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# The Influence of buyer-supplier trust and buyer-supplier commitment on supply chain relationship longevity in the food retail industry in Gauteng province

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#### **Abstract**

Trust and commitment can be seen as the key drivers of the supply chain relationship longevity. For this reason, business managers need to develop high levels of trust and commitment for developing long-term relationships in order to achieve sustainable competitive advantage. Additionally, trust and commitment have important roles in creating and maintaining long-lasting supply chain relationships, which demonstrates that trust and commitment are strongly related to each other. Trust and commitment seem to be inseparable in the sense that if both are not in place, a relationship is more likely to be a loose and unstable arrangement. In this regard, the present study confirmed the degree of influence of these constructs as relationship measurements within the food retail sector. This study provides a discussion on buyer-supplier relationship practices from a service industry perspective, which is beneficial to the food retail industry in the Gauteng province in South Africa. The purpose of this study therefore, is to investigate the influence and to test the relationships of buyer-supplier trust and buyer-supplier commitment on supply chain longevity in the food retail industry in Gauteng province. This study adopted a quantitative method where a questionnaire was used to collect data from 429 food retailers in the Gauteng province. The study used a convenience sampling technique to select respondents. Two software packages known as, Statistical Package for the Social Sciences (SPSS) 24.0 and AMOS 24.0 were used to assist in the data analysis. Confirmatory Factor Analysis (CFA) and Structural Equation Modelling (SEM) were used to analyse the data. The results of the research revealed that buyer-supplier trust and buyer-supplier commitment have a positive influence on supply chain relationship longevity. Based on the results of this study, it can be concluded that to achieve supply relationship longevity business's operators should develop a great relationship based on trust and commitment. Practical and theoretical contributions, implications and recommendations are provided at the end of the paper.

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#### Key phrases

Buyer-supplier commitment; buyer-supplier trust; food retail; Gauteng province and supply chain relationship longevity

#### 1. INTRODUCTION

These days, to be involved in a business require developing a strong longevity relationship with the supply chain partners. Having a relationship between the supply chain partners, allows them to be more competitive in the market or in the industry where they operate and to achieve the goals set. In other words to develop good relationship and maintain it, requires certain values such as trust and commitment. Trust is important for buyer and supplier in the food retail industry because any relationships which are built based on mutual trust are mostly to bring success and if not built on mutual trust will result in a failure (Ariesty 2016; Makhitha 2017).

According to Abbad, Bonet and Pache (2013:1369) it is important to elaborate on longevity relationship because it benefits supply chain members to reduce the perception of risk linked to opportunist behaviours by the supplier, also these same authors argued that it rises the assurance for both parties that short-term difficulties and inequalities will be resolved in the long term and it reduces transaction costs in a business relationship. The purpose of the paper is to present a comprehensive analysis of longevity relationship between buyers and suppliers in the food retail industry.

This longevity relationship is based on trust and commitment. For the development of relationship longevity, supply chain partners need to understand the role of trust and commitment within their relationship; these concepts are explicitly explained in this paper. The reflections are expanded on the basis of the problem statement, literature review, conceptual framework, research methodology, tests of measures and accuracy analysis statistics and the discussion of the results.

#### 2. PROBLEM STATEMENT

Many aspects of business relationships can never be formalized or based on legal criteria but on trust and commitment (Kievitsbosch 2015). It is very important to create or develop important values such as trust and commitment which lead to a durable relationship between the partners involved in the transaction. Trust is one of the most important factors of success for any business activity. It can lower costs, increase productivity, innovativeness and resolve conflicts (Sung & Kang 2014). Some scholars are more focused on the role of trust to achieve supply chain performance. Trust also has significant impact on the firm's performance (Nyaga, Whipple & Lynch 2010; Wang, Wang & Liu 2016). Most of the time the collaboration that exist between trust and commitment and the result of such collaborations leading to the creation or development of a continually relationship is significant. Most of the research papers today, present a clear understanding and explanation of the impact of trust, commitment and long-term relationship on supply chain performance (Abba *et al.* 2013:1368). But, little has been said on how trust and commitment lead to a continuous relationship and the degree of the relationships between these variables.

