

THE RELATIONAL BEHAVIOR BETWEEN WHOLESALER AND RETAILER TRAVEL AGENCIES: EVIDENCE FROM TAIWAN

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This study examined the relational behavior model between wholesale and retail travel agencies. The conceptual model of the study is based on the relational behavior model and relationship marketing literature. The study surveyed 201 retailers in Taiwan. The results indicated that wholesalers' relational behaviors (initiating, signaling, and disclosing behaviors), offering support, and end-users' satisfaction positively influence the relationship quality between travel wholesalers and retailers. In turn, relationship quality positively influences retailers' loyalty and wholesalers' market share. The study highlights the moderators of relationship age and product importance and suggests that they have salient influences on the antecedents and consequences of the relational behavior models. Specifically, retailers' loyalty is reduced when relationship age is short and products become less important. This study supports the theoretical model of relational behavior between travel wholesalers and retailers and provides suggestions for relationship marketing in the travel industries.

KEYWORDS: *partnership; relational behavior; relationship marketing; relationship quality*

As a result of rapid economic growth and increasing disposable income, travel abroad has become a favorite for many people. In 2003, 5.92 million people, about 25.7% of Taiwan's total population, traveled overseas. Consequently, by 2004 the number of travel agencies had increased from 559 in 1987 to 2,560 (Taiwan Tourism Bureau, 2005). In general, travel agencies are divided into two categories, wholesalers and retailers. Wholesalers rely on retailers to resell their package tours to customers. The retailers play an important role in the service context because they are normally in the front line. From the channel aspect, both agency types serve as intermediaries in the travel industry and cooperate in a

supplier-seller relationship that Morrison (1996) considered to be a “partnership.” Cooperative relationships in the tourism industry have become increasingly crucial and have drawn the attention of academic researchers. However, there are few papers that discuss the relational behavior among travel agencies.

Developing successful interorganizational relationships would be helpful for organizations to create value added, share information, and increase market opportunities. Berry (1983) originally defined relationship marketing as attracting, maintaining, and enhancing customer relationships. Berry and Parasuraman (1991) also proposed that relationship marketing concerns attracting, developing, and retaining customer relationships. In sum, relationship marketing refers to all marketing activities directed toward establishing, developing, and maintaining successful relational exchanges (Morgan & Hunt, 1994).

Many studies have focused on the relational behavior and relationship quality between buyers and sellers (Crosby, Evans, & Cowles, 1990; Leuthesser, 1997; D. Medina-Muñoz & García-Falcón, 2000; R. D. Medina-Muñoz, Medina-Muñoz, & García-Falcón, 2003). Prior research addressed the business relationship in the organization’s economic paradigm and examined the interorganizational relationships and relationship quality (Achrol & Stern, 1988; J. C. Anderson & Narus, 1990; Dwyer, Schurr, & Oh, 1987; Morgan & Hunt, 1994). Recently, organizational buying has dramatically shifted from a transaction-oriented to a relational-oriented philosophy and would shift from a buying process to a channel relationship process (Sheth & Sharma, 1997). Thus, studies centered more on relational behaviors in the relationship marketing aspect (Karamustafa, 2000; Leuthesser, 1997; D. Medina-Muñoz & García-Falcón, 2000). However, what effects can be expected from business-to-business relationships? As evidence from Kent, Meyer, and Reddam (1987), about 70.5% of retailers purchased travel products from wholesalers in the United States. It is true that symbiosis exists between wholesale and retail travel agencies.

Some literature discussed the relationships between suppliers (hotels, resorts, attractions, and airlines) and travel agencies (Alamdari, 2002; Buhalis, 2000; Karamustafa, 2000; March, 1997; D. Medina-Muñoz & García-Falcón, 2000; D. R. Medina-Muñoz, García-Falcón, & Medina-Muñoz, 2002; R. D. Medina-Muñoz et al., 2003). For instance, March (1997) indicated that the Australian travel suppliers are extremely dependent upon the travel buyers. Karamustafa (2000) also noted that Turkey’s hoteliers depend heavily on package tour operators and noted that the successful future depends on the tour operators’ willingness to work with the local lodging industry. But few studies have explored the relationship quality between the intermediaries in the travel industry. In the study, we propose and examine the model of relational behavior between wholesale and retail travel agencies.

LITERATURE REVIEW AND HYPOTHESIS

Relationship Quality and Relational Behaviors

During the past two decades, practitioners and academics in marketing management have shifted their attention from conventional channel relationships

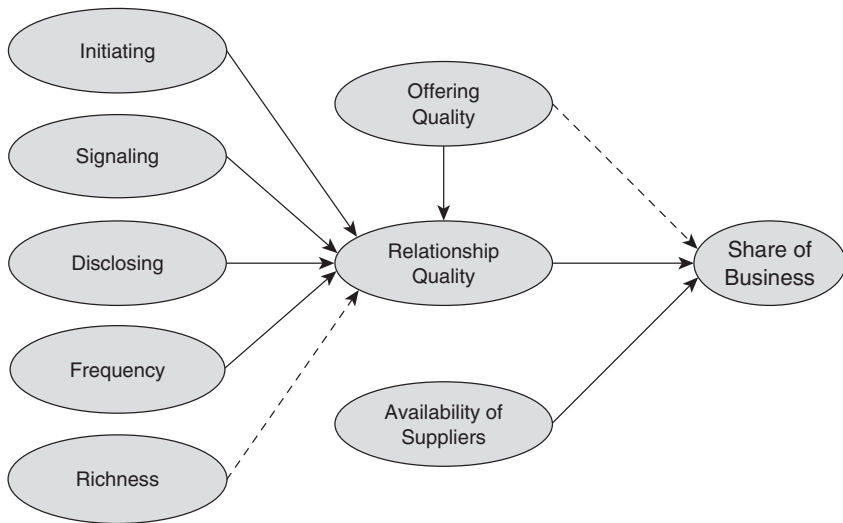
toward relational exchange (J. C. Anderson & Narus, 1990; Dwyer et al., 1987; Ganesan, 1994). Since the term *relationship quality* emerged in the 1990s, there has been much interest in the subject among marketing academicians. Relationship quality is viewed as a higher order construct composed of trust and satisfaction (J. C. Anderson & Gerbing, 1988; Crosby et al., 1990; Kim, Han, & Lee, 2001; Leuthesser, 1997). Satisfaction is a positive state resulting from the appraisal of all aspects of a relationship relative to alternative experience (Smith & Barclay, 1997) and refers to an organizational positive experience with its partners' ability to fulfill performance expectations (J. C. Anderson & Narus, 1990; Biong, 1993; D. Medina-Muñoz & García-Falcón, 2000). In addition, trust exists when the buyer has confidence in the seller's reliability and integrity (Morgan & Hunt, 1994). Thus, relationship quality appears to react to the buyer-seller relationship performance, and it is recognized as one of the central constructs in relationship marketing.

