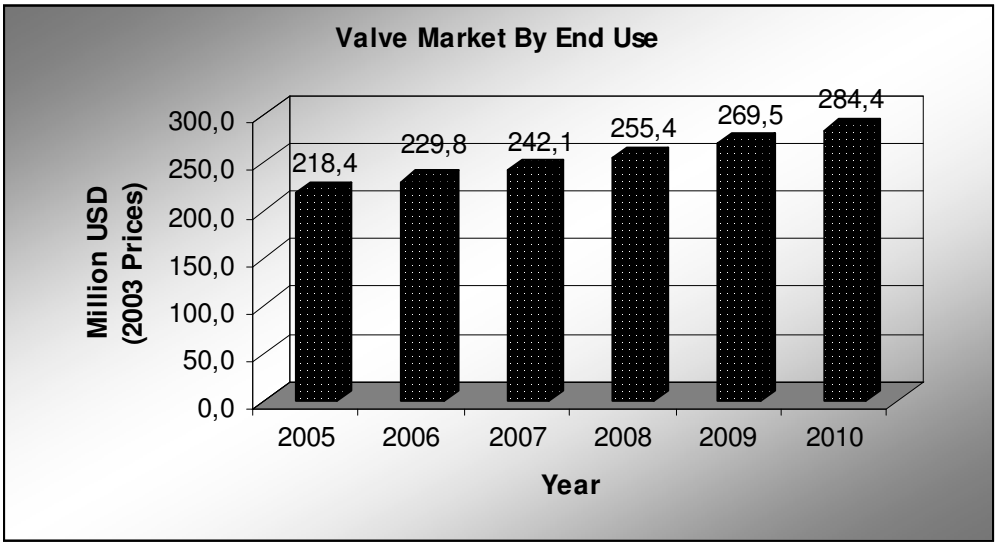

Figure 4.2. Turkey Valve Market By End Use In Turkey

Source: European Industrial Forecasting Ltd. (2004). The World Valve Market and Actuator Market 2005-2010. United Kingdom.

In 2006, total import is 138 billion USD and import for iron commodities is 1,48 billion USD. (1,068 %) This ratio was 1,014 % in 2005. The increasing trend is show in Figure 4.3.

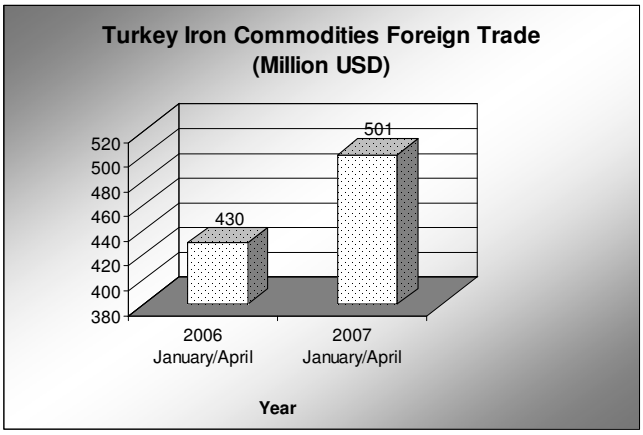

Figure 4.3. Turkey's Iron Commodities Foreign Trade in Turkey

Source: Undersecretariat of the Prime Ministry for Foreign Trade Web Site, 2007.

Valve import of Turkey is 418 million USD in 2005 (Figure 4.4.). It is 28,3 % of total iron commodities import and also % 0,3 of overall imports of the country. As it can be followed in the graph it is also a product group that causes foreign trade deficit

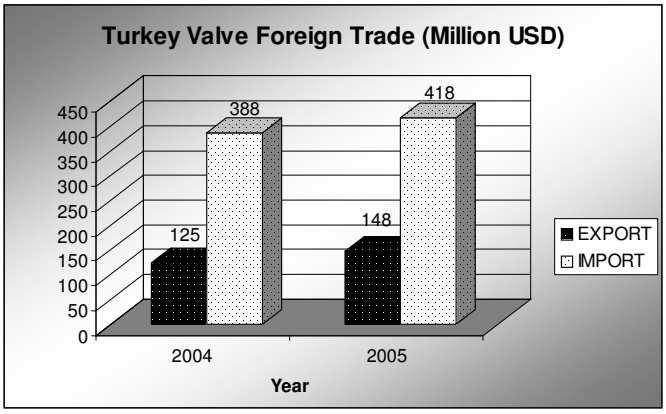

Figure 4.4. Turkey's Valve Foreign Trade

Source: POMSAD (Turkish Pump and Valve Manufacturer Association). (2006). İhracat ve İhracatı İzleme Çalışmaları. İstanbul.

of Turkey (270 million USD in 2005).

In Turkey, main end use industries that use valve are grouped as below (Table 4.2):

Market By End Use Industry	2005 (Million USD)	Share %
Power Generation	63,2	28,94%
General Industry	62,4	28,57%
Oil, Gas, Refining	48,3	22,12%
Chemicals	36,7	16,80%
Water & Severage	7,8	3,57%
Turkey Valve Market	218,4	100,00%

Table 4.2. Turkey Valve Market By End Use

Source: European Industrial Forecasting Ltd. (2004). The World Valve Market and Actuator Market 2005-2010. United Kingdom.

The order of valve markets by end use industry is generally in parallel with the World Valve Market. However, there is an important difference in Turkish valve market. While industry of power generation is in the last order in the World, it is on the top in Turkish market. If it is considered that this industry has lower valve unit cost, it can be arrived a conclusion that Turkey market has not developed yet and challenge with lower value added products.

Valve as a product

A valve is a product can not be noticed easily by the average person. However, it plays an important role in the quality of our life. A water faucet, a dishwasher, a burner with natural gas, or an accelerator of any car, can not operate without a valve. Without modern valve systems, there would be no fresh pure water or automatic heat in your home. Public utilities and almost any kind of energy would not be possible without valves.

A valve can be defined as a device that controls the flow of a fluid. Valves can control flow of all types, from the thinnest gas to highly corrosive chemicals, superheated steam, abrasive slurries, toxic gases and radio active materials. Today's valves can control not only the flow, but the rate, the volume, the pressure or the direction of liquids and gases (Valve Manufacturers Association of America Web site, 2007)

Who is customer in valve market?

This question has several different answers in valve market according to the valve market by end user. If the products will be used in a building, contractor is the customer. If a factory will use valves in its production facilities, the customer is usually a responsible engineer for technical purchasing. Besides, products may be purchased to use in a district’s infrastructure. In this situation, the valve customer is a technical responsible in a municipality.

If it is considered valves are used in many places from a shopping centre to a ship construction, from a factory to a natural gas pipeline it is understandable that customers of valve market are very diversified. On the other hand, as industrial engineering products, valves are mostly purchased by people from a technical occupation or function.

Marketing Channels in Turkish Valve Market

In Turkish valve market, with several differences by end use market, generally there is a two-segment channel structure: supplier and wholesaler. As it is mentioned in issue of marketing channels for industrial goods, suppliers prefer a mixed system with a industrial distributor and a sales representative. There is also a retailing market; however it is approximately 13 percent of all valve market. Supplier and end users mostly use wholesalers as intermediaries. There are generally one to three wholesalers for product flow. Suppliers mostly prefer one wholesaler, (even “zero” with direct sales) in projects with high amounts.

One of distinctive characteristics of the Turkish valve market is that the wholesalers sell various installation equipments such as pump, pipe, connection equipments, combi boiler, air conditioner and valve is just one of them, they apply product assortment. This is a factor that decreases dependency to supplier. Besides, there is one more important characteristics of the market: wholesalers, mostly, are not exclusive distributors. They have two main distributorships of two valve suppliers generally and also they sell many brands of valves except main distributorship. Due to wholesalers freedom to sell every brand of valve, the dependency to supplier reach minimum levels. This is one source of mistrust between buyer and seller.

Although it seems there is a regional organization in sales of Turkish valve market, normally this is misleading. Especially wholesalers from big cities (even sometimes supplier itself) sell almost every customer in the country. This situation grows out of different pricing for different distributors. This is one source of mistrust and conflict. It is also an indicator that there is only unique market research for this market due to this high competitiveness and mistrust.

Suppliers employ usually regional sales representatives for establishing and maintaining relationship with wholesalers and end users. These representatives have usually an engineering background in order to give technical information support to the customers. These employees are very determining in the relationship of buyer and seller with support on customer finding, payment issues, customized product and price development, and maybe the most important topics for wholesalers: to provide them advantage against other distributors and to support in filling wholesaler's quotas.

Wholesalers and suppliers mostly work depend on one-year contract system, like a contractual vertical marketing system. Wholesalers promise a certain amount of sales for the year in the contract and formalize this by giving notes or cheques (in Turkish trade tradition cheques are also post-dated as notes); called as "connection" in the market. Some wholesalers do not have enough financial strength to make connection, so that they buy partially from other distributors or make connection with a wholesaler. So, trust is very important issue to get these yearly connections in Turkish valve market.

To sum up, Turkish valve market is highly competitive and seems to have many sources of conflicts in the relationship between buyer and seller. As a result, *trust* is a key factor to establish and maintain a strong marketing channel for suppliers.

5. METHODOLOGY

As it can be observed in the literature review, there are many variables that researchers have been reported as antecedents of trust. Therefore, we require an exploratory research before a descriptive study. The aim of the exploratory research is to eliminate variables. The exploratory research has been detailed in the section of methodology and also the variables that had been provided as a result of exploratory research have been explained more comprehensively. After that, descriptive research was conducted. The objective of this research is to state antecedents of buyer's trust in Turkish valve market. Sampling, model and hypotheses are also given in this section.

5.1. EXPLORATORY RESEARCH

The exploratory research has been applied to representatives of 7 valve

ANTECEDENTS / CONSEQUENCES	*VARIABLES FOR EXPLORATORY RESEARCH*	*R.SHIP*
Antecedents of buyer's trust	communication	(+)
	competence	(+)
	conflict	(-)
	congruence	(+)
	customer orientation	(+)
	dependence	(+)
	experience with the vendor	(+)
	expertise	(+)
	firm size	(+)
	guarantees	(+)
	information sharing	(+)
	perception of specific investment	(+)
	quality	(+)
	reputation	(+)
	salesperson	(+)
	satisfaction	(+)
	shared values	(+)
	uncertainty	(+)

Table 5.1. Variables for exploratory research

wholesalers and 3 valve suppliers. In depth interview method is used and interviewees have been questioned which variables affect buyer's trust in Turkish valve market. The variables before exploratory research are shown in Table 5.1.

In line with the marketing literature *communication with supplier* (Anderson and Narus, 1990; Morgan and Hunt, 1994; Selnes, 1995; Geyskens et al., 1998; Svensson, 2001; Casielles et al., 2005); vendor's *reputation* (Anderson and Weitz, 1992; Ganesan, 1994; Doney and Cannon, 1997; Kwon and Suh, 2004); *sales representative* of supplier (Anderson and Weitz, 1989; Selnes, 1995; Doney and Cannon, 1997); *conflict* with vendor (Dwyer et al., 1987; Selnes, 1995; Yu and Pysarchik, 2002; Kwon and Suh, 2004); *support by supplier,* such as financial conveniences and customer finding, (Geyskens et al. 1998); and *satisfaction with past results* (Selnes, 1995; Geyskens et al., 1998; Casielles et al., 2005) have been evaluated as important drivers by the professionals. Furthermore *commitment* is stated as a major consequence of trust as a result of in depth interviews. This variable is also posited as a major outcome in the literature (Dwyer et al., 1987; Morgan and Hunt, 1994; Selnes, 1995)

Professionals research applied have stated *competitiveness of supplier's products* - including quality, price and assortment - as important determinators of buyer's trust as a narrower concept than *competence of supplier* (Cravens et al., 1992; Selnes, 1995) *proposed* by the literature. They also give importance *financial strength* of the vendor, instead of *supplier size* (Hill, 1990; Doney and Cannon, 1997) that literature offers. So that, other size indicators are not important for them. Finally, *privileges for buyer,* is a common factor that has been stated by the sector professionals. Although the variable is not included in the literature review; we assume this variable as an antecedent of trust in our descriptive study.

Exploratory research have also corrected that there are six main valve suppliers which dominate Turkish valve market: Duyar, Klinger, Gedik (with brand of Termo), Elmor (with the brand of E.C.A), Ayvaz and Kayalar (with the brand of K.A.S).

5.2. MODEL AND HYPOTHESES

As a result of the preliminary research, the hypothesized model (Figure 5.1) is developed for the descriptive research. In this section, the variables, which have been used in our descriptive research, are explained in detail.

