

# Factors Affecting Long Term Orientation in B2B Market: A Case Study of Angels Foods Trading Company, Myanmar

Yee Mon Htut Kyu, and Sirion Chaipoopirutana

**Abstract**— This study investigates the relationship between long term orientation, customer satisfaction, trust, dependence, frequency, solidarity and cordiality of the customers of Angels Foods Trading Company, Myanmar. To do so, a survey was conducted by distributing 323 questionnaires in ten provinces of Myanmar where the customers are located. The Pearson Correlation was applied for the data analysis. The results show that there is a positive relationship between variables and customer satisfaction also has a strong impact on long term orientation. Based on these results, it seems that customers are likely to have long term orientation with Angels Foods Trading Company.

**Keywords**—Customer Satisfaction, Cordiality, Dependence, Frequency, Long Term Orientation, Solidarity, Trust.

## I. INTRODUCTION

ACCORDING to dimension of new era, in the business world, people are getting to pay more attention on being more long term oriented rather than short term oriented because researchers found that having long term oriented mind can provide the sales people more mandatory targets for contacting customers as well as the recognition of the customer life cycle and long term approach to management accounting which would help to gain more profitability. Ganesan (1994) [1] mentioned that long term orientation exists when the parties focus on long run goals and realize the interdependence of outcomes. Previous studies and researches also stated that long term orientation combines the elements of continuity and relationship commitment together. Starting from the year 2011, the value of foreign direct investment and its net flow in Myanmar has been increasing rapidly. Although, foreign direct investment can be beneficial for the host country in many ways, one view holds that it can also have some negative effects on receiving countries as a result of the local companies being pushed out of the market by big companies from outward FDI countries. In this case, Angels Foods Trading Company, Myanmar is also one of the Food Importing Companies which can also suffer the impact of

foreign direct investment. Therefore, the researcher applied 6 hypotheses and 7 variables to explore the factors affecting long term orientation of the customers of Angels Foods Trading Company, Myanmar. The variables applied in this study are customer satisfaction, trust, dependence, frequency, solidarity and cordiality. The researcher will focus on the customers of Angels Foods Trading from ten provinces of Myanmar as the respondents.

## II. LITERATURE REVIEW

### A. LONG TERM ORIENTATION

Long term orientation is defined as the expectation of the buyers for having future interaction with the seller's firm which is the features of commitment and willingness to continue to have relations. According to Ganesan (1994) [2], having long term orientation is the having good rapport in relationship rather than duration in relationship.

### B. CUSTOMER SATISFACTION

Fraser and Burchell (2001) [3] stated that satisfaction is a factor which is suitable to evaluate relationship levels. According to Kelin and Roth (1993) [4], satisfaction is the illustration of emotional and psychological state which is resulted from the experiences of an action or condition.

### C. TRUST

The definition of trust is the desire or belief of a firm in order to rely on its partner with the confidence. Anderson and Narus (1990) [5] mentioned that the cause of the credibility of the partners is having reliability, honesty, fairness, sincerity, expertise and good personalities and action of keeping their promises.

### D. DEPENDENCE

Emerson (1962) [6] also stated that one firm's dependence has direct impact on another firm's motivation of investment as well as the inverse impact on the availability of goals toward outside relationship. Frazier (1983) [7] also stated that in order to achieve goals dependence is needed to maintain in a relation between one firm and another.

Yee Mon Htut Kyu, Master Student, Graduate School of Business, Assumption University, Bangkok, Thailand.

Sirion Chaipoopirutana is with the Graduate School of Business, Assumption University of Thailand (e-mail: sirionc@gmail.com ).

### E. FREQUENCY

Doney and Cannon (1997) [8] mentioned that frequency of interaction is the intensity of professional and social contacts between buyers and sellers. According to Leuthesser (1997) [9], a high frequency of interaction between buyer and seller can meet the customer satisfaction and increase the level of relationship.

### F. SOLIDARITY

Kaufmann and Stern (1988) [10] defined the solidarity as the actions of the seller helping a buyer to encounter difficulties and essential factors to develop the relationship in relational exchanges. As a example of solidarity, Ivens (2004) [11] stated that the seller can express his solidarity by accepting the request of late payment by buyers.

### G. CORDIALITY

Doney and Cannon (1997) [12] defined cordiality as a buyer's assessment of the interactions styles of the seller whether is has the friendly and pleasant manner or not. It is said that the positive emotional effect as the result good interaction style is the evidence or reason of success in sustainable business relationships (Andersen and Kumar, 2006) [13].