#### 3. LITERATURE REVIEW

The literature outlines three major aspects of this paper which include buyer-supplier trust, buyer-supplier commitment and supply chain relationship longevity.

#### 3.1 Buyer-supplier trust

According to Lee, Kim, Hong and Lee (2010:660), trust can be seen as the degree to which businesses such as food retailers believe that supply chain partners will fulfil their responsibility to each other in good faith. Trust, also enhances cooperation between the retailers and their suppliers by creating favourable conditions for constructive exchange and shared governance (Krause, Handfield & Tyler 2007). The existence of trust between buyer and supplier in the relationship allows the partners to have a successful relationship and the supply chain members are more efficient and effective in their activities (Ireland & Webb 2007). Furthermore, for Khan, Liang and Shahzad (2015:22), trust is a very powerful force, which has an influence on the actions and decisions and results in efficiency from the buyer and the supplier. This means that the partners must trust each other because it is impossible to have a true relationship without trust (Bowersox, Closs, Cooper & Bowersox 2012).

Moreover, trust in a relationship provides food retailers and suppliers advantages such as developing collaborative demand forecasts, sharing real-time product demand (Stuart, Verville & Taskin 2011). As suggested by previous literatures, Laeequddin, Sahay, Sahay and Waheed (2010), Yousafzai, Pallister and Foxall (2010) and Akrout and Akrout (2011), trust is a multidimensional construct affected by a variety of determinants (Yee & Yeung 2010). In this study, trust is determined by four dimensions, which are competence, benevolence, integrity and credibility. Each of these dimensions plays an important role in the development of trust between the supply chain partners.

#### 3.2 Buyer-supplier commitment

According to Loice (2015:59), commitment is defined as the belief that corporate partners have a continuing relationship with each other. For Rahmoun and Debabi (2012:106), commitment is the readiness to preserve relationship continuity and to make essential sacrifices to reach that goal. In the study of Chowdhury (2012), to rework commitment the buyer would believe that the supplier does not develop any kind of negative intention, thus, the actual intention and previous experiences will serve as a predictor for future intentions. Through commitment, the supplier is permitted to handle the needs of the buyer (Castleberry & Tanner 2014).

Commitment is essential in buyer-supplier relationships because it influences intention to continue or end the relationship and it is primordial in establishing durable relations and achieving a greater competitive advantage in the marketplace (Sohn, Seung, Seo & Kim 2013). Moreover, buyer-supplier commitment allows the parties involved to achieve short-term sacrifices, to support the relationship and investment in the relationship (Stanko, Bonner & Calantone 2007). Besides, for Han, Kwortnik, and Wang (2008:22), commitment is the "glue" that maintains buyer and supplier to stay in the relationship whether satisfied or not. In other words, the parties involved in a relationship remain for positive and/or negative reasons; therefore, commitment is the state of mind of the supply chain members to continue the relationship (Beatty, Reynolds, Noble & Harrison 2012).

In the studies of Jain, Khalil, Johnston and Cheng (2014), Ganesan, Brown, Mariadoss and Ho (2010) and Cater, Zabkar and Cater (2011), the authors recognise that commitment is a multidimensional construct composed of three components: normative (attachment due to

felt obligations), calculative (attachment due to instrumental reasons) and affective commitment (attachment due to identification and liking). The dimension of commitment also refers to rational or moral attachment and emotional (Jones, Fox, Taylor & Fabrigar 2010).