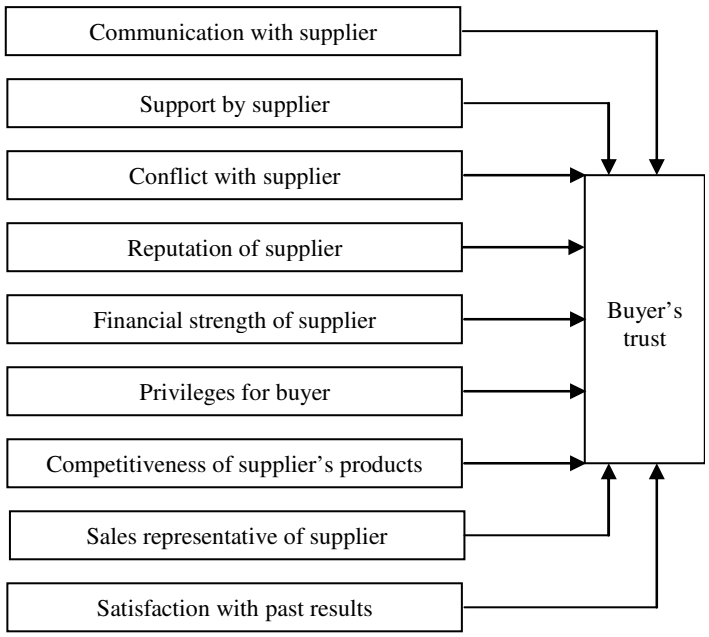

Figure 5.1. Hypothesized Model of Buyer's Trust

Communication with supplier

Anderson and Narus (1990), define the concept as sharing of information that is significant and timely between firms the formally or informally. This definition focuses the importance of its usefulness, compared to its frequency. Communication is a main driver of trust according to Morgan and Hunt (1994). It develops trust by resolution of conflicts; synchronize expectation and perceptions of parties. Anderson and Narus (1990) find that, past communication has a positive relationship with trust, from buyer's or seller's perspectives.

Selnes (1995) states language is not perfect; so that an open dialogue is often required in order to develop and maintain a mutual understanding between firms. In Svensson (2001)'s study, communication variable is related to trust by the dimension that is named as "openness of management". Both researchers have reported that communication is a clause and an important antecedent for buyer's trust.

Geyskens, Steenkamp and Kumar (1998) evaluate communication under the concept of "actions" and they state that this variable seem to have strong relationship with trust. Additionally, the existence of good communication with the customer has an influence on a more positive evaluation of the firm compared to other comparable alternatives and it is an efficient method for revealing the existence of trust in the relationship (Casielles et al., 2005). In line with literature, we handle the variable as an antecedent of trust.

Support by supplier

Support by supplier is another important antecedent of trust. Supplier's support means extra supports except routine transactions such as finding new customers and being tolerant for payment. Anderson and Weitz (1989) evaluate the variable as a determinant of trust in their field study of 95 independent sales agents in USA. It has also been verified that support by partner has a positive relationship with trust (Geyskens et al., 1998). We also evaluate the support by supplier as an important source of buyer's trust.

Conflict with supplier

Channel member conflict occurs when a channel member perceives that a channel partner threaten its achievement, and stress or tension results (Yu and Pysarchik, 2002). Conflict is as predictable as misperceptions and incorrect deliveries (Dwyer et al., 1987). It is a consequence of different perceptions of goals and roles within buyer and seller relationships. Conflict can be destructive, with hostility, bitterness, and isolationism resulting. On the other hand, a total suppression of conflict can result in a relationship that loses vitality.

Conflict resolution may be very important for the life of the relationship. The buyer will expect supplier to show responsibility in unforeseen events. This is a clause of buyer's trust (Selnes, 1995). According to Kwon and Suh (2004), perceived conflict is a factor that attenuates the level of trust between buyer and seller. We accept the variable of conflict has a negative relationship with trust.

Reputation of supplier

Behaviors of a supplier give signals for their future actions in channel relationships. Vendor's reputation for fairness within the industry is possible by making sacrifices and showing their concern for the other channel member (Anderson and Weitz, 1992). Suppliers with negative reputation such as terminating relationships and seeking high profits are likely to reduce the trust between channel members. Such motives can not be realized through word-of-mouth, only through actual interaction (Ganesan, 1994). According to Kwon and Suh (2004), if a supplier deserves a high and credible reputation in a market, it would be assumed that the partner is trustworthy in relationships.

Supplier reputation can be defined as that firms and people in the industry believe a supplier is honest and concerned about its customer. A favorable reputation is easily transferable across firms and enhances the credibility of vendor (Ganesan, 1994). If a buyer considers the vendor merits a good reputation, the buying firm will trust will trust the supplier firm.

Telser states that firms are unwilling to risk their reputation by behaving opportunistically (1980). Developing a favorable reputation involves significant investment and represents a valuable asset (Dasgupta, 1988). Even if opportunities exist, any short-term gains from untrustworthy behavior can be balanced against the rewards of maintaining a good reputation (Doney and Cannon, 1997).

Therefore, the process of transference can be used to predict a positive relationship between supplier reputation and trust of the selling firm. We also agree with there is a positive relationship between reputation of supplier and the buyer's trust.

Financial strength of supplier

Supplier size covers its general size and its market share position (Doney and Cannon, 1997). This variable indicates that the supplier can be trusted. Overall size and market share show that many other firms trust this vendor. The supplier continuously keeps its promises to others in the industry. Additionally Hill (1990) states that more opportunistic supplier would be unable to build sales volume or market share. As a result supplier's size has positive relationship with trust of buyer (Doney and Cannon, 1997).

On the other hand, according to the results of the exploratory research supplier size variable is not an important antecedent of trust for valve market professionals. Instead of it, more specifically financial strength of the valve supplier is offered as a trust determinator.

Competence of supplier

In the communication literature, it is widely recognized that the perceived expertise or competence of a source is a major determinant of the effect of any communication (Selnes, 1995). Competence of a supplier is, however, a complex concept that includes both technical expertise regarding products and production methods, and knowledge of the customer's organization, markets, competitors, and industry (Cravens et al., 1992). Frazier and Summers (1984) proposed that a major strategy employed in developing a relationship is to influence the other party's perceptions of one's abilities or competencies. They argue that the result may be stronger interfirm relationship in the sense of higher target dependence and higher credibility for the source (Selnes, 1995).

Providing quality products and services constitutes a key factor to success in a customer – oriented firm as the quality of the products and services offered generates trust in the buyer towards the establishment providing it. So that members of marketing channel will perceive the firm as "different" from competitors (Casielles et al., 2005). As a result of literature review for the variable, competence of supplier has a positive relationship with buyer's trust.

Sales representative of supplier

It has been suggested that competent sales people are more successful because they are expected to be good at communications, which in turn reduces uncertainty and leads to more trust with in the relationship (Anderson and Weitz, 1989; Selnes, 1995).

Salesperson expertise builds a buying firm's trust by increasing its confidence that a salesperson can deliver on his or her promises. Busch and Wilson (1976) find that customers view salespeople with higher levels of perceived expert power as more trustworthy. Salesperson power is defined as the buying firm's belief that the salesperson is capable of providing buyer outcomes that match what the salesperson says or promises. Salesperson power can increase trust in the salesperson and supplier firm (Doney and Cannon, 1997).

Likeability of salesperson and similarity of salesperson with the people in the buying firm, frequent contact with the salesperson and length of relationship is other components that affect trust positively in salesperson and supplier firm. To sum up, it could be stated that there is a positive relationship between salesperson's overall characteristics and buyer's trust.

Satisfaction with past results

Although both trust and satisfaction are suggested to be two of the key concepts in relationship marketing, little effort has been devoted to explaining the relationship between them. Both concepts are similar in the sense they represent some overall evaluation, feeling, or attitude about other party in the relationship. However, Selnes (1995) proposes that trust is an aggregate evaluation at some higher level than satisfaction, and that satisfaction in fact is an important source of trust.

In contrast, Anderson and Narus (1990) posit satisfaction as a consequence of trust. Satisfaction is a global evaluation of fulfillment in the relation (Dwyer and Oh, 1987), to which trust may contribute.

In the context of the relationship exchange, satisfaction with past result is an indicator of equity in the relationship, that is to say, it transmits the idea that

opportunistic behavior does not take place and that the action of the parties is subordinated to the welfare of the other party. Anderson, Hakansson and Johanson (1994, p. 54) define it as "an overall evaluation based on the experience of the purchase and consumption of goods or services over time". Customer satisfaction in previous exchanges reinforces the trust in the seller (Casielles et al., 2005). Satisfaction is found to have strong and consistent relationships with trust (Geyskens et al., 1998). We also evaluated satisfaction with past outcomes as an antecedent of buyer's trust.

Satisfaction with past outcomes indicates equity in a continuing relationship. Such equitable outcomes provide trust that parties are not being taken advantage of in a relationship and that both parties are interested about the other's welfare in the relationship. On the other hand, when individuals believe that they are joining in inequitable relationships, they feel furious. Such feelings toward the other party due to dissatisfaction result in doubt for the channel partner. Nevertheless the relationship between buyer and seller still could last, however there is a reduced level of trust in the supplier (Ganesan, 1994). As a result of literature review we can say there is a strong positive relationship between satisfaction with past outcomes and trust in supplier.

Hence, this study tests 9 main hypotheses:

H_1**:** The level of *communication with supplier* significantly explains the level of buyer's *trust*.

H_2**:** The level of *support by supplier* significantly explains the level of buyer's *trust*.

H_3**:** The level of *conflict with supplier* significantly explains the level of buyer's *trust*.

H_4**:** The level of *reputation of supplier* significantly explains the level of buyer's *trust*.

H_5**:** The level of *financial strength of supplier* significantly explains the level of buyer's *trust*.

H_6**:** The level of *privileges for buyer* significantly explains the level of buyer's *trust*.

H_7**:** The *competitiveness of supplier's products* significantly explains the level of buyer's *trust*.

H_8**:** The level of *relationship with sales representative* significantly explains the level of buyer's *trust*.

H_9**:** The level of *satisfaction* significantly explains the level of buyer's *trust*.

In addition, as an outcome of buyer's trust "commitment" is also measured to enlighten any related further research in Turkish valve market.

Commitment

In the light of social exchange theory, McDonald (1981, p. 834) states "mistrust breeds mistrust and as such would also serve to decrease commitment in the relationship and shift the transaction to one of more direct short – term exchanges" Therefore, we evaluate trust as a major antecedent of relationship commitment, as Morgan and Hunt does (1994). Morgan and Hunt also state that Moorman, Zaltman and Deshpandé (1992) find that commitment is significantly affected by trust.

Dwyer, Schurr and Oh (1987) and Morgan and Hunt (1994) proposed that relationship commitment is central to relationship marketing. According to the definition quoted by Morgan and Hunt (1994), Cook and Emerson (1978, p. 728) characterize commitment as "a variable we believe to be central in distinguishing social from economic exchange." Commitment is also evaluated as a way of responding to customer needs and is a key dimension of being market oriented (Selnes, 1995). Although, the variable does not take place in the research model, it is stated that commitment is one of major consequences of buyer's trust. As a result, a hypothesis is developed as follows:

H_{10}**:** The level of buyer's trust significantly explains the level of buyer's commitment.

Additionally, the study tests any significant difference between the demographic and grouping variables by the means of the research variables. These hypotheses will be given in the section of research findings.

5.3. DESCRIPTIVE RESEARCH

Sampling

The target population of the descriptive research comprised all main valve wholesalers in Turkey. Main wholesalers or main distributor concept is assumed as intermediaries buying from manufacturer or importer directly; so that second-level wholesalers or retailers, which buy from main wholesalers, were not included. Firstly, number of six main valve suppliers' main distributors is determined by asking the suppliers. They have 80 main distributors on average. In the descriptive research, it is assumed that there are 800 main valve distributors by adding other supplier's distributors. However, as it mentioned in the background of study, there is two main distributorships of a wholesaler in the valve market. As a result, we assume the target population includes 400 sellers in Turkish valve market (Although, Karabulut (2006) gives the target population as 271).

As the research setting, nonprobability sampling techniques are used; convenience and judgmental sampling are preferred. Lower cost is the main reason of these sampling methods due to geographical wideness of the target population. Researcher organic linkages with Duyar also affect sampling process. It is also a research limitation; with 44 percent of sample are Duyar's distributors. However, this sampling method provides lower cost and reaching respondents from a wide

geographical area. 61 sellers had selected to the sample (15 percent of target population), by asking market professionals from valve manufacturers, sales representatives and also other main distributors in the sample.