In relationship marketing theory, relational behaviors are likely the most critical when the products or services are complex (Crosby et al., 1990). According to Crosby et al. (1990) and Leuthesser (1997), the relational behavior includes initiating, signaling, and disclosing behaviors, and the frequency of interaction appears strongly related to relationship quality. Initiating behavior means that sellers could in advance understand the specific needs of buyers, try their best to improve service quality, and help buyers to get the competitive advantage. Signaling behavior means that sellers actively inform the buyers of products and market information. Disclosing behavior means that sellers would not conceal necessary information from buyers. In addition, Leuthesser surveyed 454 firms and found the suppliers' relational behaviors influenced the quality of their relationships with buyers, and that relationship quality, in turn, influenced their sales performance with those buyers. She also indicated the offering quality (i.e., product quality, price, and delivery commitments) indirectly influenced share of business through the effect of relationship quality. The empirical model of supplier relationship and performance is shown in Figure 1.

D. Medina-Muñoz and García-Falcón (2000) suggested that in order to have successful relationships with travel agencies, hotels should communicate with them in a timely, accurate, adequate, complete, and credible manner; provide them with what they need to sell; show more commitment to maintain the relationship; show a strong sense of loyalty; and establish relationships based on trust. According to J. C. Anderson and Narus (1990), communication terms the efficacy of information exchange. They also noted that communication is an antecedent of trust. Therefore, communication openness is sharing timely information with partners and involves the mutual disclosure of plans, expectations, goals, and motives (E. Anderson & Weitz, 1989; J. C. Anderson & Narus, 1984). In other words, frequent interactions are likely to lead to greater information processing and thereby reduce uncertainty and ambiguity (Daft & Lengel, 1986), and frequent and effective communication is significant in the achievement of relationship goals (Dwyer et al., 1987).

Moreover, Dwyer et al. (1987) found that trust, in the channel relationship model, provided a unique point for treating opportunism as an explanatory

Figure 1
Leuthesser's (1997) Model of Supplier Relationships and Performance



Note: Dotted line = nonsignificant at the .05 level.

variable. They examined opportunistic behavior that results in decreased relationship commitment because partners believe they could no longer trust each other. When a firm behaves opportunistically, it is seeking to increase its short-term, unilateral gains, perhaps even at the expense of its trading partner (Dev, Brown, & Lee, 2000). Because opportunism could be destructive to a business relationship, restraining opportunism is critical to enhancing performance and increasing partner satisfaction (Gassenheimer, Baucus, & Baucus, 1996).

In this study, relationship quality is depicted as an affective condition in which retailers evaluate all aspects of the wholesalers' relational behaviors. It is composed of subconstructs of satisfaction and trust (Crosby et al., 1990; Kim et al., 2001; Leuthesser, 1997). The satisfaction is measured by the relationship strength, and trust is identified as the critical and effective factor in partners' relationships (Smith & Barclay, 1997). A satisfied partner reflects positive affection in the partnership. In addition, trust reflects the extent to which retailers believe in the business honesty and problem-solving abilities of wholesalers. If retailers appreciate the relational behaviors, they believe in the relationship quality made by their partners. Thus, the following hypotheses will be tested.

Hypothesis_{1,1}-Hypothesis_{1,4}: Positive relational behaviors (initiating behavior, signaling behavior, disclosing behavior, and interactive communication) of wholesalers toward retailers have a positive effect on the relationship quality.

Hypothesis₂: Opportunistic behavior of wholesalers toward retailers has a negative effect on the relationship quality.

Other Antecedents of Relationship Quality

In the context of the travel industry, the satisfaction of end users such as travelers appears to be increasingly important for travel suppliers. On one hand, wholesalers have to try their best to meet the needs of end users so as to get the next business chances with retailers. On the other hand, suppliers' offering quality such as product quality, price, or abilities to meet delivery commitments has a positive influence on buyers' perceived relationship quality (Leuthesser, 1997). It would be necessary and helpful for wholesalers to establish stable relationships with retailers. Thus, the following hypotheses will be tested:

Hypothesis₃: The satisfaction of end users has a positive effect on relationship quality.

Hypothesis₄: Wholesalers offering support has a positive effect on relationship quality.

Retailers' Loyalty and Wholesalers' Market Share

Although Crosby et al. (1990) found no evidence of an effect of relationship quality on supplier performance, Leuthesser's (1997) study provided empirical evidence for a linkage between relationship quality and business share. She indicated that a satisfied buyer could reasonably be expected to allocate a high share of its business to the supplier compared to less satisfactory suppliers. Buyers' loyalty expresses the likelihood of future purchases, and recommendation reflects a high degree of loyalty when the buyer recommends the product or company to others (Selnes, 1993). Loyalty is a focal topic in a long-term relationship, implying both favorable attitude and buyer retention (Biong, 1993; Dwyer et al., 1987; Selnes, 1993). Specifically, retailers might be loyal because they are satisfied with their supplier and thus want to continue the relationship. These findings reveal that relationship quality is a determinant when a buyer decides to terminate a business relationship. Thus, we assume the following hypotheses:

Hypothesis_{5,1}-Hypothesis_{5,2}: Relationship quality has a positive effect on retailers' loyalty and wholesalers' market share.