#### 3.3 Supply chain relationship longevity

Supply chain relationship longevity can be defined as the creation and maintenance of particular relationships as long-term, though the willingness for increased particularity on the part of either party could also contribute to increasing the number of lasting relationships (Adams, Khoja & Kauffman 2012:28). Buyer-supplier relationship longevity is important because it influences the transactions of any businesses with social actions and it motivates interactions (Adams *et al.* 2012:27). This means that before entering into a long-term relationship with a supplier, the buyer might develop unfaithful feelings towards the supplier. As such, the buyer is expected to trust and be committed to the supplier.

Once suppliers have developed or shown these attitudes to the buyers, they can be committed to a lasting relationship (Mohanty & Gahan 2012:324). For formal food retailers to enter into a long-term relationship with the supplier, trust and commitment must exist. Moreover, it can be concluded based on the study of Mohanty and Gahan (2012:323) that supply chain relationship longevity is composed of commitment, trust, communication, mutual respect for each supply chain member, understanding, interpersonal relationship, cooperation, partnership approach, fairness, order management, ability to resolve conflict and technical capability of the supplier.

Besides what has been discussed above, Myers and Cheung (2010:68) state that once supply chain partners have developed long-term relationships, the following benefits will occur between the partners: The relationship increases share of shareholder (example: attract new market and achieve higher market share), As long as the relationship exists between the exchange partners, the costs are lower (reduce inventory and logistics costs), The power of word of mouth and improvement of the business because of relationship longevity.

## 4. CONCEPTUALISED FRAMEWORK AND RESEARCH HYPOTHESES FORMULATION

The purpose of this study is to investigate the antecedents of supply chain relationship longevity in the food retail industry in Gauteng Province.

#### 4.1 Conceptualised framework

A framework was conceptualised specifically to study the relationship between buyer-supplier trust, buyer-supplier commitment, and supply chain relationship longevity. In this framework, buyer-supplier trust and buyer-supplier commitment are the predictor variables; supply chain relationship longevity is the outcome construct. Figure 1 shows a framework of the constructs and hypothesised relationships investigated in the study.

Buyer-supplier
Commitment

Supply
Chain

Figure 1: Conceptual Framework and hypothesised relationships

Source: Own source

#### 4.2 Research hypotheses formulation

This sub-section provides the conceptual framework and discusses the development of hypotheses.

#### 4.2.1 Buyer-supplier trust and buyer-supplier commitment

Moreover, Zeffane, Tipu and Ryan (2011) suggested that commitment and trust are deeply interconnected. In fact, for Müller (2008), once trust lacks in a relationship, people such as buyers and suppliers would be paralysed and would not dare to act without commitment, only unimportant arrangements would be possible; this means that both trust and commitment play an important role in buyer and supplier relationship. Like trust, commitment allows informal food retailers and suppliers to go the extra mile, to put more effort and investment into building the business and the relationship with the suppliers, as well as developing feelings of pride and loyalty in the relationship (Jacobs 2008). Along the same point of view, Casaló, Flavián and Guinalíu (2007:781) posit that being committed to a supplier allows the supply chain members to develop the intention to continue the relationship in the future. Moreover, the buyers may even recommend the service provider to other potential buyers (Deng, Lu, Wei & Zhang 2010). Based on the above mixed findings the following hypothesis is suggested:

H1: There is a positive and significant relationship between buyer-supplier trust and buyer-supplier commitment.

#### 4.2.2 Buyer-supplier trust and supply chain relationship longevity

In the study by Robson, Katsikeas and Bello (2008), the researchers proposed that trust is one of the most vital components of supply chain relationship longevity. In fact, this aspect is identified when a supply chain member develops a certain level of integrity and trustworthiness towards the other partner (Gupta, Choudhary & Siraj-Alam 2014). Buyer-supplier trust is emphasised in building and sustaining faithful, long-term relationships (Hill, Eckerd, Wilson & Greer 2009). Due to that, trust is well known as the main aspect of continuity in a relationship. This integrity is associated with reliability, quality, ability, honesty, justice, responsibility, attendance and benevolence (Paiva, Phonlor & Davila 2008). A supplier's trust is positively associated with the possibility that the buyer will take part in future business, consequently contributing to the extension of the relationship and the presence of trust in buyer-supplier relationships allows issues such as disputes to be resolved in an efficient and friendly way (Peppers & Rogers 2011). As shown by Khan *et al.* (2015:29), trusts has an imperative role in building durable relationships among buyers and