It is assumed that the firms in the sample are only the main distributor one valve supplier. They had been asked the valve supplier that they had highest amount of sales and answer the questions by considering relationships between this valve manufacturer / importer. In this respect, the distributors by valve supplier are as follows

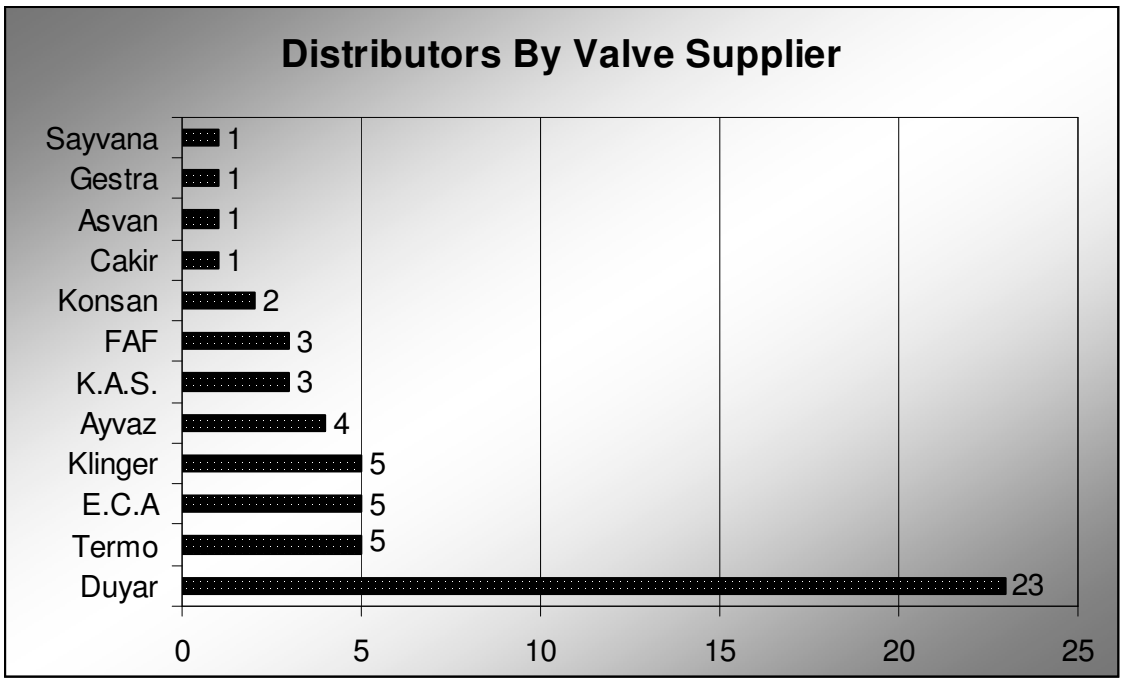

Figure 5.2. Distributors by valve suppliers data collected

Data Collection Method

The raw data was collected through conducting a survey to sellers. 61 questionnaires were planned; however 54 questionnaires could have been implemented. Some distributors have not answer due to mistrust or other reasons. Response rate is 89%.

A structured questionnaire is conducted in order to collect primary data. The questionnaire, which is given in Appendix I, is conducted by three ways. 24 of them (sellers in Istanbul) had been visited in their firms and completed the questionnaires by answering interviewer. Nearly 30 percent of them (16 sellers) answered questions by phone, by following the soft copy that hade been sent before. Finally, remainder of the sample (14 respondents) had been sent by post; they completed the survey and sent them back.

Data Analysis Techniques

The data is analyzed through 15.0 version of SPSS (Statistical Package for Social Sciences) computer program. The statistical analysis methods used in the study are frequency analysis, reliability analysis, normality analysis, t-test, Mann Whitney-U test, ANOVA (analysis of variance), Kruskal and Wallis, regression analysis and discriminant analysis.

6. RESEARCH FINDINGS

6.1. DEMOGRAPHIC AND GROUPING VARIABLES (FREQUENCY ANALYSIS)

Data collection method

Data collection method in the research is summarized in the Table 6.1. Approximately 44 percent of questionnaires have been implemented in face to face method. Other two methods are near each other: 29,6 % by phone and 25,9 % by post.

Data collection method			
		Frequency	Percent
Valid	Face to face	24	44,4
	By phone	16	29,6
	By post	14	25,9
	Total	54	100,0

Table 6.1. Questionnaires by data collection method

Location of distributor

As a result of convenience and judgmental sampling, the sample is selected highest valve selling cities. The locations of distributors are as follows (Figure 6.1.):

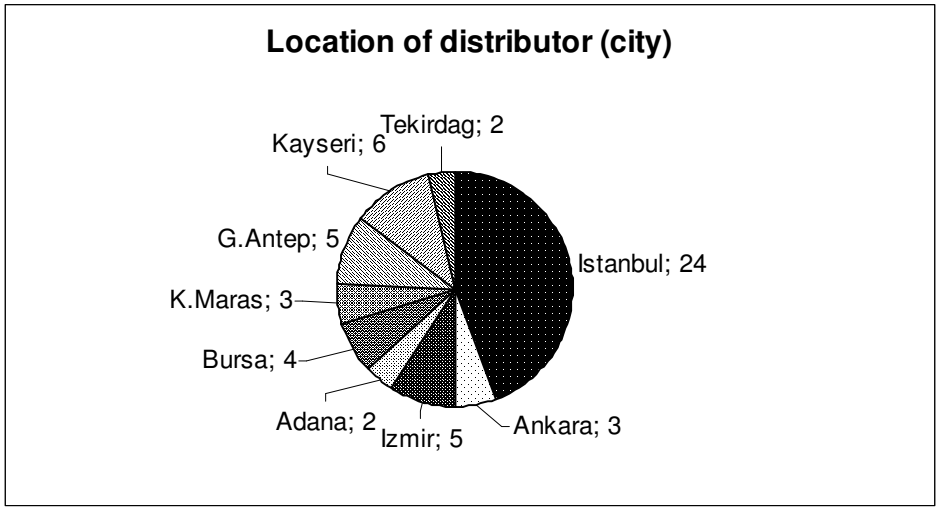

Figure 6.1. Location of distributors data collected

As a result of grouping the data, in parallel with data collection method, nearly 44 percent of samples is from İstanbul, that data was collected face to face (Table 6.2.). Other questionnaires have been implemented to the distributors from other cities.

Location of distributor (city)			
		Frequency	Percent
Valid	Other	30	55,6
	Istanbul	24	44,4
	Total	54	100,0

Table 6.2. Location of Distributors

Valve supplier

Valve suppliers of distributors which are included in our sample can be divided in two groups. Distributors of Duyar are approximately 43 %. Other distributors are nearly 57 percent of the total (Table 6.3.).

Valve supplier			
		Frequency	Percent
Valid	Other	31	57,4
	Duyar	23	42,6
	Total	54	100,0

Table 6.3. Valve supplier of distributors

Length of company activity

This data refers to age of the distributor company. Approximately 30 percent of valve distributors which are included in the research are between 15 and 21 years old in

Length of company activity (years)			
		Frequency	Percent
Valid	1-7 years	8	14,8
	8-14 years	15	27,8
	15-21 years	16	29,6
	22-28 years	7	13,0
	29 years and above	8	14,8
	Total	54	100,0

Table 6.4. Distributors' length of activity

the valve market (Table 6.4.). Distributors between 8 and 14 years old follow this group by 27,8 percent. Other groups are averagely 14 percent of the sample.

Partnership type of company

Most valve distributors in the research operate as limited company, by nearly 76 percent. (Table 6.5.). There are firms have partnership type of sole proprietorship and corporation, however they are only 24,1 percent of the sample.

Partnership type of company			
		Frequency	Percent
Valid	Limited	41	75,9
	Sole proprietorship	9	16,7
	Corporation	4	7,4
	Total	54	100,0

Table 6.5. Partnership type of distributors

Number of employees

Approximately half of sample firms have number of employee between 1 and 10 (Table 6.6.). Other distributors can be classified in three group: 11 – 15 employees by 13,0 percent, 16 – 20 employees by 18,5 percent and 21 employees and above by 16,7.

Number of employees			
		Frequency	Percent
Valid	1-5 employees	12	22,2
	6-10 employees	16	29,6
	11-15 employees	7	13,0
	16-20 employees	10	18,5
	21 employees and above	9	16,7
	Total	54	100,0

Table 6.6. Distributors' number of employees

Percentage of valve sales

This data refers to the share of valve sales in total sales of distributors. Firms can be divided into four in terms of valve sales' percentage. As it can be seen in Table 6.7., the groups are near each other by their size, however it should be noted that 57,4 percent of sample sell between 11 and 30 percent valves in their total sales.

Percentage of valve sales			
		Frequency	Percent
Valid	1-10 percent	11	20,4
	11-20 percent	16	29,6
	21-30 percent	15	27,8
	31 percent and above	12	22,2
	Total	54	100,0

Table 6.7. Distributors' percentage of valve sales in their total sales

Length of relationship with the supplier

Length of relationship with the supplier refers to the distributor's relationship history with the valve supplier in terms of years. 31,5 percent of distributors have relationship history between 6 and 10 years (Table 6.8.). Following three groups are near each other by 22,8 percent average.

Length of relationship with the supplier (years)			
		Frequency	Percent
Valid	1-5 years	13	24,1
	6-10 years	17	31,5
	11-15 years	12	22,2
	16 years and above	12	22,2
	Total	54	100,0

Table 6.8. Distributors' length of relationship with their suppliers

Interviewee's position in the company

This demographic variable has been mainly grouped by two: owner or partner of the distributor and professional. Latter includes various levels of employee from staff to manager. As it can be seen in Table 6.9., owners are 57,4 percent of the sample and the remainder is composed of interviewees that work in distributors professionally (Table 6.9.).

Interviewee's position in the company			
		Frequency	Percent
Valid	Owner / partner	31	57,4
	Professional	23	42,6
	Total	54	100,0

Table 6.9. Interviewee's position in the company

Interviewee's experience in the sector

This variable measures the respondent's working time in the distributors. According to the results, one – third of interviewees have been working in valve market for between 8 and 14 years (Table 6.10.). Approximately, one – forth of the respondents' working time in the sector, is between 15 and 21 years. Another one – forth of the sample is studying for 22 years and above. The ratio of working people in the market up to 7 years is nearly 15 percent.

Interviewee's working time in the sector (years)			
		Frequency	Percent
Valid	1-7 years	8	14,8
	8-14 years	18	33,3
	15-21 years	14	25,9
	22-28 years	6	11,1
	29 years and above	8	14,8
	Total	54	100,0

Table 6.10. Interviewee's experience in the sector

Interviewee's experience in the company

This variable refers to working time in the distributor which is included our sample. More than 60 percent of the respondents have been working in company for up to 14 years (Table 6.11.). Nearly 40 percent of the interviewees' working time in their company is 15 years and above.

Interviewee's working time in the company (years)			
		Frequency	Percent
Valid	1-7 years	16	29,6
	8-14 years	17	31,5
	15-21 years	11	20,4
	22 years and above	10	18,5
	Total	54	100,0

Table 6.11. Interviewee's experience in the company

Education level of the interviewee

Research shows there are two main educational groups in the sample: up to undergraduate and undergraduate and more. Although sizes of the groups are close to each other, respondents that have education below undergraduate are much than the others with an approximately 2 percent difference (Table 6.12.).

Education level of interviewee			
		Frequency	Percent
Valid	Up to undergraduate	28	51,9
	Undergraduate and more	26	48,1
	Total	54	100,0

Table 6.12. Education level of the interviewee

Age of the interviewee

Nearly two – third of the respondents are between 31 and 44 years old. While the percentage of 45 age and more is almost one – forth, the interviewees whose age are between 24 and 30 are 11,1 percent (Table 6.13).

Age of the interviewee			
		Frequency	Percent
Valid	24-30 ages	6	11,1
	31-37 ages	19	35,2
	38-44 ages	16	29,6
	45 age and above	13	24,1
	Total	54	100,0

Table 6.13. Age of the interviewee

Gender of the interviewee

In our research, respondents are mostly males by 94,4 percent (Table 6.14.). Because of that, we could not use this data as a grouping variable in our analysis.

Gender of interviewee			
		Frequency	Percent
Valid	Male	51	94,4
	Female	3	5,6
	Total	54	100,0

Table 6.14. Gender of the interviewee

6.2. GENERAL ANALYSIS OF EXPRESSIONS

Descriptive statistics

42 expressions have been used to measure model variables. Descriptive statistics of this Likert scale (with 5 choices) expressions can be seen in Table 6.15. When all over means of expressions are examined; the general mean is 3,86. In frequency analysis of expressions, means of the expressions mostly higher than 3 (with answer options from 1 to 5 in likert scale).