Hypothesis₆: Retailers' loyalty toward wholesalers has a positive effect on wholesalers' market share.

Based on the exchange theory, the choice elasticity of suppliers might affect existent channel relationships (J. C. Anderson & Narus, 1984; Leuthesser, 1997). In fact, there are about 67 wholesale travel agencies and 950 retail travel agencies in Taipei (Taiwan Tourism Bureau, 2005). The more wholesalers there are, the more business opportunities and resources are available to retailers, and the more flexibility for retailers to conduct business with wholesalers. Owing to the increase of retailers' choice elasticity of wholesalers, channel relationship would reveal more difficulty to maintain the relationship. In other words, the choice elasticity of wholesalers might affect the retailers' loyalty. Similarly, the choice elasticity of wholesalers is also an influential factor that determines the wholesalers' market. Leuthesser (1997) suggested that alternative wholesalers have a significant and negative influence on the suppliers' share of business. Thus, the following hypotheses will be tested.

Hypothesis₇₋₁-Hypothesis₇₋₂: The choice elasticity of wholesalers has a negative effect on retailers' loyalty and on wholesalers' market share.

The Moderating Effects of the Relational Behavior Model

Moderators may influence the relationships among relational behaviors, relationship quality, and relationship outcomes. For example, E. Anderson and Weitz (1989) suggested that relational behaviors are likely to have a significant influence on relationship quality and are especially important when the partnership is relatively young. Achrol and Stern (1988) mentioned that the stake in a relationship with a supplier tends to be higher when the product is relatively important to both seller and buyer. Leuthesser (1997) found that the influence of relational behaviors on relationship quality is dependent upon the relationship age and the suppliers' product importance. She also suggested that relationship quality has a positive and significant influence on the supplier's market share, especially when the importance of a product is relatively low and the relationship age is relatively long. Specifically, suppliers' sales will increase when the relationship has matured, and offering quality, in this case, directly affects share of business when the product is important. On the other hand, offering quality of products is delivered by the effect of relationship quality, which indirectly affects share of business when the product importance is low (Leuthesser, 1997). Thus, this study also proposes the hypothesis and discusses the moderating effects:

Hypothesis₈: The relationship age between retailer and wholesaler and the retailer's perceived importance of a product have a moderating effect on the relational behavior model.

A CONCEPTUAL MODEL

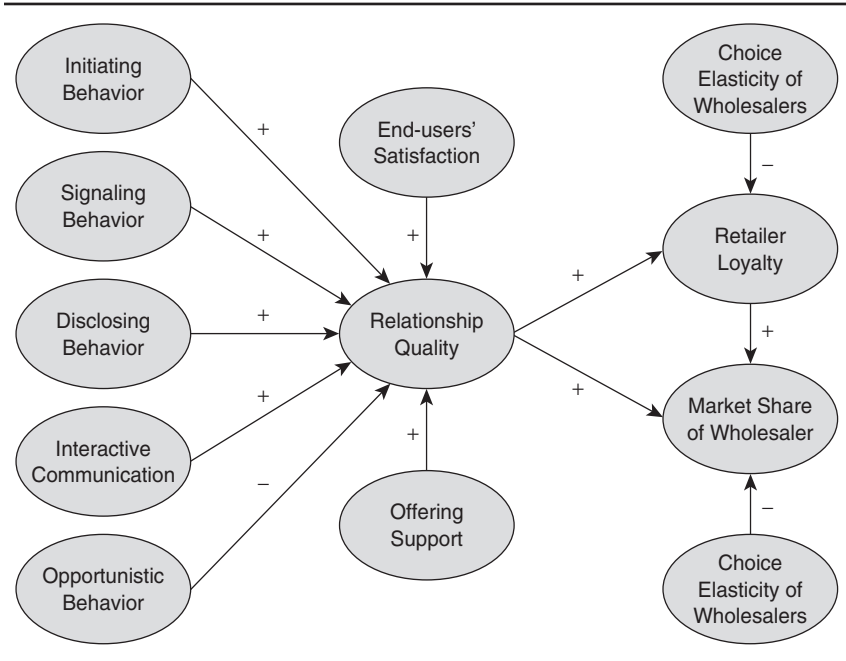
According to the above hypotheses, we propose the causal model related to the antecedents and consequences of relationship quality to explain the relational behaviors between wholesale and retail travel agencies. The proposed framework is illustrated in Figure 2. The wholesaler's behaviors in initiating, signaling, and disclosing; interactive communication; and opportunism will play important roles in retailers' perceived relationship quality. The end-users' satisfaction and support offered by wholesalers are also essential factors in the relationship quality. In addition, maintaining excellent relationship quality will help wholesalers to enhance retailers' loyalty and improve their market share. On the other hand, the choice elasticity of wholesalers will damage retailers' loyalty and decrease wholesalers' market share.

METHOD

Measures

Relational behaviors operate in the context of communications and modes of interaction, according to Leuthesser (1997). Three types of interorganizational

Figure 2
Conceptual Framework of Relational Behavior



behaviors were assessed: initiating (five items), signaling (five items), and disclosing behaviors (two items). Interactive communication characterizes the usage of communication techniques, for example, communication in written form, telephone, or face-to-face meeting developed by wholesalers in order to comply with the needs of retailers conveniently. Three items were used to measure the interactive communication perceptions of retailers toward wholesalers (Leuthesser, 1997). Opportunistic behavior indicates that the wholesalers intend to squeeze marginal profit by lowering their service quality or ignoring consumers' rights by changing the tour schedule. Four items were used to measure perceptions of retailers toward the wholesalers' opportunistic behaviors (Ganesan, 1994; Morgan & Hunt, 1994; Smith & Barclay, 1997).