## III. RESEARCH FRAMEWORK AND METHODOLOGY

### A. Research Framework

Base on previous empirical researches, in the conceptual framework, long term orientation, the dependent variable, is affected by six independent variables; customer satisfaction, trust, dependence, frequency, solidarity and cordiality. The framework is shown in Fig.1. There were 6 hypotheses formulated based on the framework and they are shown as follows:

**H1<sub>o</sub>:** There is no significant relationship between frequency and satisfaction.

**H1<sub>a</sub>:** There is a significant relationship between frequency and satisfaction.

**H2<sub>o</sub>:** There is no significant relationship between solidarity and satisfaction.

**H2<sub>a</sub>:** There is a significant relationship between solidarity and satisfaction.

**H3<sub>o</sub>:** There is no significant relationship between cordiality and satisfaction.

**H3<sub>a</sub>:** There is a significant relationship between cordiality and satisfaction.

**H4<sub>o</sub>:** There is no significant relationship between trust and satisfaction.

**H4<sub>a</sub>:** There is a significant relationship between trust and satisfaction.

**H5<sub>o</sub>:** There is no significant relationship between dependence and satisfaction.

**H5<sub>a</sub>:** There is a significant relationship between dependence and satisfaction.

**H6<sub>o</sub>:** There is no significant relationship between satisfaction and long term orientation.

**H6<sub>a</sub>:** There is a significant relationship between satisfaction and long term orientation.

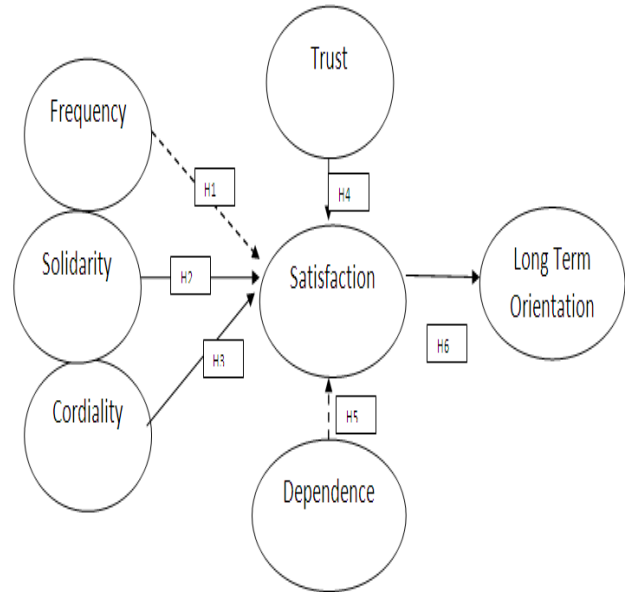


Fig.1. Factors Affecting Long Term Orientation in B2B Market: A Case Study of Angels Foods Trading Company, Myanmar

### B. Research Methodology

The purpose of this research is to investigate the factors affecting Long term Orientation of Angels Foods Trading Company in Yangon, Myanmar. This paper describes six independent variables which are customer satisfaction, trust, dependence, frequency, solidarity and cordiality and their effects toward the dependent variable, long term orientation. The target population in this research is customers of Angels Foods Trading Company who are currently purchasing products which is a known population. Therefore, the researcher take all 323 customers from ten different provinces of Myanmar as sample size an all 323 questionnaires were distributed to target population in ten provinces of Myanmar. The questionnaires consisted of eight sections that represent six independent variables, the dependent variable and demographic factors. The researcher applied census survey and selected the descriptive research methodology instrument to evaluate each variable and demographic factor. This means that the outcome of the research would be described by examining the relationship between variables.

### C. Census Survey

Heidemann and Pradkin (2008) [14] stated that censuses or census survey can enumerate all members of a population. Then, it is also mentioned that the tool can complement since it can capture unexpected variation or rare characteristics of a population. Moreover, Barlett and Bannister (2008) [15] added the fact that complementing censuses surveys avoid the

problem of population size by probing a subset of address. Instead of posing question of who is sampled and how often, the primary challenge is to ensure that the sample is large enough to provide confidence in its representation. In detail, census survey is procedure of systematically acquiring, analyzing and recording information of the every unit of all population. Therefore, census survey can also be stated as a 100 percent sample survey. It is used mostly in connection with national population and housing censuses; other common censuses include agriculture, business and traffic censuses.