Descriptive Statistics (Likert Expressions)			
Expressions	**N**	**Mean**	**Std. Deviation**
	Statistic	Statistic	Statistic
The supplier is well known in Turkish valve market	54	4,63	0,62
The supplier has a prestigious brand in the Turkish valve market	53	4,60	0,63
I am comfort with giving my notes and cheques to the supplier	53	4,58	0,60
The supplier seems reputable with its name	54	4,52	0,75
The supplier is strong financially	54	4,39	0,86
The supplier is competitive in terms of product diversity	53	4,38	0,77
I recommend the supplier's products to my customers	53	4,36	0,68
I trust the supplier	54	4,28	0,76
The supplier is competitive in terms of product quality	54	4,28	0,79
The supplier makes an effort to solve our problems	54	4,26	0,56
We have specific contacts for every issue that we communicate	53	4,19	0,74
Sales person of the supplier provide us technical support	53	4,19	0,81
I am comfort with giving information about my customer to the supplier	54	4,19	0,75
The supplier does not make us ashamed in relationship with our customers	53	4,13	0,81
I believe in the supplier keep its promise	53	4,11	0,82
Sales from the supplier's products increase	54	4,11	0,84
I am satisfied with the supplier in terms of past outcomes	53	4,09	0,77
The supplier does not want to lose us.	54	4,09	0,87
The supplier supports us in our hard times	53	4,02	0,80
The supplier considers our wishes	54	4,02	0,79
The supplier have got over past economic crises	54	3,98	1,07
The supplier has enough strength in order to get over future economic crises	53	3,96	0,78
The supplier is competitive in terms of discounts	53	3,83	0,98
The supplier's share increases in my inventories	53	3,77	1,17
Openness in both our and the supplier's information systems increases the effectiveness	53	3,77	1,12
The supplier applies our offers	53	3,74	0,71
The supplier is competitive in terms of prices	54	3,70	1,08
The supplier is tolerant in payment troubles	54	3,67	1,06
The supplier sells end users directly	54	3,67	1,53
Sales person is full empowered to deal with our problems	54	3,65	1,10
I search a new supplier	53	3,55	1,07
Even the supplier increase its price for an amount I will buy from the supplier	53	3,51	0,99
The supplier acts different in special products to its distributors	53	3,42	1,12
We have problems with the supplier about payment terms	53	3,42	1,05

Table 6.15. Descriptive statistics of likert expressions

Descriptive Statistics (Likert Expressions Continued)			
Expressions	**N**	**Mean**	**Std. Deviation**
	Statistic	Statistic	Statistic
The supplier acts us different than other distributors	54	3,37	1,22
Valve suppliers should act equally to all their distributors	53	3,34	1,27
The supplier sells to different distributors in different prices	54	3,17	1,30
The supplier acts different in deliveries to its distributors	54	3,17	1,21
The supplier supports us in finding new customers	54	3,15	1,27
I am in comfort keeping high level of inventories from the supplier's products	54	3,06	1,35
The supplier acts equally to its all distributors	53	2,98	1,18
I prefer to work with more than one supplier	54	2,67	1,17
Valid N (listwise)	53		

Table 6.15. Descriptive statistics of likert expressions (Continued)

Expressions dealing with reputation and brand image are expression with highest means. In addition, the expression about giving notes and cheques to the valve supplier is one of highest means by 4, 58. On the other hand, expressions about preference for working more than one supplier; supplier's equity and distributors' stock keeping attitude have lowest means. It can also be observed in expression with lower means, the standard deviations are mostly higher.

6.3. RELIABILITY ANALYSIS

Reliability analysis is conducted in two steps. Firstly, reliability of overall questionnaire was tested. Coefficient of Cronbach's Alpha is 0,899 (Table 6.16.).

Reliability Statistics

Cronbach's Alpha	N of Items
0,899	35

Table 6.16. Cronbach's Alpha for the questionairre

35 expressions are reliable from 42 expressions as a result of the analysis (Table 6.17.).:

Item-Total Statistics	
	Cronbach's Alpha if Item Deleted
Even the supplier increase its price for an amount I will buy from the supplier	0,894
I search a new supplier	0,898
The supplier's share increases in my inventories	0,895
Sales from the supplier's products increase	0,892
I prefer to work with more than one supplier	0,896
I recommend the supplier's products to my customers	0,895
I am satisfied with the supplier in terms of past outcomes	0,893
I am comfort with giving my notes and cheques to the supplier	0,895
I trust the supplier	0,892
I am comfort with giving information about my customer to the supplier	0,894
The supplier does not make us ashamed in relationship with our customers	0,897
Openness in both our and the supplier's information systems increases the effectiveness	0,892
The supplier considers our wishes	0,894
We have specific contacts for every issue that we communicate	0,895
The supplier applies our offers	0,898
The supplier makes an effort to solve our problems	0,896
The supplier supports us in finding new customers	0,892
The supplier supports us in our hard times	0,893
The supplier is tolerant in payment troubles	0,899
The supplier have got over past economic crises	0,895
The supplier is strong financially	0,892
The supplier has enough strength in order to get over future economic crises	0,896
The supplier acts equally to its all distributors	0,891
The supplier sells to different distributors in different prices	0,898
The supplier acts different in deliveries to its distributors	0,897
The supplier seems reputable with its name	0,895
The supplier has a prestigious brand in the Turkish valve market	0,896
The supplier is competitive in terms of product quality	0,897
The supplier is competitive in terms of product diversity	0,892
Sales person of the supplier provide us technical support	0,893
Sales person is full empowered to deal with our problems	0,896
I am in comfort keeping high level of inventories from the supplier's products	0,892
The supplier sells end users directly	0,896
The supplier is competitive in terms of discounts	0,896
We have problems with the supplier about payment terms	0,897

Table 6.17. Reliability scores for the questionairre

7 expressions have been eliminated at the end of the overall reliability analysis. The eliminated expressions are given in Table 6.18.

Item-Total Statistics	
Expression	**Related Variable**
I believe in the supplier keep its promise	Trust
Valve suppliers should act equally to all their distributors	Privilege
The supplier acts us different than other distributors	Privilege
The supplier acts different in special products to its distributors	Privilege
The supplier does not want to lose us.	Privilege
The supplier is competitive in terms of prices	Competitiveness
The supplier is well known in Turkish valve market	Reputation

Table 6.18. Deleted expressions by reliability analysis of the questionnaire

Secondly, reliability analysis in terms of assumed factors was conducted (Akgül and Çevik, 2003). Factor analysis was not used due to the low number of the population frame and the related sample. Because of that, variables based on the exploratory research and the literature survey, were tested. In reliability analysis, the assumptions about the expressions measure a specific variable have been tested, as shown in Table 6.20. (p. 64) includes the results of the analysis. As a result, expressions of 9 variables are reliable; although some expressions have been eliminated due to low Cronbach's Alpha. The variables with the value higher than 0,6 are evaluated as reliable statistically.

All expressions of two variables, satisfaction with past results and conflict, are not reliable according to the analysis results. Because of that, H_3 and H_9 are rejected. Other expressions that are not reliable have been excluded from the mean of related variables. The list of eliminated expressions is as follows (Table 6.19.):

Item-Total Statistics	
Expression	**Related Variable**
The supplier is competitive in terms of discounts	Competitiveness
The supplier sells end users directly	Conflict
We have problems with the supplier about payment terms	Conflict
I am satisfied with the supplier in terms of past outcomes	Satisfaction
I am in comfort keeping high level of inventories from the supplier's products	Trust

Table 6.19. Deleted expressions by reliability analysis in terms of assumed factors

COMMUNICATION	
	Cronbach's Alpha 0,674
The supplier considers our wishes	
We have specific contacts for every issue that we communicate	
The supplier applies our offers	
The supplier makes an effort to solve our problems	
COMPETITIVENESS	
	Cronbach's Alpha 0,737
The supplier is competitive in terms of product quality	
The supplier is competitive in terms of product diversity	
FINANCIAL	
	Cronbach's Alpha 0,763
The supplier have got over past economic crises	
The supplier is strong financially	
The supplier has enough strength in order to get over future economic crises	
PREVILEGES	
	Cronbach's Alpha 0,785
The supplier acts equally to its all distributors	
The supplier sells to different distributors in different prices	
The supplier acts different in deliveries to its distributors	
REPUTATION	
	Cronbach's Alpha 0,857
The supplier seems reputable with its name	
The supplier has a prestigious brand in the Turkish valve market	
SALES REPRESENTATIVE	
	Cronbach's Alpha 0,747
Sales person of the supplier provide us technical support	
Sales person is full empowered to deal with our problems	
SUPPORT	
	Cronbach's Alpha 0,659
The supplier supports us in finding new customers	
The supplier supports us in our hard times	
The supplier is tolerant in payment troubles	
TRUST	
	Cronbach's Alpha 0,810
I am comfort with giving my notes and cheques to the supplier	
I trust the supplier	
I am comfort with giving information about my customer to the supplier	
The supplier does not make us ashamed in relationship with our customers	
Openness in both our and the supplier's information systems increases the effectiveness	
COMMITMENT	
	Cronbach's Alpha 0,750
Even the supplier increase its price for an amount I will buy from the supplier	
I search a new supplier	
The supplier's share increases in my inventories	
Sales from the supplier's products increase	

I prefer to work with more than one supplier
I recommend the supplier's products to my customers

Table 6.20. Factors at the end of reliability analysis

All analysis with the independent and dependent variables will base on the result of the reliability analysis. To sum up, seven independent variables (communication, competitiveness, financial, privileges, reputation, sales representative and support) and two dependent variables (trust and commitment) are reliable (Table 6.20.) and they will be used in other analysis. Means of related expressions will be used as values of variables.

6.4. NORMALITY ANALYSIS

Normality analysis was implemented in general. So, it will be used in the tests of relationship independent and dependent variables of research, such as regression and discriminant analysis. Additionally, normality analyses will be conducted to the research variables by groups. As a result of this detailed analysis, parametric independent samples tests are going to be implemented in normal distributions. Otherwise, nonparametric test will be used.

In normality analysis, normality of the research variables has been tested by mean and standard deviation, skewness and kurtosis tests. In Table 6.21., the results can be seen. As a result of the normality analysis, it is stated that 8 variables are normal distributed (*commitment, communication, support, financial, sales representative, trust, privileges* and *competitiveness)* and one variable is not (reputation). Statistics divided by standard errors are below 1,96 in absolute value; so that *commitment, communication, support, financial* and *sales representative* variables distribute normally in 95 percent confidence interval.

Statistics divided by standard errors are lower than 2,57 in 3 variables; *trust, privileges* and *competitiveness* so they distribute normal in 99 percent confidence interval. On the other hand, the variable of *reputation* does not distribute normal by the ratio of -3,69.

Normality Analysis					
			Statistic	Std. Error	Statistic / Std.Er.
COMMITMENT	Mean		3,66	0,09	
	95% Confidence Interval for Mean	Lower Bound	3,48		
		Upper Bound	3,84		
	Std. Deviation		0,67		
	Skewness		-0,25	0,33	-0,75
	Kurtosis		-0,25	0,64	-0,38
TRUST	Mean		4,18	0,09	
	95% Confidence Interval for Mean	Lower Bound	4,01		
		Upper Bound	4,36		
	Std. Deviation		0,62		
	Skewness		-0,65	0,33	-1,98
	Kurtosis		-0,18	0,64	-0,28
COMMUNICATION	Mean		4,00	0,07	
	95% Confidence Interval for Mean	Lower Bound	3,85		
		Upper Bound	4,14		
	Std. Deviation		0,54		
	Skewness		-0,03	0,33	-0,11
	Kurtosis		-0,50	0,64	-0,78
SUPPORT	Mean		3,60	0,11	
	95% Confidence Interval for Mean	Lower Bound	3,38		
		Upper Bound	3,83		
	Std. Deviation		0,81		
	Skewness		0,25	0,33	0,77
	Kurtosis		-0,78	0,64	-1,22
FINANCIAL	Mean		4,09	0,10	
	95% Confidence Interval for Mean	Lower Bound	3,89		
		Upper Bound	4,30		
	Std. Deviation		0,75		
	Skewness		-0,31	0,33	-0,96
	Kurtosis		-1,21	0,64	-1,88

Table 6.21. Descriptive statistics of factors for normality analysis

Normality Analysis (Continued)					
			Statistic	Std. Error	Statistic / Std.Er.
PRIVILEGES	Mean		3,10	0,14	
	95% Confidence Interval for Mean	Lower Bound	2,82		
		Upper Bound	3,38		
	Std. Deviation		1,03		
	Skewness		-0,71	0,33	-2,16
	Kurtosis		-0,50	0,64	-0,77
REPUTATION	Mean		4,56	0,09	
	95% Confidence Interval for Mean	Lower Bound	4,38		
		Upper Bound	4,74		
	Std. Deviation		0,65		
	Skewness		-1,21	0,33	-3,69
	Kurtosis		0,29	0,64	0,44
COMPETITIVE	Mean		4,34	0,09	
	95% Confidence Interval for Mean	Lower Bound	4,15		
		Upper Bound	4,53		
	Std. Deviation		0,68		
	Skewness		-0,65	0,33	-1,98
	Kurtosis		-0,86	0,64	-1,33
SALESREPSNT	Mean		3,91	0,12	
	95% Confidence Interval for Mean	Lower Bound	3,67		
		Upper Bound	4,14		
	Std. Deviation		0,86		
	Skewness		-0,42	0,33	-1,30
	Kurtosis		-0,81	0,64	-1,26

Table 6.21. Descriptive statistics of factors for normality analysis (continued)

To sum up, commitment has normal distribution. So that as a dependent variable, commitment can be regressed. On the other hand, trust has normal distribution in 99 percent of confidence interval. Trust, as a dependent variable, can be regressed. However, this dependent variable will also be conducted a linear nonparametric analyses to support the regression. Independent variables which have normal distribution (*communication, support, financial, sales representative, privilege* and *competitiveness*) will be conducted detailed normality analysis in terms of groups.