Two main attributes, offering support and end-users' satisfaction, are used to measure relationship quality. First, offering support indicates that wholesalers provide value-added services to assist retailers in getting business, such as promoting travel products, enforcing employee training programs, and arranging agent tours. Two items were used to measure perceptions of retailers toward wholesalers offering support (Leuthesser, 1997; Smith & Barclay, 1997). Second, end-users' satisfaction indicates customers' satisfaction in travel products offered by wholesalers. Three items were used to measure perceptions of retailers toward their end-users' satisfaction.

Relationship quality is characterized by the overall appraisals concerning all aspects of a relational selling behavior perceived by retail agencies. According to Crosby et al. (1990), relationship quality is a composite measure of both buyer satisfaction and buyer trust. We adapted a scale of relationship quality from Crosby et al. and Leuthesser (1997), and nine items were used, three to measure satisfaction and six to measure trust. Retailers' loyalty is embodied as the retailers' willingness to purchase future products from wholesalers or as recommending wholesalers' products to other retailers. Two items were used to measure perceptions of retailers' loyalty toward their wholesalers (Kim et al., 2001; Selnes, 1993). Wholesalers' market share indicates the percentages of the total volume of purchases given to wholesalers by retailers (Leuthesser, 1997; Lusch & Brown, 1996) and reveals a supplier's performance with respect to its share of a customer's business (Leuthesser, 1997). An open-ended question (1%-100%) was used for wholesalers' market share; a higher rate indicates a better level of wholesalers' performance given by retailers' evaluation. The choice elasticity of wholesalers indicates the degree of ease with which a retailer gains business from other wholesalers (Leuthesser, 1997). One item was used to measure it.

Moderating variables include relationship age and product importance. Relationship age means the length of time that a business relationship exists between buyer and seller. An open-ended question was used to measure relationship age (Leuthesser, 1997; Lusch & Brown, 1996). Product importance means the relative importance of products from a wholesaler compared to other products. Three items were used to measure perceptual importance of retailers toward the wholesaler's product (Leuthesser, 1997). To ensure consistency, the questionnaire was translated into Chinese and then back-translated into English; the back-translated versions were compared by bilingual researchers, and discrepancies in wording were corrected. All items of close-ended questions were measured on a 5-point Likert-type scale where 1 = *strongly disagree* and 5 = *strongly agree*.

Sampling

We tested hypotheses using data collected from retail agencies in Taiwan. Prior to data collection, we pretested the questionnaire with a sample of 35 junior managers (including product managers and marketing managers from Taipei city) who participated in the training course of the Taiwan Tourism Bureau. Based on the pretest, some items were revised. To ensure that participants were able to provide accurate information, we verified their qualification with senior executives of each travel agency according to the membership roster of the Taipei Association of Travel Agents. Seven hundred and eighty retailers with head offices in Taipei were invited to participate in this research. Next, we enclosed the questionnaire with a postage-paid return envelope and mailed them to the presidents or sales or marketing managers of retail agencies. The instrument had a cover page explaining the survey goals and providing instructions for completion. Participants were asked to fill out the questionnaire considering their trading relationships with major wholesalers.

A second mailing was sent 4 weeks after the first, encouraging retailers to complete the questionnaire. A total of 265 questionnaires were returned (33.97% response rate); 201 usable questionnaires (excluding 35 pretested respondents) represent an effective response rate of 25.77%. Nonresponse bias was tested by assessing the differences between early and late respondents with regard to the distribution of main business and relationship age with wholesalers (Armstrong & Overton, 1977). The main business ($p = .548$) and relationship age ($p = .767$) were shown to have insignificant differences between early ($n = 134$, 66.7%) and late respondents ($n = 67$, 33.3%). No significant differences were found, suggesting that response bias was not a significant problem in the study.

RESULTS AND DISCUSSION

Data Collection

Approximately two fifths of the sampled retail travel agencies (39.8%) have 11 to 20 employees. The age of business of the sampled travel agencies ranged from 1 to 20 years, and the mean was 4.58. Most retailers (88.1%) operated mainly on outbound business, and 55.6% of the retailers maintained business relationships of fewer than 5 years with their wholesalers, with 31.3% between 5 and 8 years. According to the annual statistics on travel agencies (Taiwan Tourism Bureau, 2005), the structures (e.g., main business, key tour package, and number of employees) of the sample are similar to those characteristics of retail travel agencies in Taiwan.

Scale Reliability and Validity

All the measurements employed in the study are shown in Table 1, as well as the means, standard deviations, and Cronbach's alpha for each scale. Because all alpha values ranged from .70 to .91, the constructs in the model were reliable. The evidence indicates that these measurements were acceptable. For assessing convergent validity, we used the confirmatory factor analysis proposed by J. C. Anderson and Gerbing (1988). Convergent validity is expected when each measurement's estimated pattern coefficient on its underlying construct factor is significant. Discriminant validity of the scale refers to whether an item in one scale is distinguished from a construct in another scale. Discriminant validity is based on a comparison of squared pairwise correlations between constructs and the average variance extracted (AVE) for each construct (Fornell & Larcker, 1981). For each construct in Table 1, the AVE was above a threshold of .50 (between .55 and .86). In Table 2, the square root of each AVE is listed on the diagonal parentheses (between .74 and .92). Also for each construct in Table 2, the correlation between a construct and others is listed off the diagonal. The square root AVE for each construct was greater than its correlations with other constructs in the measurement model, as we expected for the correlations between relationship quality and initiating and signaling behaviors. Thus, the tests performed indicate that both convergent and discriminant validity were achieved.