#### IV. RESEARCH AND FINDINGS

The hypotheses testing, is supported by the conceptual framework. There are a total of six hypotheses which were tested in this research. Based on the research objectives, Pearson's Correlation analysis was used in this study. After analyzing the hypotheses, all the null hypotheses were rejected. The results are summarized as follows:

TABLE I  
SUMMARY OF HYPOTHESES TESTING

Hypothesis	Correlation value	Sig. (2-tailed)	Results
<b>Hypothesis 1:</b> There is a relationship between frequency and satisfaction.	0.457**	0.000	Reject H <sub>0</sub>
<b>Hypothesis 2:</b> There is a relationship between solidarity and customer satisfaction	0.821**	0.000	Reject H <sub>0</sub>
<b>Hypothesis 3:</b> There is a relationship between cordiality and satisfaction.	0.677**	0.000	Reject H <sub>0</sub>
<b>Hypothesis 4:</b> There is a relationship between trust and satisfaction.	0.489**	0.000	Reject H <sub>0</sub>
<b>Hypothesis 5:</b> There is a relationship between dependence and customer satisfaction.	0.707**	0.000	Reject H <sub>0</sub>
<b>Hypothesis 6:</b> There is a relationship between satisfaction and long term orientation.	0.644**	0.000	Reject H <sub>0</sub>

#### V. SUMMARY AND CONCLUSION

The researcher concentrated on the customer satisfaction, trust, dependence, frequency, solidarity and cordiality for determining the long term orientation based on the data analysis. Accordingly, the majorities of all respondents were female, married, aged between 31 to 40 years old, with a monthly income of between 710000- 10,00000 kkyat and were bachelor degree owned person. For hypothesis testing, the data had been analyzed by using SPSS (statistical package of social science) to test the hypotheses and find the results for this research.

The researcher investigated that within the (6) hypotheses, (3) hypotheses (H3, H5, H6) have strong positive relationship between each variable and which means that there is a strong positive relationship between cordiality, dependence and satisfaction toward long term orientation. The researcher also explored that the other (2) hypotheses (H1, H4) have moderated positive relationship between frequency, trust and customer satisfaction.

Finally, the researcher discovered that the last (1) hypotheses (H2) have very strong positive relationship between customer satisfaction and solidarity. In conclusion, it is found that frequency and trust can have moderate impact on customer satisfaction while cordiality and dependence has a

very strong one. In this case, customer satisfaction can also strongly influence long term orientation. Among all of them, solidarity has the highest positive impact on customer satisfaction.

#### VI. RECOMMENDATIONS

After Foreign Direct Investment is permitted officially in Myanmar, a potential threat to all the local companies in term of customer loyalty toward long term orientation becomes major factor to investigate in term of customer satisfaction, the performance of the local companies and the willing of the customer to have future interaction or not. In addition, it is also required to evaluate and classify the factors affecting overall long term orientation of all local companies. In this study, the researcher use six factors affecting long term orientation and six hypotheses to test the relationship between them.

According to hypotheses 1, moderate effect of relationship between frequency and customer satisfaction indicate that there should be more frequency of interaction to boost customer satisfaction. Therefore; it is encouraged to communicate through telecommunication and provide updated information quite often.

According to hypotheses 2, solidarity has the highest positive impact on customer satisfaction, among all the other factors.

According hypotheses 3, as cordiality has medium effect of relationship with customer satisfaction, Angels Foods Trading is encouraged to scarify to support customer needs.

According to hypotheses 4, Angels Foods is again encouraged to be careful with their promise and making claims since the customers satisfied only moderately on having trust on Angels Foods Trading.

According to hypotheses 5, it is obvious that customers satisfied with the level of dependability of Angels Foods Trading.

According to hypotheses 6, it is found that the level of customer satisfaction on long term orientation is high and customers are likely to have long term orientation but it still need to be boost in terms of some other factors especially frequency and trust. However, other factors also should be maintained to be balanced and affect customer satisfaction in proper way in order to maintain the relationship longer in the future.

## VII. FURTHER RESEARCH

Further studies could be carried out to the customers or consider the other group of Foods Trading Company's customer in B2B market. Further studies may also use the other instruments and other variables to measure the long term orientation and look from the different perspectives. The factors such as commitment, market intelligence, customer loyalty, team cooperation can be explored to get the better results widely.

Moreover, the further studies should also use the qualitative method to get much deeper inside understanding and to explore the causal relationship among variables. Different investigations may identify diverse themes and pattern. In addition, more studies for future research would be beneficial for future understanding of long term orientation or conduct research in different organizations in the future.

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