suppliers and through relationship continuity, buyer and supplier are able to develop a high level of trust. This shows that the supply chain members are willing to take risks to maintain such relationships. Furthermore, supply chain relationship longevity with trust leads to the development of value known as profit (Sarang, Bhasin & Verma 2015), motivation and open communication between partner firms (Khan *et al.* 2015). Therefore, in the above view, the following hypothesis is suggested:

H2: There is a positive and significant relationship between buyer-supplier trust and supply chain relationship longevity.

#### 4.2.3 Buyer-supplier commitment and supply chain relationship longevity

Commitment facilitates constant participation in the food retail industry by improving member's feelings of relationship and attachment with other supply chain members that lead to supply chain relationship longevity (Yen 2009:171). In the word of Goo and Huang (2008:216), commitment is an essential facilitating factor that impacts relationship durability. Most importantly, once buyers and suppliers in the food retail industry have developed long-term relationships, the supply chain members are able to reduce or eliminate uncertainty and this will increase commitment (Mohanty & Gahan 2012). Eventually, in the view of Lavhelani, Omoruyi and Chinomona (2018) and Krause *et al.* (2007:528), commitment links to long-term relationships, allowing buyers and suppliers to share goals and to achieve their firm's respective performance.

Furthermore, based on the multidimensional aspects of commitment, it can be said that commitment increases profits and that each type of commitment is favoured under different circumstances (Su & Zhang 2008). Therefore, commitment is all about a wish, a duty and an imperative to impact on relationship longevity because the supply chain members, having affective commitment with suppliers would gladly maintain their relationship, whereas supply chain members having a moral commitment tend to execute it as an obligation (Rahmoun & Debabi 2012). Thus, supply chain members with strong commitment tend to execute it by necessity. Therefore, commitment is all about a desire, an obligation and a need to impact on relationship longevity. In light of this thinking, commitment is about the supply chain partner's objective to continue the relationship on best terms (Goaill, Perumal & Noor 2013).

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For instance, the informal food retailer's commitment is an implicit assurance of interpersonal continuity and fortifies the relationship with the supplier. Based on the above issues, the following hypothesis is addressed:

H3: There is a positive and significant relationship between buyer-supplier commitment and supply chain relationship longevity.

#### 5. RESEARCH METHODOLOGY

This paper has utilised a Five-point-Likert scale to collect data from the respondents. The questions for this study were developed from previous literature; these questions were adapted for this study, therefore it was possible to obtain adequate information. Allowing this study to get positive and significant results.

#### 5.1 Research design

A research design is an outline that the researcher follows in order for the study to achieve the required objectives. The objective of the research design in this study was to obtain information on food retailers, develop hypotheses and to investigate hypotheses that show the relationships among variables. This study adopted a cross-sectional survey design as it studies are generally quick, easy, and cheap to perform.

#### 5.2 Research approach

Research approach involves quantitative and qualitative approaches, but sometimes researchers combine these two methods, known as mixed methods. Mixed methods is a research approach, in which researchers and academics collect, analyse, and associate both qualitative and quantitative data in a study to address their research questions (Creswell 2013). In this study, the quantitative approach was adopted because a quantitative research is more objective and scientific, which provides more valid and reliable results (Crowther & Lancaster 2009). In addition, quantitative research is easier to conduct, since the data can be collected with ease and can be collated using graphs and charts. For these reasons, the quantitative method was selected. The researcher ran the data and all the statistics required using SPSS 24.0 and AMOS 24.0 because the researcher has a wealth of experience in data analysis and the use of multiple software packages.