Table 1
Summary of Measurement Variables, Reliability,
and Average Variance Extracted (AVE)

Measurement Variable	Mean	Standard Deviation	Cronbach's α AVE
Initialing behavior			.88, .77
Wholesaler tries to decrease retailer's operating cost.	3.20	0.79	
Wholesaler meets retailer's demand on service quality.	3.43	0.84	
Wholesaler makes an effort to meet end customers' needs.	3.43	0.75	
Wholesaler's concerns in retailer's increasing competition.	3.25	0.81	
Wholesaler's concerns in understanding retailer's business.	3.20	0.86	
Signaling behavior			.85, .71
Wholesaler notices the change of pricing plans.	3.32	0.81	
Wholesaler notices any change of billing procedures.	3.46	0.78	
Wholesaler informs the retailer of changes in tour program.	3.45	0.80	
Wholesaler notices the development of new travel programs.	3.33	0.86	
Wholesaler accepts retailer's suggestions of product and service.	3.36	0.77	
Disclosing behavior			.85, .85
Wholesaler reveals defective product or quality.	3.10	0.88	
Wholesaler reveals competitive disadvantage.	3.06	0.89	
Interactive communication			.70, .55
Wholesaler communicates by literature frequently.	3.14	0.87	
Wholesaler communicates by telephone frequently.	3.52	0.73	
Wholesaler negotiates face to face frequently.	3.31	0.82	
Opportunistic behavior			.91, .84
Wholesaler destroys the relationship for better benefit.	2.76	0.87	
Wholesaler conceals the truth for better benefit.	2.81	0.86	
Wholesaler breaks promises for better benefit.	2.68	0.82	
Wholesaler destroys retailer's rights for better benefit.	3.02	0.91	
End-users' satisfaction			.85, .82
Retailer's customers are satisfied by wholesaler's tour products.	3.29	0.67	
Retailer's customers think wholesaler's products worth the money.	3.31	0.67	
Retailer's customers are satisfied with wholesaler's service quality.	3.22	0.75	
Offering support			.72, .74
Wholesaler will assist with product promotion for the retailer.	3.08	0.83	

(continued)

Table 1
(continued)

Measurement Variable	Mean	Standard Deviation	Cronbach's AVE
Wholesaler will support training or agent tour for the retailer.	3.23	0.84	
Choice elasticity of wholesalers			
Retailer will access the alternatives easily.	3.58	0.72	—
Relationship quality			.87, .64
Buyer satisfaction			.70
Retailer has a good relationship with the wholesaler.	3.76	0.64	
Retailer has good cooperation with the wholesaler.	3.76	0.63	
Retailer does not conflict with the wholesaler.	3.39	0.77	
Buyer trust			.86
Retailer believes the wholesaler offered a reasonable price.	3.41	0.74	
Retailer believes the wholesaler's product has profitability.	3.37	0.76	
Retailer believes the wholesaler will lower price for retailer's profit.	3.07	0.93	
Retailer believes the wholesaler will notify the timing price.	3.53	0.81	
Retailer believes the wholesaler will solve relative problems.	3.35	0.81	
Retailer believes the wholesaler will trade with honesty.	3.43	0.77	
Retailers' loyalty			.74, .76
Retailer will maintain relationship with the wholesaler.	3.45	0.70	
Retailer would recommend the wholesaler to others.	3.36	0.89	
Wholesalers' market share ^a			
Percentage of purchases from the wholesaler last year.	42%	20%	—
Relationship age ^b			
How many years of trade with the wholesaler?	4.58	3.32	—
Product importance			.83
Wholesaler's price is important.	3.88	0.73	
Wholesaler's product quality is important.	3.89	0.82	
Wholesaler's service quality is important.	4.06	0.77	

Note: Measurement ranges from 1 = *strongly disagree* to 5 = *strongly agree*. AVE = average variance extracted.

a. Represents open-ended system ranging from 1% to 100%.

b. Represents open-ended system ranging from 1 year to 20 years.

Overall Model Fit

Consistent with previous studies (Crosby et al., 1990; Ganesan, 1994; Kim et al., 2001; Leuthesser, 1997; Morgan & Hunt, 1994; Smith & Barclay, 1997), structural equation modeling is an appropriate approach to test these hypotheses. First, the normalized residuals and residual Q-plot of input data suggest that the input and implied covariance matrices are reasonably equivalent (Bagozzi & Yi,

Table 2
Correlations of the Constructs

	RQ	RL	MS	IB	SB	DB	IC	OB	ES	OS	CE
RQ	(.80)										
RL	.61**	(.87)									
MS	.03*	.03	—								
IB	.86**	.54**	.02	(.88)							
SB	.85**	.49**	.03*	.82**	(.84)						
DB	.57**	.40**	.04*	.40**	.46**	(.92)					
IC	.67**	.35**	.03	.73**	.81**	.29**	(.74)				
OB	-.58**	-.44**	-.03*	-.45**	-.44**	-.89**	-.16	(.91)			
ES	.80**	.53**	.05*	.74**	.77**	.48**	.64**	-.50**	(.90)		
OS	.62**	.45**	.03	.74**	.75**	.29**	.64**	-.34**	.71**	(.86)	
CE	-.08	-.10	-.00	-.09	-.06	-.03	-.04	.04	-.14*	-.18**	—

Note: RQ = relationship quality; RL = retailer loyalty; MS = market share of wholesaler; IB = initiating behavior; SB = signaling behavior; DB = disclosing behavior; IC = interactive communication; OB = opportunistic behavior; ES = end-users' satisfaction; OS = offering support; CE = choice elasticity of wholesalers. Correlations are estimates from a confirmatory factor measurement model. Bold numbers on the diagonal in parentheses are the square root of each construct's average variance extracted.

* $p < .10$. ** $p < .05$.