Finally, *reputation* does not have a normal distribution, so that any detailed normality analysis by groups is not required. Nonparametric tests will be conducted for this independent variable. These dual analyses are shown in Table 6.22 (p. 69).

	COMMITMENT	TRUST	COMMUNICATION	SUPPORT	FINANCIAL	PREVILEGES	REPUTATION	COMPETITIVE	SALESREPSNT
Method	ANOVA	Kruskal Wallis	***ANOVA***	ANOVA	***Kruskal Wallis***	ANOVA	Kruskal Wallis	ANOVA	***ANOVA***
Location	t-test	Mann Whitney	t-test	t-test	t-test	t-test	Mann Whitney	t-test	t-test
Supplier	***t-test***	t-test	t-test	t-test	***t-test***	***Mann Whitney***	Mann Whitney	t-test	t-test
Position	t-test	t-test	t-test	***t-test***	t-test	Mann Whitney	Mann Whitney	t-test	***t-test***
Education	t-test	***Mann Whitney***	t-test	t-test	t-test	t-test	***Mann Whitney***	***Mann Whitney***	Mann Whitney
Company type	Kruskal Wallis	ANOVA	ANOVA	ANOVA	ANOVA	ANOVA	Kruskal Wallis	Kruskal Wallis	ANOVA
Valve sales	ANOVA	ANOVA	ANOVA	ANOVA	ANOVA	ANOVA	Kruskal Wallis	Kruskal Wallis	ANOVA
Relationship time	ANOVA	Kruskal Wallis	ANOVA	ANOVA	***Kruskal Wallis***	ANOVA	Kruskal Wallis	ANOVA	Kruskal Wallis
Activity time	ANOVA	ANOVA	Kruskal Wallis	ANOVA	ANOVA	Kruskal Wallis	Kruskal Wallis	ANOVA	ANOVA
Number of employees	Kruskal Wallis	Kruskal Wallis	ANOVA	ANOVA	ANOVA	ANOVA	Kruskal Wallis	Kruskal Wallis	ANOVA
Sector experience	ANOVA	ANOVA	ANOVA	ANOVA	ANOVA	Kruskal Wallis	Kruskal Wallis	ANOVA	ANOVA
Company experience	ANOVA	***ANOVA***	ANOVA	***ANOVA***	ANOVA	ANOVA	***Kruskal Wallis***	***Kruskal Wallis***	***Kruskal Wallis***
Age	ANOVA	ANOVA	Kruskal Wallis	ANOVA	ANOVA	ANOVA	Kruskal Wallis	***Kruskal Wallis***	Kruskal Wallis

Table 6.22. Dual analysis that have been conducted according to the results of normality analysis

Note: Significant tests have been shown as bold and italic. Just significant dual tests will be given in findings section. Regression and discriminant analyses are not included in the table.

6.5. TWO INDEPENDENT SAMPLE TESTS

Variables that have normal distribution by groups will be conducted t test as a parametric test. Otherwise, variables will be conducted Mann Whitney-U test as a nonparametric analysis. 26 t tests and 10 Mann Whitney-U tests were applied. As a result, 4 t tests and 4 Mann Whitney-U tests are significant.

Parametric Tests (t-test)

Interviewee's position in the company

This grouping variable has two meaningful findings statistically: *support* and *sales representative* variables. Formulated hypotheses are:

$H_{11:}$ There is a significant relationship between *support* and *interviewee's position in the company.*

$H_{12:}$ There is a significant relationship between *relationship with sales representative* and *interviewee's position in the company.*

Independent Samples Test										
		Levene's Test for Equality of Variances		t-test for Equality of Means						
									95% Confidence Interval of the Difference	
		F	Sig.	t	df	Sig. (2-tailed)	Mean Difference	Std. Error Difference	Upper	Lower
SUPPORT	Equal variances assumed	0,57	0,45	-1,90	51,00	0,06	-0,42	0,22	-0,86	0,02
SALESREPSNT	Equal variances assumed	1,77	0,19	-2,23	51,00	0,03	-0,51	0,23	-0,97	-0,05

Table 6.23. Independent Sample Tests (Interviewee's position)

In Levene's tests, p value for support is 0,45 and p value for sales representative is 0,19; both of them greater than 0,05. H_o hypotheses have been accepted; so that equal variances assumed in both t tests (Table 6.23.).

In t tests in terms of interviewee's position in the company, support has a p value of 0,06 and sales representative has a p value of 0,03. As a result, H_{11} and H_{12} are accepted and there are statistically meaningful differences in both variables in terms of the grouping variable.

Group Statistics					
	Interviewee's position in the company	**N**	**Mean**	**Std. Deviation**	**Std. Error Mean**
SUPPORT	Owner / partner	30	3,42	0,76	0,14
	Professional	23	3,84	0,84	0,18
SALESREPSNT	Owner / partner	30	3,68	0,90	0,16
	Professional	23	4,20	0,73	0,15

Table 6.24. Group Statistics (Interviewee's position)

Means of the variables in terms of respondent's position is given in Table 6.24. According to the table, mean of the *support for owners* of the company is lower than *support for professionals.* Due to the same table, mean of the *sales representative for owners* of the company is also lower than *sales representative for professionals.*

Valve supplier

This grouping variable has two meaningful findings statistically: *commitment* and *financial* variables. Formulated hypotheses are:

$H_{13:}$ There is a significant relationship between *the level of buyer's commitment* and *valve supplier company.*

$H_{14:}$ There is a significant relationship between *financial situation* and *valve supplier company.*

In Levene's tests, p value for commitment is 0,16 and p value for financial is 0,11; both of them greater than 0,05. H_o hypotheses have been accepted; so that equal variances assumed in both t tests (Table 6.25).

Independent Samples Test										
		Levene's Test for Equality of Variances		t-test for Equality of Means						
									95% Confidence Interval of the Difference	
		F	Sig.	t	df	Sig. (2-tailed)	Mean Difference	Std. Error Difference	Upper	Lower
COMMITMENT	Equal variances assumed	2,06	0,16	2,54	51,00	0,01	0,45	0,18	0,09	0,81
FINANCIAL	Equal variances assumed	2,54	0,11	3,01	51,00	0,00	0,59	0,20	0,20	0,98

Table 6.25. Independent Sample Tests (Valve Supplier)

In t tests in terms of interviewee's position in the company, commitment has a p value of 0,01 and financial has a p value of 0,00. As a result, H_{13} and H_{14} are accepted and there are statistically meaningful differences in both variables in terms of the grouping variable.

Group Statistics					
	Valve supplier	N	Mean	Std. Deviation	Std. Error Mean
COMMITMENT	Duyar	22	3,92	0,57	0,12
	Other	31	3,47	0,68	0,12
FINANCIAL	Duyar	22	4,44	0,50	0,11
	Other	31	3,85	0,82	0,15

Table 6.26. Group Statistics (Valve Supplier)

Means of the variables in terms of valve supplier is given in Table 6.26. According to the table, mean of the *commitment for Duyar* of the company is higher than *commitment for others.* Due to the same table, mean of the *financial for Duyar* of the company is also higher than *financial for others.*

Nonparametric (Mann-Whitney U Test)

Valve supplier

According to Mann – Whitney U test, there is a meaningful finding in terms of valve supplier: *privileges* variable. Formulated hypothesis is:

$H_{15:}$ There is a significant relationship between *the level of privileges for buyer* and *valve supplier company.*

Test Statistics(a)	
	PREVILEGES
Mann-Whitney U	250,000
Wilcoxon W	746,000
Z	-1,658
Asymp. Sig. (2-tailed)	0,09
a. Grouping Variable: Valve supplier	

Table 6.27. Test Statistics (Valve Supplier)

Variable's p value is 0,09; it is higher than 0,05 but lower than 0,1 (Table 6.27.), So that, H_{15} hypothesis is accepted in 90 percent confidence interval. As a result, there is a meaningful difference between two groups in terms of the grouping variable.

Ranks				
	Valve supplier	**N**	**Mean Rank**	**Sum of Ranks**
PREVILEGES	Duyar	22	31,14	685,00
	Other	31	24,06	746,00
	Total	53		

Table 6.28. Ranks (Valve Supplier)

When mean ranks of two separate groups are compared (Table 6.28.), it can be seen that Duyar is higher than other in terms privileges.

Education level of interviewee

According to Mann – Whitney U test, there are three meaningful finding in terms of valve supplier: *trust, reputation* and *competitive* variables (Table 6.29.).

Test Statistics(a)			
	TRUST	**REPUTATION**	**COMPETITIVE**
Mann-Whitney U	250,000	268,500	242,000
Wilcoxon W	656,000	674,500	648,000
Z	-1,792	-1,678	-2,005
Asymp. Sig. (2-tailed)	0,07	0,09	0,04
a. Grouping Variable: education level of interviewee			

Table 6.29. Test Statistics (Education level)

Formulated hypotheses are:

$H_{16:}$ There is a significant relationship between *the level of buyer's trust* and *education level of the interviewee.*

$H_{17:}$ There is a significant relationship between *the supplier's reputation* and *education level of the interviewee.*

$H_{18:}$ There is a significant relationship between *the supplier's competitiveness* and *education level of the interviewee.*

Competitive's p value is lower than 0,05. H_{18} hypothesis is accepted in 95 percent confidence interval. Besides, trust's p value is 0,07 and reputation's p value is 0,09; they are higher than 0,05 but lower than 0,1 (Table 6.29.), So that, H_{16} and H_{17} hypotheses are accepted in 90 percent confidence interval.

Ranks				
	Education level of interviewee	**N**	**Mean Rank**	**Sum of Ranks**
TRUST	Below undergraduate	28	23,43	656,00
	Undergraduate and more	25	31,00	775,00
	Total	53		
REPUTATION	Below undergraduate	28	24,09	674,50
	Undergraduate and more	25	30,26	756,50
	Total	53		
COMPETITIVE	Below undergraduate	28	23,14	648,00
	Undergraduate and more	25	31,32	783,00
	Total	53		

Table 6.30. Ranks (Education level)

When mean ranks of two separate group are compared (Table 6.30.), it can be seen that respondents have level of *undergraduate and more* is higher than other in terms *trust, reputation* and *competitive* variables.

6.6. THREE OR MORE INDEPENDENT SAMPLE TESTS

Variables that have normal distribution by groups will be conducted ANOVA (variance analysis) as a parametric test. Otherwise, variables will be conducted Kruskal Wallis test as a nonparametric analysis. 53 ANOVA tests and 28 Kruskal Wallis tests were applied. As a result, 4 ANOVA tests and 6 Kruskal Wallis tests are significant.

Parametric (One way ANOVA)

Interviewee's experience in the company

In the test of homogeneity of variances, p value for *trust* is 0,065 and p value for *support* is 0,730; they are higher than 0,05 (Table 6.31). H_0 hypotheses are accepted; so that variances are homogeneous and the conditions for ANOVA are provided.

Test of Homogeneity of Variances				
	Levene Statistic	df1	df2	Sig.
TRUST	2,569	3	49	0,065
SUPPORT	0,433	3	49	0,730

Table 6.31. Test of Homogeneity of Variances (Experience in the company)

There are two meaningful findings as a result of ANOVA in terms of interviewee's experience in the company: *trust* and *support* variables. Tested hypotheses are:

$H_{19:}$ There is a significant relationship between *the level of buyer's trust* and *interviewee's experience in the company.*

$H_{20:}$ There is a significant relationship between *the level of support* and *interviewee's experience in the company.*

As it can be seen in Table 6.32, p value for trust is 0,039 and p value for support is 0,011; they are lower than 0,05. H_{19} and H_{20} hypotheses are accepted, so that there are statistically meaningful differences between groups for *trust* and *support* variables. Group means are given in Table 6.33.

ANOVA						
		Sum of Squares	**df**	**Mean Square**	**F**	**Sig.**
TRUST	**Between Groups**	3,145	3	1,048	3,007	0,039
	Within Groups	17,083	49	0,349		
	Total	20,228	52			
SUPPORT	**Between Groups**	6,967	3	2,322	4,139	0,011
	Within Groups	27,490	49	0,561		
	Total	34,457	52			

Table 6.32. ANOVA Results (Experience in the company)

Descriptives			
		N	Mean
TRUST	1-7 years	16	4,3500
	8-14 years	16	4,0375
	15-21 years	11	4,4909
	22 years and above	10	3,8200
	Total	53	4,1849
SUPPORT	1-7 years	16	3,9375
	8-14 years	16	3,3958
	15-21 years	11	3,9394
	22 years and above	10	3,0333
	Total	53	3,6038

Table 6.33. Descriptives (Experience in the company)

When table of Multiple Comparisons (Table 6.34.) are analyzed, it can be seen that there are significant mean differences for *trust*, between the groups with working time 15 – 21 years and 22 years and above. At the same table, it is also be observed that

there are statistically significant mean differences for *support*, between the groups with working time 1 – 7 years and 22 years and above; and also between the groups with working time 15 – 21 years and 22 years and above.

Multiple Comparisons (Tukey HSD)							
Dependent Variable	**(I) interviewee's working time in company (years)**	**(J) interviewee's working time in company (years)**	**Mean Difference (I-J)**	**Std. Error**	**Sig.**	**95% Confidence Interval**	
						Upper Bound	**Lower Bound**
TRUST	1-7 years	8-14 years	0,31	0,21	0,45	-0,24	0,87
		15-21 years	-0,14	0,23	0,93	-0,76	0,47
		22 years and above	0,53	0,24	0,13	-0,10	1,16
	8-14 years	1-7 years	-0,31	0,21	0,45	-0,87	0,24
		15-21 years	-0,45	0,23	0,22	-1,07	0,16
		22 years and above	0,22	0,24	0,80	-0,42	0,85
	15-21 years	1-7 years	0,14	0,23	0,93	-0,47	0,76
		8-14 years	0,45	0,23	0,22	-0,16	1,07
		22 years and above	0,67(**)	0,26	0,06	-0,02	1,36
	22 years and above	1-7 years	-0,53	0,24	0,13	-1,16	0,10
		8-14 years	-0,22	0,24	0,80	-0,85	0,42
		15-21 years	-0,67(**)	0,26	0,06	-1,36	0,02
SUPPORT	1-7 years	8-14 years	0,54	0,26	0,19	-0,16	1,25
		15-21 years	0,00	0,29	1,00	-0,78	0,78
		22 years and above	0,90417(*)	0,30	0,02	0,10	1,71
	8-14 years	1-7 years	-0,54	0,26	0,19	-1,25	0,16
		15-21 years	-0,54	0,29	0,26	-1,32	0,24
		22 years and above	0,36	0,30	0,63	-0,44	1,17
	15-21 years	1-7 years	0,00	0,29	1,00	-0,78	0,78
		8-14 years	0,54	0,29	0,26	-0,24	1,32
		22 years and above	,90606(*)	0,33	0,04	0,04	1,78
	22 years and above	1-7 years	-,90417(*)	0,30	0,02	-1,71	-0,10
		8-14 years	-0,36	0,30	0,63	-1,17	0,44
		15-21 years	-,90606(*)	0,33	0,04	-1,78	-0,04

*. The mean difference is significant at the .05 level.

**. The mean difference is significant at the .1 level.

Table 6.34. Multiple Comparisons (Experience in the company)

Data collection method

In the test of homogeneity of variances, p value for *communication* is 0,747 and p value for *sales representative* is 0,072; they are higher than 0,05 (Table 6.35). H_0 hypotheses are accepted; so that variances are homogeneous and the conditions for ANOVA are provided.

Test of Homogeneity of Variances				
	Levene Statistic	**df1**	**df2**	**Sig.**
COMMUNICATION	0,293	2	50	0,747
SALESREPSNT	2,774	2	50	0,072

Table 6.35. Test of Homogeneity of Variances (Data collection method)

There are two meaningful findings as a result of ANOVA in terms of interviewee's working time in the company: *communication* and *sales representative* variables. Tested hypotheses are:

$H_{21:}$ There is a significant relationship between *the level of communication* and *data collection method.*

$H_{22:}$ There is a significant relationship between *the relationship level with sales representative* and *data collection method.*

As it can be seen in Table 6.36., p value for *communication* is 0,05 and it is meaningful for the 90 percent confidence interval ($p<0,1$). Besides, p value for support is 0,01; it is lower than 0,05 and is significant at 95 percent confidence level. H_{21} and H_{22} hypotheses are accepted, so that there are statistically meaningful differences between groups for *communication* and *sales representative* variables. Group means are given in Table 6.37.

ANOVA						
		Sum of Squares	df	Mean Square	F	Sig.
COMMUNICATION	Between Groups	1,698	2	0,85	3,19	0,05
	Within Groups	13,301	50	0,27		
	Total	14,999	52			
SALESREPSNT	Between Groups	6,756	2	3,38	5,32	0,01
	Within Groups	31,772	50	0,64		
	Total	38,528	52			

Table 6.36. ANOVA Results (Data collection method)

Descriptives			
		N	Mean
COMMUNICATION	Face to face	23	3,9652
	By post	14	4,2714
	By phone	16	3,8000
	Total	53	3,9962
SALESREPSNT	Face to face	23	3,7174
	By post	14	4,5000
	By phone	16	3,6563
	Total	53	3,9057

Table 6.37. Descriptives (Data collection method)

When table of Multiple Comparisons (Table 6.38.) are analyzed, it can be seen that there are significant mean differences for *communication*, between the groups data collected by post and by phone. At the same table, it is also be observed that there are statistically significant mean differences for sales representative, between the groups data collected by post and by phone , and also by post and by face to face.

Multiple Comparisons (Tukey HSD)							
Dependent Variable	(I) data collection method	(J) data collection method	Mean Difference (I-J)	Std. Error	Sig.	95% Confidence Interval	
						Upper Bound	Lower Bound
COMMUNICATION	Face to face	By post	-0,31	0,17	0,20	-0,73	0,12
		By phone	0,17	0,17	0,59	-0,24	0,57
	By post	Face to face	0,31	0,17	0,20	-0,12	0,73
		By phone	,47143(*)	0,19	0,04	0,02	0,93
	By phone	Face to face	-0,17	0,17	0,59	-0,57	0,24
		By post	-,47143(*)	0,19	0,04	-0,93	-0,02
SALESREPSNT	Face to face	By post	-,78261(*)	0,27	0,02	-1,44	-0,13
		By phone	0,06	0,26	0,97	-0,57	0,69
	By post	Face to face	,78261(*)	0,27	0,02	0,13	1,44
		By phone	,84375(*)	0,29	0,02	0,14	1,55
	By phone	Face to face	-0,06	0,26	0,97	-0,69	0,57
		By post	-,84375(*)	0,29	0,02	-1,55	-0,14
*. The mean difference is significant at the .05 level.							

Table 6.38. Multiple Comparisons (Data collection method)

Nonparametric (Kruskal Wallis)

Age of interviewee

There is a meaningful finding as a result of Kruskal Wallis test for *competitive* variable with a p value of 0,045 (Table 6.39.). Accepted hypothesis is:

$H_{23:}$ There is a significant relationship between *the supplier's competitiveness* and *age of interviewee.*

Test Statistics(a,b)	
	COMPETITIVE
Chi-Square	8,051
df	3
Asymp. Sig.	0,045
a. Kruskal Wallis Test	
b. Grouping Variable: age of interviewee	

Table 6.39. Test Statistics (Age of interviewee)

There are statistically significant mean differences between the age groups 31 – 44 ages and others. There is higher means for *competitive* variable for the respondents who are between 31 and 44 ages (Table 6.40.).

Ranks			
	Age of interviewee	**N**	**Mean Rank**
COMPETITIVE	24-30 ages	6	21,67
	31-37 ages	19	31,63
	38-44 ages	16	30,38
	45 age and above	12	17,83
	Total	53	

Table 6.40. Ranks (Age of interviewee)

Data collection method

There is a meaningful finding as a result of Kruskal Wallis test for *financial* variable with a p value of 0,004 (Table 6.41.). Accepted hypothesis is:

$H_{24:}$ There is a significant relationship between *the supplier's financial situation* and *data collection method.*

Test Statistics(a,b)	
	FINANCIAL
Chi-Square	11,041
df	2
Asymp. Sig.	0,004
a. Kruskal Wallis Test	
b. Grouping Variable: data collection method	

Table 6.41. Test Statistics (Data collection method)

There are statistically significant mean differences between the data collection methods by post and others. Data collection by post has higher mean of financial variable than other groups (Table 6.42).

Ranks			
	Data collection method	N	Mean Rank
FINANCIAL	Face to face	23	23,39
	By post	14	38,57
	By phone	16	22,06
	Total	53	

Table 6.42. Ranks (Data Collection Method)

Interviewee's experience in company

There are three meaningful findings as results of Kruskal Wallis tests for *reputation, competitive* and *sales representative* variables. Tested hypotheses are:

$H_{25:}$ There is a significant relationship between *the supplier's reputation* and *interviewee's experience in company.*

$H_{26:}$ There is a significant relationship between *the supplier's competitiveness* and *interviewee's experience in company.*

$H_{27:}$ There is a significant relationship between *the relationship level of sales representative* and *interviewee's experience in company.*

As it can be seen in Table 6.43., p value for *reputation* is 0,037 and there is significant difference between groups at 0,05 significance level. Besides, p value for *competitive* is 0,084 and p value for *sales representative* is 0,076; so that there are significant difference between groups at 0,1 significance level.

Test Statistics(a,b)			
	REPUTATION	COMPETITIVE	SALESREPSNT
Chi-Square	8,481	6,652	6,883
df	3	3	3
Asymp. Sig.	0,037	0,084	0,076
a. Kruskal Wallis Test b. Grouping Variable: interviewee's working time in company (years)			

Table 6.43. Test Statistics (Company experience)

Ranks			
	Interviewee's experience in company (years)	N	Mean Rank
REPUTATION	1-7 years	16	30,06
	8-14 years	16	21,19
	15-21 years	11	34,73
	22 years and above	10	22,90
	Total	53	
COMPETITIVE	1-7 years	16	31,50
	8-14 years	16	23,38
	15-21 years	11	32,64
	22 years and above	10	19,40
	Total	53	
SALESREPSNT	1-7 years	16	31,09
	8-14 years	16	25,22
	15-21 years	11	32,45
	22 years and above	10	17,30
	Total	53	

Table 6.44. Ranks (Company experience)

H_{25}, H_{26} and H_{27} are accepted, so that there are statistically significant mean differences between the groups for interviewee's experience in terms of *reputation, competitive* and *sales representative* variables (Table 6.44.).

Length of relationship with supplier

There is a meaningful finding as a result of Kruskal Wallis test for *financial* variable with a p value of 0,07 (at 0,1 significance level) (Table 6.45.).

Accepted hypothesis is:

$H_{28:}$ There is a significant relationship between *the financial strength of supplier* and *the length of relationship with supplier.*

Test Statistics(a,b)	
	FINANCIAL
Chi-Square	7,073
df	3
Asymp. Sig.	0,070
a. Kruskal Wallis Test	
b. Grouping Variable: length of relationship (years)	

Table 6.45. Test Statistics (Length of relationship)

There are statistically significant mean differences between the groups of relationship length with suppliers. Groups with higher relationship time have lower means for *financial* variable (Table 6.46.).

Ranks			
	Length of relationship (years)	**N**	**Mean Rank**
FINANCIAL	1-5 years	13	36,23
	6-10 years	16	26,25
	11-15 years	12	23,79
	16 years and above	12	21,21
	Total	53	

Table 6.46. Ranks (Length of relationship)

6.7. EXPLANATORY RELATIONSHIP ANALYSIS

Variables that have normal distribution by groups will be conducted regression as a parametric test. Otherwise, variables will be conducted discriminant analysis test as a nonparametric analysis. In the study, *trust* and *commitment* was conducted regression analysis. Additionally, due to normality problem of *trust*, the variable is also conducted a discriminant analysis to support the regression results.

Parametric (Regression)

Trust

The seven independent variables, which are significant in reliability analysis, are regressed against the dependent variable of trust. The hypothesis formulated for the analysis is:

H_1; H_2; H_4; H_5; H_6; H_7; H_8 : Communication, competitiveness, financial, privileges, reputation, sales representatives and support significantly explain the level of buyer's trust.

As a result of regression analysis, three independent variables explain the buyer's trust: reputation, financial and communication. There is a high explanatory with the adjusted R square of 0,758 (Table 6.47.).

Model Summary(b)										
					Change Statistics					
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Sig. F Change	R Square Change	F Change	df1	df2	Durbin-Watson
1	,879(a)	0,772	0,758	0,30658	0,772	55,402	3	49	0,000	1,775
a. Predictors: (Constant), REPUTATION, FINANCIAL, COMMUNICATION										
b. Dependent Variable: TRUST										

Table 6.47. Model Summary of Regression (Trust)

For a significant regression analysis there should be no autocorrelation between independent variables. If Durbin and Watson coefficient is 0 it means a positive autocorrelation and if it is 4 its negative autocorrelation. In order to say there is no autocorrelation between variables the coefficient should be around 2. With the 1,775, there is no any autocorrelations among independent variables.