1988). This result shows that the error term of sampling is normally distributed. Second, LISREL analysis was used to determine if the theoretical model fits the data collected. The maximum likelihood (ML) estimation was used to estimate the model parameters with the covariance matrix as data input. Typically, three statistics used to assess the model are the chi-square statistic, the root mean square residual (RMR), and the Goodness of Fit Index (GFI). The proposed model shows a significant chi-square of 799.8 ($p < .05$) and suggests that the input and implied covariance matrices are not significantly equivalent (Bagozzi & Yi, 1988; Jöreskog & Sörbom, 1983). The chi-square should be evaluated in relation to the model's degrees of freedom, with a χ^2 to df ratio of 2 to 5 (Marsh & Hocevar, 1985) or less than 3 (Bagozzi & Yi, 1988) indicating an acceptable fit. This ratio for the proposed model is 1.44. The fit statistics of the proposed model are reported in a footnote to Table 3. In the model, GFI is .83 and RMR is .038, which both indicate a moderate fit.

Hypotheses Testing

The estimates for the structural coefficients and hypotheses test statistics are presented in Table 3 and summarized in Figure 3. The results also illustrate the connections among relational behaviors, relationship quality, and relational outcomes between wholesale and retail travel agencies in Taipei.

The Antecedents of Relationship Quality

As shown in Table 3, the structural estimates of three relational behaviors are .43 ($t = 4.04$), .33 ($t = 2.48$), and .14 ($t = 2.25$). They had a positive effect on relationship quality as well. On the contrary, the interactive communications did

Table 3
Result of LISREL Analysis

Structural path	Estimate		<i>t</i> Value		Result
Hypothesis ₁₋₁	IB → RQ (γ_{11})	.43	4.04*		Supported
Hypothesis ₁₋₂	SB → RQ (γ_{12})	.33	2.48*		Supported
Hypothesis ₁₋₃	DB → RQ (γ_{13})	.14	2.25*		Supported
Hypothesis ₁₋₄	IC → RQ (γ_{14})	.03	0.17		Not supported
Hypothesis ₂	OB → RQ (γ_{15})	-.09	-0.56		Not supported
Hypothesis ₃	ES → RQ (γ_{16})	.49	2.94*		Supported
Hypothesis ₄	OS → RQ (γ_{17})	.22	2.10*		Supported
Hypothesis ₅₋₁	RQ → RL (β_{21})	.60	5.28*		Supported
Hypothesis ₅₋₂	RQ → MS (β_{31})	.27	2.45*		Supported
Hypothesis ₆	RL → MS (β_{32})	.01	0.56		Not supported
Hypothesis ₇₋₁	CE → RL (γ_{28})	-.16	-1.01		Not supported
Hypothesis ₇₋₁	CE → MS (γ_{38})	-.03	-0.96		Not supported

Note: IB = initiating behavior; RQ = relationship quality; SB = signaling behavior; DB = disclosing behavior; IC = interactive communication; OB = opportunistic behavior; ES = end-users' satisfaction; OS = offering support; RL = retailer loyalty; MS = market share of wholesaler; CE = choice elasticity of wholesales $\chi^2_{(556)} = 799.8$; $p = .000$; Goodness of Fit Index = .83; Adjusted Goodness of Fit Index = .80; root mean square error of approximation = .047; root mean square residual = .038; standardized root mean square residual = .055.

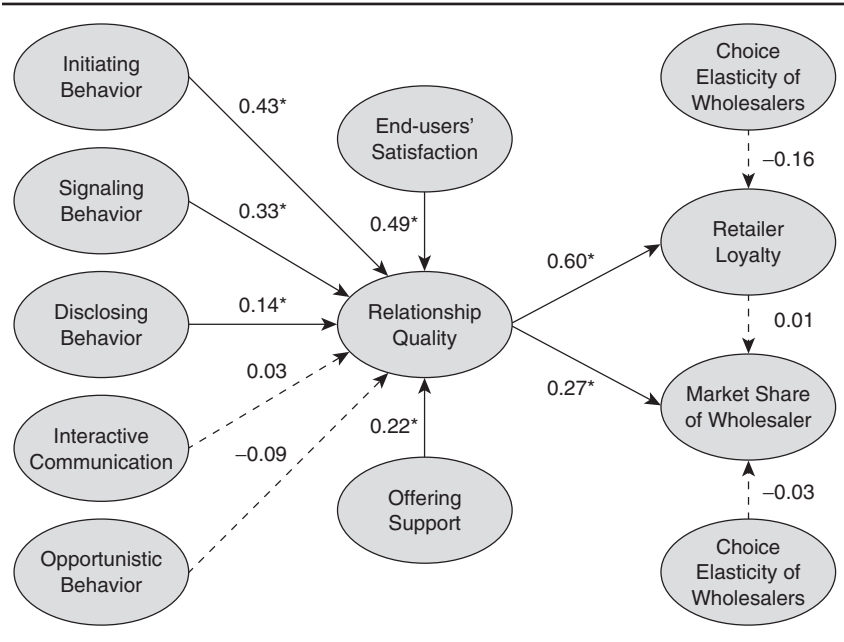
*Significant at the .05 level.

not appear to influence relationship quality. The structural estimate is .03 ($t = 0.17$) at the .05 level. It means that wholesalers' communication tools and frequency seem not so important. Thus, the findings partially support the contents of Hypothesis₁₋₁, Hypothesis₁₋₂, Hypothesis₁₋₃, and Hypothesis₁₋₄.

Contrary to expectations, the negative effect of opportunistic behavior on relationship quality was rejected. Hypothesis₂ was not confirmed because the structural estimate is $-.09$ ($t = -0.56$). Although there are many more retailer travel agencies than wholesalers in Taiwan, the wholesalers are relatively large firms. Therefore, the relation between opportunistic behavior and relationship quality seems to be insignificant.