Coefficients(a)						
		Unstandardized Coefficients		Standardized Coefficients		
Model		B	Std. Error	Beta	t	Sig.
1	(Constant)	-0,44	0,37		-1,20	0,23
	COMMUNICATION	0,72	0,09	0,62	7,60	0,00
	FINANCIAL	0,16	0,07	0,20	2,50	0,02
	REPUTATION	0,24	0,08	0,25	3,17	0,00
a. Dependent Variable: TRUST						

Table 6.48. Coefficients of Regression (Trust)

The coefficients of regression are given in the Table 6.48. The constant is not used in the formulation of the equation due to p value of 0,23, it is higher than 0,05. The regression equation is:

Trust=0,72 Communication + 0,16 Financial + 0,24 Reputation

It can be concluded that % 76 of buyer's trust can be explained significantly by the three independent variables: communication, financial and reputation. H_1; H_4 and H_5 is accepted in the regression analysis. On the other hand, other hypotheses are rejected.

Commitment

An independent variable is regressed against the dependent variable of commitment. The hypothesis formulated for the analysis is:

H_{10}**:** The level of buyer's trust significantly explains the level of buyer's commitment.

As a result of regression analysis, there is a low explanatory with the adjusted R 0,350 (Table 6.49.).

Model Summary(b)										
					Change Statistics					Durbin - Watson
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Sig. F Change	R Square Change	F Change	df1	df2	
1	,602(a)	0,362	0,350	0,53945	0,362	28,983	1	51	0,000	2,282
a. Predictors: (Constant), TRUST b. Dependent Variable: COMMITMENT										

Table 6.49. Model Summary of Regression (Commitment)

The coefficients of regression are given in the **Table 6.50.** The constant is not used in the formulation of the equation due to p value of 0,07, it is higher than 0,05. The regression equation is:

Commitment=0,65 Trust

Coefficients(a)						
		Unstandardized Coefficients		Standardized Coefficients		
Model		B	Std. Error	Beta	t	Sig.
1	(Constant)	0,958	0,507		1,888	0,065
	TRUST	0,646	0,120	0,602	5,384	0,000
a. Dependent Variable: COMMITMENT						

Table 6.50. Coefficients of Regression (Commitment)

It can be concluded that % 35 of buyer's commitment can be explained significantly by buyer's trust. H_{10} is accepted in the regression analysis for only 35 percent of Turkish valve distributors.

Nonparametric (Discriminant)

Trust

Because of the normality problem in the variable of trust, also a nonparametric analysis is needed to support our regression results. Discriminant analysis is used to test explanatory of the dependent variable.

Discriminant analysis is a test to explain a dependent variable, which has ordinal scale or interval scale without normal distribution. Firstly, the interval scale of trust variable is transformed to ordinal scale. The means of expressions we used in order to measure trust are divided into five groups by rounding for conducting the analysis. In transformation, it is determined there is not any "strongly disagree" and "disagree" answers. As a result of that, three groups are formed: "partially agree (3)", "agree (4)" and "strongly agree (5)". This transformed ordinal scaled dependent variable is used in the analysis.

The seven independent variables, which are significant in reliability analysis, are discriminated by the dependent variable of trust, as the regression analysis. The hypotheses formulated for the analysis are the same with the hypotheses used in regression:

H_1; H_2; H_4; H_5; H_6; H_7; H_8 : Communication, competitiveness, financial, privileges, reputation, sales representatives and support significantly explain the level of buyer's trust.

For conducting a discriminant analysis population covariance matrices should be equal. According to Box's M test (Table 6.51.), p value is 0,54, so that, covariance matrices of populations are equal.

Test Results		
Box's M		1,286
F	Approx.	0,620
	df1	2
	df2	3.076,857
	Sig.	0,538

Tests null hypothesis of equal population covariance matrices.

Table 6.51. Box's M Test (Trust)

As a result of stepwise discriminant analysis there is only one independent variable that explains buyer's trust: communication. Other variables are eliminated automatically in the analysis process of SPSS software.

Eigenvalues				
Function	Eigenvalue	% of Variance	Cumulative %	Canonical Correlation
1	1,339(a)	100,0	100,0	0,757

a. First 1 canonical discriminant functions were used in the analysis.

Wilks' Lambda				
Test of Function(s)	Wilks' Lambda	Chi-square	df	Sig.
1	0,428	42,488	2	0,000

Table 6.52. Eigenvalues and Wilk's Lambda (Trust)

Firstly, p value of Wilks' Lambda is important to state there is a significant difference between three groups. The value is smaller than 0,05 so that, three groups are significantly different by the level of communication (Table 6.52.). Secondly, eigenvalue is higher than 0,4 (1,34) and canonical correlation is higher than 0,7 (0,76). Because of that, the function classifies three groups significantly.

Classification results are as in Table 6.53. According to the classification 73,6 percent of cases correctly classified. H_1 hypothesis is accepted and other hypotheses are rejected. It can be concluded that groups with higher level of buyer's trust have higher level of communication.

Classification Function Coefficients(a)			
	TRUST (ordinal)		
	3,00	4,00	5,00
COMMUNICATION	25,926	29,825	34,680
(Constant)	-44,201	-58,139	-78,220
Fisher's linear discriminant functions a. 73,6% of original grouped cases correctly classified.			

Table 6.53. Classification Function Coefficients (Trust)

7. DISCUSSION

In this section, significant research findings will be discussed against literature review by a summarizing approach. Before that reliability analysis results should be remembered. 9 variables have been evaluated as reliable, but 2 variables have not as a result of this analysis. One of these unreliable variables is *satisfaction*, it was asked by only one expression so that it could not be controlled by another expression. Secondly, variable of *conflict* is also not reliable. This grows out from inconsistent answers of sellers for the expressions of conflict. As a result these variables have not been used in the analysis. Discussion of the significant research findings are as following.

Trust has been explained by three independent variables as a result of descriptive study: *communication, financial* and *reputation*. Communication and reputation are antecedents widely mentioned in the literature about trust. However, financial is a new variable for the literature. *Communication* is the most important explaining independent variable of trust according to the research findings. It was also supported by many researchers such as Morgan and Hunt (1994), Selnes (1995), Geyskens et al. (1998) and Casielles et al. (2005). The independent variable was also mostly expressed in the exploratory research of the study, so that literature and the Turkish valve market agree on the high effect of communication on buyer's trust. *Reputation* is the second important determinator of trust in supplier at the end of the research. This factor was also widely examined in marketing literature as a key antecedent of buyer's trust. Ganesan (1994), Doney and Cannon (1997), Kwon and Suh (2004) and Casielles et al. (2005) are just some authors that found reputation as a determinator of trust. Last independent variable that explains buyer's trust in marketing channel relationships is *financial* situation of supplier. This factor has not mentioned much in the marketing channels literature. Selnes (1995) and Svensson (2001) found *competence* of supplier as a determinator of buyer's trust; however it is too general expression according to *financial*. This variable is an output of the exploratory research

that conducted to market professionals. Its high importance has also been supported by findings of the descriptive research. Turkey's specific economic situation and the characteristics of the Turkish valve market may be the causes of this relationship.

On the other hand, there are not any explaining relationships between other four independent variables (*competitiveness, privileges, sales representatives* and *support*) and buyer's trust. *Competitiveness*, were supposed by Selnes (1995) and Svensson (2001) and *sales representatives* were supposed by Doney and Cannon (1997). However, as a result of study these variables do not explain trust of a buyer. Besides, privileges and support are not explaining variables for buyer's trust, although they were mentioned by market professionals in the exploratory research.

Despite authors such as Morgan and Hunt (1994) and Selnes (1995) found *trust* is a key factor for relationship *commitment*, it has lower statistical validity in the research. Just 35 percent of buyer's commitment can be explained significantly by buyer's trust. This shows there is not a wide explaining relationship between commitment and trust of a buyer.

Some demographic and grouping variables have been found as significant research findings. *Interviewee's position in the company, education level of the interviewee, age of interviewee*, *interviewee's experience in the company* and *gender of interviewee* are the demographic factors that are significant at the end of the analysis. Besides, as institutional factors, *length of relationship with supplier, valve supplier* and *valve sales* have significant relationships with research variables.

Interviewee's position in the company is one of demographic variable that have significant relationships according to the research findings. *Support* and *sales representative* variables are affected by this variable. They are lower in owner than professionals. These results show owners and professionals have different expectations or levels of expectation. *Education level of interviewee* is a demographic variable that have significant relationships between *the level of buyer's trust* between *supplier's reputation* and between *supplier's competitiveness.* Respondents with high level of education trust more to the valve suppliers than others. Besides, more educated people

evaluate its main valve supplier as more reputable and also more competitive. These results may depend on their more conscious choice of valve supplier or better understanding reasons and results of the supplier's activities. Another demographic variable with a significant research finding is *age of interviewee*. Perception of *competitiveness of supplier* has a significant relationship with age of interviewee according to the descriptive research. Respondents between the ages of 31 and 44 think that their main valve supplier is more competitive than the other age groups (24-30 ages and 45 ages and above). *Interviewee's experience in the company* is the final demographic factor that has significant relationships. Buyer's trust, support of supplier, supplier's reputation, competitiveness of supplier and supplier's sales representative have significantly lower means in respondents with 22 years and over company experience than other experience groups. These results may grow out from higher self confident of the interviewee. As a final demographic factor that is significant, nearly % 95 of the market professional is male. Mostly, females do not prefer to work in this market or they are not employed by the seller firms.

As an institutional factor, *length of relationship with supplier* has significant relationship with perception of *financial strength* of valve supplier. There is an inverse relationship between the length of relationship and buyer's perception for financial situation of supplier. The second institutional variable, that has significant research findings, is *valve supplier*. Due to research limitation, there are two groups of suppliers in the sample of the research: Duyar and others. Duyar has higher means in *buyer's commitment*, and *financial situation* than others. It can be inferred a main distributor of Duyar is more committed and also this firm evaluate Duyar financially stronger than average of other valve suppliers. However, Duyar has higher buyer's perception of *privilege*. This can provide advantage for the firm, but it can also create feeling of unfairness and increase conflict between all main distributors. Nearly 78 percent of the main distributors *valve sales* is 30 percent or below of their total sales. In parallel with the background of study, it shows the sellers sell other products than valves and also work with non-valve suppliers intensively. It means sellers apply product assortment in order to satisfy different requirements of their customers.

Finally, *data collection method* has significant relationship with some research variables according to the findings. Data collected by post have significantly higher in *communication, sales representative* and buyer's perception of supplier's *financial strength*. These results show, questionnaires that conducted by an interviewer is clearer for respondents and this affects the answers. As it will be mentioned in the section of limitation, it is also a research limitation.

8. IMPLICATIONS AND CONCLUSION

The current study has several managerial implications, although care should be taken due to limitations of the research. Buyer's trust is important in order to achieve relationship continuity and enhancement. This variable plays an important role in terms of reduced perceived risk in extending scope of the relationship. Thus, if a firm wants to expand its relationship with a current or potential buyer, trust is a key determinant. *Trust* is a key factor for relationship *commitment*, although it has lower statistical validity. Higher levels of buyer's trust bring more commitment. Marketing professionals should give enough importance on buyer's trust in order to achieve loyal main distributors. As a result, managing buyer's trust is a key variable in both relationship maintenance and enhancement.

Communication is the most important antecedent of trust for Turkish valve market. High level of communication with marketing channels means high level of buyer's trust. Firms should develop communicational strategies or revise their plan in order to achieve more trust. Considering main distributors' demands, provide them specific contact people for every specific issue, applying their suggestions and making effort to solve their problems are key communication issues that professionals should deal.

Reputation and financial situation are other key factors that affect trust positively. Reputable valve suppliers gain more trust. In this respect, building and maintaining a prestigious brand and managing other variables related with company reputation are important requirements in order to achieve higher levels of trusts. Perception of financial strength is also a key determinant for buyer's trust. Not only valve suppliers should manage financial issues well, but also they should develop the perception that they are financially strong and there is no risk. This is important especially for the yearly connections, as an important indicator of trust.

Owners and professionals of main distributors have several differences in expectations from valve supplier. Owners expect more support from supplier and more interest from sales representatives. Professionals should determine and analyze these differences. Otherwise, they can fail in relationships or use more resources than it is needed.

Education level of the person of main distributor is a significant demographic variable that affects buyer seller relationships in Turkish valve market. People with higher education levels trust more in valve suppliers. Besides, more educated people evaluate their main valve supplier more reputable and more competitiveness. Valve suppliers and their activities can be understood better by the people with higher education levels and / or the representatives of main distributors who are more educated make their valve supplier choices more consciously.

Interviewee's experience in the company is another demographic factor that has significant relationships. Buyer's trust, support of supplier, supplier's reputation, competitiveness of supplier and supplier's sales representative have significantly lower means in respondents with 22 years and over company experience than other experience groups. These results can grow out from higher self confident of the interviewee. Not only should this finding be researched by academicians and researchers, but also it is considered in marketing activities by marketing professionals.

As another valve market implication, employees or entrepreneurs that work in the Turkish valve market are mostly male (95 percent). As the most important determinator of buyer's trust, communication activities should be planned and implemented by considering this. On the other hand, this can be evaluated an opportunity such as employing female contact people at the point of conflicts such as delivery and price offering.

In longer relationships, buyer's perception for financial situation of supplier decreases. It could be implicated that perception of buyer about financial strength of its main valve supplier decreases by increasing familiarity between buyer and seller in Turkish valve market. There could be two reasons for that. Firstly, distributors learn can

real financial situation in long terms of relationships. Secondly, the distributors increase their own strength and as a result of it they perceive valve supplier respectively less strong on financial issues.

Duyar has significantly more buyer's commitment and financial strength than average of other valve suppliers. The firm can gain competitive advantages, if marketing professionals Duyar plan and implement communication strategies based on the variables. Financial strength, it is also a key determinator of trust as the result of study, can provide Duyar more buyer's trust if it can be returned into a buyer's perception with effective communication. On the other hand, Duyar has significantly more privileges for main distributors. If market characteristics are considered this situation may cause inequity between distributors and damages in the supplier's marketing channel structure.

In Turkish valve market, main distributors sell several products, such a product assortment, beside valve such as pump, pipe and fittings. Marketing professional should determine threats and opportunities and position against. There could be cooperation possibilities with manufacturers of other products or valve suppliers directly invest these products to enhance relationships with sellers.

The study has a final implication for academicians and researchers. The most important implication is that there are not adequate researches or studies for the valve market. Because of that, most marketing operations are based on fully intuitions of professionals.

9. LIMITATIONS

The main limitation is that this study evaluates trust from only buyer's perspective; so seller side of the trust is not in the scope of the study. In further studies, seller side should be researched.

There are several limitations of the study. Firstly, the choice of sampling method could limit the findings. Nearly half of the sample is main distributors of Duyar. Although wholesalers have two main distributorships on average, it does not eliminate limitation due to that the research is asking them about just the valve supplier with the highest volume. Secondly, there is another sampling limitation. The number of firms in the sample can be evaluated insufficient for normal distribution; it also prevents a significant factor analysis. The sample includes 61 firms; however with a % 89 response rate 54 main distributors can be included in the research. Although this is % 14 of the target population (400 main distributors in Turkey), this is a limitation.

There are two limitations about research design. Firstly, means of expressions are mostly higher than 3. Because of there is already a certain minimum level of trust in main distributors for the valve suppliers with higher sales volume; it should be used three scaled questions to measure in further researches. Secondly, satisfaction with past outcomes was questioned to respondents with only one expression by the mistake of the researcher. As a result, it was not possible to use the independent variable in the analysis.

It is important to note that the findings of the study may not generalize to different markets or same markets in different companies. Unique market characteristics play a great role on this limitation.

Data collection method is another limitation for the study. Questionnaires that conducted by an interviewer is clearer for respondents and this affects the answers.

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APPENDIX (QUESTIONAIRRE)

TEZ ÇALIŞMASI ANKETİ

Duyar Vana Makine San. ve Tic. A.Ş.'de Bütçeleme Yetkilisi olarak görev almakta ve **Marmara Üniversitesi Sosyal Bilimler Enstitüsü** İşletme Anabilim Dalı Üretim Yönetimi ve Pazarlama (İngilizce) Bölümü'nde **"Bayiler ve Ana Şirket arasındaki ilişkiler ve vana pazarında bir saha uygulaması"** konulu bir tez çalışması yapmaktayım. Bu anket tez çalışmamın temelini oluşturacak bilgiler şirketle sadece sonuç rapor olarak paylaşılacaktır. Yardımlarınız ve ayırdığınız zaman için teşekkür eder; iyi çalışmalar dilerim.

1. Hangi ürünleri satıyorsunuz?

2. Vana satışları cironuzun yüzde kaçını oluşturuyor? (……)

3. Kaç farklı vana tedarikçisiyle çalışıyorsunuz? Bunlardan size **en çok ciro kazandıran üç tedarikçi** sırasıyla hangileridir?

(1. ……..)
(2. ……..)
(3. ……..)

4. En çok ciro kazandıran vana tedarikçisiyle **kaç yıldır çalışıyorsunuz**?
(……)

Aşağıdaki ifadelere katılma derecenizi **size en çok ciro kazandıran vana tedarikçisini** göz önüne alarak belirtiniz.

	VANA TEDARİKÇİM;	**Kesinlikle Katılmıyorum**	**Kısmen Katılmıyorum**	**Ne Katılıyorum Ne Katılmıyorum**	**Kısmen Katılıyorum**	**Kesinlikle Katılıyorum**
5	Bize diğer bayilerden farklı davranır					
6	Bize müşteri bulma konusunda destek olur					
7	Geçmiş ekonomik krizleri başarıyla atlatmıştır					
8	Fiyatlarıyla bize rekabet şansı tanır					
9	Bizi bayi olarak kaybetmek istemez					
10	İsteklerimi dikkate alır					
11	Müşterilere doğrudan satış yapar					
12	Gelecek ekonomik krizler karşısında kendini koruyabilecek güçtedir					
13	Bütün bayilerine eşit bir biçimde davranır					
14	Kalitesiyle bize rekabet şansı tanır					
15	Ödemelerimde aksaklık olduğunda hoşgörülü davranır					
16	Önerilerimi uygular					
17	Bayilerine farklı fiyatlarla satış yapar					
18	Piyasada adıyla olumlu bir görüntü verir					
19	Problemlerime çözüm arar					
20	Rakiplerine göre fiyatlarını bir miktar arttırsa da ondan satın almaya devam ederim.					
21	Özel ürünlerde bayilerine farklı muamele eder					
22	Piyasada müşterilerce tanınır					
23	Rekabet için gereken iskonto oranlarını bize sunar					
24	Zor zamanlarımızda bizi destekler					
25	Ürün çeşitliliğiyle bize rekabet şansı tanır					
26	Teslimatlarda bayilerine farklı muamele eder					

Aşağıdaki ifadelere katılma derecenizi **size en çok ciro kazandıran vana tedarikçisini** göz önüne alarak belirtiniz.

		Kesinlikle Katılmıyorum	Kısmen Katılmıyorum	Ne Katılıyorum Ne Katılmıyorum	Kısmen Katılıyorum	Kesinlikle Katılıyorum
27	Vana tedarikçimden tuttuğum stoklarım diğer tedarikçilerden stoklarıma göre artmaktadır					
28	Vana tedarikçimden yüksek miktarda stok tutmaktan çekinmem					
29	Yeni bir vana tedarikçisi arayışım hep sürer					
30	Vana tedarikçimin piyasada bilinen bir markası vardır					
31	Vana tedarikçimin satış temsilcisi bize teknik bilgi desteği verir					
32	Vana tedarikçimin ürünlerinden yaptığım satışlar artmaktadır					
33	Vana tedarikçime çek - senetlerimi vermekten rahatsızlık duymam					
34	Vana tedarikçimin malî yapısı güçlüdür					
35	Vana tedarikçim kendi satış temsilcisine sorunlarımızı çözmede tam yetki vermiştir.					
36	Vana tedarikçimin verdiği sözü tutacağına inanırım					
37	Vana tedarikçimle bilgi sistemlerimizin birbirimize açık olması verimliliğimizi arttırır					
38	Birden fazla vana tedarikçisiyle çalışmak isterim.					
39	Vana tedarikçimle ödeme vadeleriyle ilgili sorun yaşarız					
40	Vana tedarikçime güvenirim					
41	Vana tedarikçimle yaşadıklarımı düşündüğümde onunla çalışmaktan memnunum.					
42	Vana tedarikçileri bütün bayilerine eşit bir biçimde davranmalıdır					
43	Vana tedarikçimle iletişimimde her konu için muhatabım bellidir					
44	Vana tedarikçime müşterilerim hakkında bilgi vermekten çekinmem					
45	Müşterilerimi vana tedarikçimin ürünlerini kullanması konusunda yönlendiririm					
46	Vana tedarikçim beni müşterilerime karşı mahcup etmez					

Şirketiniz kaç yıldır bu sektörde faaliyet göstermektedir?				
Şirketinizde kaç kişi çalışmaktadır?				
Şirket türünüz hangisidir	**Şahıs**	**Limited**	**Anonim**	**Diğer**
(işaretleyiniz)				(yazınız)

Şirketteki Göreviniz						
Kaç yıldır sektörde / bu şirkette çalışıyorsunuz?	……. /…….		Doğum Yılınız			
Eğitim Durumunuz	**İlkokul**	**Ortaokul**	**Lise**	**Ön Lisans**	**Lisans**	**Lisansüstü**
(işaretleyiniz)						
Cinsiyetiniz	**Bayan**	**Bay**				
(işaretleyiniz)						

Teşekkür eder, iyi çalışmalar dileriz.
ERKAN İŞÇİMEN

APPENDIX (QUESTIONAIRRE IN ENGLISH)

QUESTIONAIRRE

This questionairre is applied for thesis study which is made for Marmara University Institute of Social Sciences, Operations Management and Marketing Programme. "Relationship between Distributors and Main Supplier and an Implementation in Valve Market" is the subject of the study. This questionnaire will be the basis of the project and only the results of the study will be shared with the third parties. Thank you for your interest and help.

1. Which products does your company sell?

2. What is the percentage of your valve sales in your total sales? (……)

How many valve supplier do you work with? Please write top three valve supplier in your valve sales?

(1. ……..)
(2. ……..)
(3. ……..)

3. How many years have you been working with the first supplier in your valve sales? (……)

Please choose one of expressions for the first supplier in your valve sales.

	THE VALVE SUPPLIER;	**Strongly Disagree**	**Disagree**	**Partially Agree**	**Agree**	**Strongly Agree**
5	The supplier acts us different than other distributors.					
6	The supplier supports us in finding new customers.					
7	The supplier have got over past economic crises.					
8	The supplier is competitive in terms of prices.					
9	The supplier does not want to lose us.					
10	The supplier considers our wishes.					
11	The supplier sells end users directly.					
12	The supplier has enough strength in order to get over future economic crises.					
13	The supplier acts equally to its all distributors.					
14	The supplier is competitive in terms of product quality.					
15	The supplier is tolerant in payment troubles.					
16	The supplier applies our offers.					
17	The supplier sells to different distributors in different prices.					
18	The supplier seems reputable with its name.					
19	The supplier makes an effort to solve our problems.					
20	Even the supplier increases its price for an amount I will buy from the supplier.					
21	The supplier acts different in special products to its distributors.					
22	The supplier is well known in Turkish valve market.					
23	The supplier is competitive in terms of discounts.					
24	The supplier supports us in our hard times.					
25	The supplier is competitive in terms of product diversity.					
26	The supplier acts different in deliveries to its distributors.					

Please choose one of expressions for the first supplier in your valve sales.

		Strongly Disagree	**Disagree**	**Partially Agree**	**Agree**	**Strongly Agree**
27	The supplier's share increases in my inventories.					
28	I am in comfort keeping high level of inventories from the supplier's products.					
29	I search a new supplier.					
30	The supplier has a prestigous brand in the Turkish					

	valve market.					
31	Sales person of the supplier provide us technical support.					
32	Sales from the supplier's products increase.					
33	I am comfort with giving my notes and cheques to the supplier.					
34	The supplier is strong financially.					
35	Sales person is full empowered to deal with our problems.					
36	I believe in the supplier keep its promise.					
37	Openness in both our and the supplier's information systems increases the effectiveness.					
38	I prefer to work with more than one supplier.					
39	We have problems with the supplier about payment terms					
40	I trust the supplier					
41	I am satisfied with the supplier in terms of past outcomes.					
42	Valve suppliers should act equally to all their distributors.					
43	We have specific contacts for every issue that we communicate.					
44	I am comfort with giving information about my customer to the supplier.					
45	I recommend the supplier's products to my customers.					
46	The supplier does not make us ashamed in relationship with our customers.					

How long has your company been working in valve market?				
How many people work in the company?				
Partnership type of company	**Proprietorship**	**Limited**	**Corporation**	**Other**
(please mark)				(please write down)

Position in the company						
How long have you been working In the market / company?	……. /…….		**Year of Birth**			
Education level	**Primary**	**Secondary**	**High School**	**Pre Graduate**	**Under Graduate**	**Graduate**
(please mark)						
Gender	**Female**	**Male**				
(please mark)						

Thank you.
ERKAN İŞÇİMEN