As predicted in Hypothesis₃, the end-users' satisfaction significantly and positively affected relationship quality. The structural estimate is .49 ($t = 2.94$). Retailers not only have to meet the end-users' needs with products and services but also have to satisfy them. To motivate customers' future purchases, the end-users' satisfaction is emphasized by retailers. Thus, retailers perceived a better relationship quality when their customers are satisfied with wholesalers. In other words, retailers could be well maintained by their wholesalers if their customers experienced quality service from wholesalers. The positive effect of offering support on relationship quality was significant. The structural estimate is .22 ($t = 2.10$). Thus, the result provided supports Hypothesis₄. Maintaining the business partnership with wholesalers has a definite benefit for retailers because the support from wholesalers could reduce operating costs. If retailers could gain more supports such as sales promotion, training, or agent tours from their wholesalers, the relationship quality perceived by retailers would improve.

Figure 3
The Model of Relational Behavior



*Significant at the .05 level.

The Consequences of Relationship Quality

The structural estimate of .60 ($t = 5.28$) shown in Table 3 suggests that relationship quality had a significant and positive effect on retailers' loyalty. Moreover, the structural estimate of .27 ($t = 2.45$) shown in Table 3 suggests that relationship quality significantly and positively influenced wholesalers' market share. Thus, Hypothesis₅₋₁ and Hypothesis₅₋₂ were supported at the .05 level. The former means that the better the relationship quality, the more loyal retailers tend to be. Good relationship quality indicates that retailers are very satisfied with their partnerships. Better relationship quality might bring stronger recommendations from the retailers. The latter reveals that an excellent-quality relationship would lead to a long-term relationship and more purchasing volume.

Table 3 shows that retailers' loyalty did not have a significant effect on wholesalers' market share. Hypothesis₆ was not supported, because the structural estimate is .01 ($t = 0.56$). In practice, retailers usually compare product prices offered by their wholesalers in order to earn more profits. In other words, retailers trade with many wholesalers simultaneously and avoid relying on a particular wholesaler to minimize their costs. Retailers appear to determine with whom they can do business and set a trading volume. Therefore, retailers' loyalty is not correlated with wholesalers' market share significantly.

The negative effects of choice elasticity of wholesalers on retailers' loyalty and wholesalers' market share were insignificant. Hypothesis_{7,1} and Hypothesis_{7,2} were not supported at the .05 level. The structural estimates are $-.16$ ($t = -1.01$) and $-.03$ ($t = -0.96$), respectively. With technology development, gathering information is much faster than before. A possible explanation for these results may be that it is easier for retailers to gather rich business information, such as product categories, price comparisons, and quality evaluations. However, they have to trade with their wholesalers according to contracts. Thus, the choice elasticity of wholesalers is not associated with retailers' loyalty and wholesalers' market share.

As predicted, the results reveal initiating, signaling, and disclosing behaviors; end-users' satisfaction; and offering support had a positive and significant influence on relationship quality. They are the determinants for wholesalers to maintain the relationship quality with retailers. Relational behaviors are the critical antecedents of relationship quality. Besides, relationship quality positively affects relational performance, which includes retailers' loyalty and wholesalers' market share.

Toward this end, a portion of this result is consistent with Leuthesser's (1997) relational behavior model. Previous studies indicated that opportunistic behavior has a negative influence on the relationship quality (Dev et al., 2000; Gassenheimer et al., 1996; Morgan & Hunt, 1994) and interactive communication is a determinant of successful organizational behaviors (E. Anderson & Weitz, 1989; Daft & Lengel, 1986; Leuthesser, 1997; D. Medina-Muñoz & García-Falcón, 2000). This study found that these two relational behaviors did not affect relationship quality significantly. Another finding by Leuthesser proved that alternative wholesalers have a significant impact on the wholesalers' market share. We also confirmed that there were insignificant relationships between choice elasticity of wholesalers and retailers' loyalty as well as choice elasticity of wholesalers and wholesalers' market share.

Analysis of Moderating Effects

There are several remarkable differences in the results when the moderating variables are grouped by relationship age and product importance. To explore how these moderators might affect the relational behavior model, according to Leuthesser's (1997) study, survey responses were ordered on relationship age and split into long-term and short-term groups. The proposed model was rerun, and this procedure was repeated to examine the moderating effects of product importance. These results are presented in Table 4.

1. Moderating effect on the relationship age. The results showed that average relationship age between retailers and their major wholesaler was 4.58 years. This study utilized the median relationship age to divide groups into long term (more than 4 years, $n = 112$) and short term (4 years and fewer, $n = 89$).

Table 4
The Moderating Effects of Relational Behavior Model

Estimate	High-Age Group	Low-Age Group	High-Importance Group	Low-Importance Group
IB → RQ	.50*	.52*	.54*	.30
SB → RQ	.32*	.20	.16	.25
DB → RQ	.11	.22*	.17*	.14
IC → RQ	.07	.09	.09	.08
OB → RQ	-.05	-.05	-.06	-.05
ES → RQ	.38*	.49*	.40*	.51*
OS → RQ	.22	.28*	.16	.32*
RQ → RL	.64*	.54*	.50*	.54*
RQ → MS	.25*	.19	.29*	.25
CE → RL	-.10	-.24*	-.15	-.26*
CE → MS	-.01	-.01	-.01	-.01
RL → MS	.07	.06	.06	.06

Note: IB = initiating behavior; RQ = relationship quality; SB = signaling behavior; DB = disclosing behavior; IC = interactive communication; OB = opportunistic behavior; ES = end-users' satisfaction; OS = offering support; RL = retailer loyalty; MS = market share of wholesaler; CE = choice elasticity of wholesales.

*Significant at the .05 level.

There were 112 retailers with an average age of 6.4 years. This study indicated that initiating and signaling behaviors and end-users' satisfaction had significant and positive influence on relationship quality. It also showed that relationship quality was significantly related to retailers' loyalty and wholesalers' market share. Maintaining a longer and stable relationship indicates a closer cooperation and higher retailers' loyalty. The choice elasticity of wholesalers did not influence retailers' loyalty.

There were 89 retailers with an average age of 2.3 years. On the contrary, signaling behavior had an insignificant influence on relationship quality when they maintained a shorter relationship. But initiating and disclosing behaviors as well as offering support by wholesalers did. Retailers tend to evaluate the relationship based on promotion supports from wholesalers. The influence of end-users' satisfaction on relationship quality appeared to be strong significantly. The choice elasticity of wholesalers had a significant and negative impact on retailers' loyalty.

2. Moderating effect on product importance. The perceived importance of product by retailers might affect the interorganizational relationship. Based on the mean of the product-importance scale, this study classified agencies into a high group (mean = 4.28 > 4, $n = 121$) and a low group (mean = 3.10 < 4, $n = 80$) to analyze the moderating effects of the product importance.

One hundred twenty-one retailers strongly perceived product importance. The study indicated that when retailers effectively perceived product importance, the

initiating and disclosing behaviors and end-users' satisfaction would significantly and positively influence relationship quality. Inevitably, maintaining intensive cooperation significantly affects both retailers' loyalty and wholesalers' market share. Because of the highly perceived product importance, retailers depend more on the wholesalers' products. This situation reduces the impact of choice elasticity of wholesalers on retailers' loyalty.

Eighty retailers weakly perceived product importance. This result indicated that when the retailers perceived lower importance, relational behaviors would not significantly affect relationship quality. In comparison, offering support and enhancing end-users' satisfaction significantly and positively affect relationship quality. Because there was no interdependent relationship between wholesalers and retailers, the choice elasticity of wholesalers would negatively affect retailers' loyalty.

Concerning the moderating effect of relationship age, offering support affects relationship quality when relationship age is short but does not affect relationship quality when relationship age is long. On the other hand, the relationships between relational behaviors and relationship quality are significant when product is important. However, offering support becomes an important factor in relationship quality when product is not that important. These results are partially in accordance with Leuthesser (1997). The industrial characteristics may result in differences between this study and Leuthesser's findings. Besides, relationship quality affects wholesalers' market share when relationship age is long and product is important, which is consistent with Leuthesser's findings.

In sum, this study suggests that the relationship age and product importance could moderate the relationships between antecedents and consequences of the relational behavior model. The finding suggests that Hypothesis₈ was supported and consistent with the studies of E. Anderson and Weitz (1989), J. C. Anderson and Narus (1990), and Leuthesser (1997). Wholesalers should pay more attention to those factors that might affect the relationship quality to develop an effective partnership.

CONCLUSIONS AND IMPLICATIONS

Commercial marketing relies on the relationship-oriented approach to maintain a long-term relationship. This study examined the antecedents and consequences of the relationship quality in travel agencies. The results provide the relational behavior model for wholesalers to cultivate a successful partnership. The moderating effects are analyzed to benefit wholesalers' marketing strategies. The results also provide understanding into relationship marketing and utilize relationship quality to predict wholesalers' relationship performance.

A satisfactory relational behavior model established by this study could interpret actual relationships of the travel industry in Taiwan. Results suggest that relational behaviors, offering support, and end-users' satisfaction determine the relationship quality between travel wholesalers and retailers. This study discovered that relationship age and product importance affected the relational behavior

model. Specifically, in a long-term relationship, the wholesalers could emphasize more signaling behaviors to increase the positive effect of relationship quality on the wholesalers' market share. With a short-term relationship, wholesalers should utilize more disclosing behaviors and offer more supports to influence the relationship quality. On the other hand, when retailers considered product importance as vital, wholesalers could express initiating and disclosing behaviors to build positive effects of relationship quality. Conversely, when retailers perceived low product importance, the end-users' satisfaction and offering support could assist in promoting relationship quality. When the business relationship was short and retailers perceived low product importance, the choice elasticity of wholesalers would have a significant impact on retailers' loyalty.

From a relationship marketing perspective, results from this study suggest that wholesalers should be concerned with relational behaviors and strengthen relationship quality. To have an excellent relationship with retailers, it is recommended that wholesalers meet retailers' demands in service quality, inform retailers of any changes in billing procedures and tour programs, reveal any defectiveness of products, and support training or agent tours. In addition, we also suggest that wholesalers could satisfy retailers' customers by getting involved in retailers' business and adopting their suggestions. The implementation of the above actions should ensure that wholesalers maintain a good partnership with retailers. Consequently, relationship quality would gain from retailers' loyalty and improve wholesalers' performance when wholesalers employ efficient relational behaviors to earn retailers' trust and satisfaction.

This study found that wholesalers and retailers should cooperate with each other. The wholesalers could provide detailed product information and marketing assistance to strengthen their relationships with retailers. If wholesalers provide their retailers with more free advertisements, training, and agent tours, and assist retailers in reducing marketing costs and increasing profitability, retailers would believe the wholesaler is trustworthy and be satisfied with the wholesaler's cooperation. A noteworthy finding is the effect of end-users' satisfaction on relationship quality. This study also suggests that wholesalers could utilize relationship marketing strategies to improve interorganizational partnerships. Specifically, wholesalers could provide service as promised and meet end-users' needs to satisfy more customers. An interpretation of this result is that relationship quality serves as an indicator of retailers' loyalty. Once a commitment has been reached, both parties should respect the agreement and thus a long-term relationship could be maintained.

Perhaps the limitation of this study is the cross-sectional survey. A longitudinal study could be considered to ensure causal direction of the relational behavior model. Another limitation is that data were collected from retailer travel agencies only. Researchers could try to test an effective and integrated relational behavior model within tourism industries. The authors investigated only perceptions of retailers on the effectiveness of wholesalers. In other words, this study neglects wholesalers' perceptions. Thus, it is suggested that future researches consider dyadic perspectives of retailers and wholesalers simultaneously. It is

necessary that the concept of relationship quality could be extended outside of business to business and business to customer. We also suggest that internal relationships between organization (management) and employees or frontline (internal customer) and nonfrontline employees could be regarded as a type of internal relationship quality or quality-of-job relationship. Perhaps we may explore these dyadic relationships within an organization in future studies.

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