#### 5.3 Target population

According to Hair, Celsi, Ortinau and Bush (2013:38), the target population is a population from which data are collected. To support this study, the target population was defined as a whole set of cases or group members that are the definite focus of the research examination and from which a sample may be drawn (Saunders, Lewis & Thornhill 2016:728). The food retailers in this study were hotels, restaurants, vegetable markets and hypermarkets, such as Woolworths, Checkers, Shoprite, Kentucky Fried Chicken and McDonald's. It was not possible to have an exact number of formal food retailers in the Gauteng province due to the lack of a formal list; however, there are more than 400 formal food retailers in the province (Erdis 2011).

#### 5.4 Sample size

Sample size refers to how many respondents should be included in the study, and is an important consideration for researchers as it affects the quality and generalisation of the data (Erdis 2011:117). In other words, the sample size is the number of respondents included in an investigation. In this study the sample size was set at n=429 respondents. Previous researchers such as Karmakar, Islam, Kibria, Hossain and Sattar (2012:231), Ahmed, Qazi and Perji (2011:12515) and Adesina and Chinonso (2015:4) made use of between 300 and 400 respondents in order to obtain accurate and reliable results for their studies.

#### 5.5 Sampling method

According to McLeod (2014:1), a sample method is the process of selecting participants from the population. Sampling methods fall into two categories: probability and non-probability samples. This study was focused on non-probability sampling, which is defined as samples in which the sampling techniques do not give respondents equal chance of being selected (Malhotra 2010:376). A convenience sampling technique was applied in this study to collect data from respondents.

The convenience sampling technique was chosen because it was quick and cheap, also because respondents were conveniently available (Creswell, Ebersohn, Eloff, Ferreira, Ivankova, Jansen, Nieuwenhuis, Pietersen, Plano Clark & Van Der Westhuizen 2012).

#### 5.6 Measurement instruments

The questions for this study were developed from past literature. The existing items were adapted to suit this study. Buyer-supplier trust was measured with five questions adopted from Chen, Wang and Yen (2014). Buyer-supplier commitment was measured with five items adopted from Aziz and Noor (2013). Buyer-supplier relationship longevity was measured with five measurement items adopted from Chen, Lee and Paulraj (2014). Response options were arranged in the five-point Likert scale configuration calibrated as follows: Scale: 1 = strongly disagree, 2 = disagree, 3 = moderately agree, 4 = agree, and 5 = strongly agree. In this study, a Five-point Likert-type scale was used because it is less confusing, comprehensive and allows respondents to assess the strength of agreement or disagreement about a statement (Hair, Woflinbarger, Money, Samouel & Page 2015:221). A Five-point Likert scale was used in this study because it was easy for respondents to understand the questions whilst completing the questionnaires.

#### 5.7 Descriptive statistics

The sample size for this study was 429 formal food retailers. Several scholars and academics such as Joshi and Mani (2016) and Vera and Rozida (2016) have used a sample size of 400 and have obtained significant, accurate and reliable results. These questionnaires were self-administered by the researcher and little research assistance were recruited to help in data collection. In total, 483 questionnaires were distributed; out of this, 429 were retained and 54 questionnaires were unusable because of errors such as uncompleted questions. The respective response rate of the 429 was 89 percent. This response rate was acceptable because it is above the 50 percent minimum threshold suggested by Kidder (1981). Table 1 indicate the gender of the respondents who participated in this study. The results show that majority of the respondents were males (57.8%: n=248) while 42.2 percent (n=181) of those who participated in the survey were female. This distribution by gender shows that there were more males than females in this study. Moreover in the same table, 429 questionnaires were distributed; all respondents were aged above 16 years old. A large number of them, 41.0 percent (n=176) were aged between 26 and 35. Around 29.4 percent (n=126) of respondents' age was between 36 and 45 years old. About 14.0% (n=60) were between 16-25 years old. Other respondents aged between 46 and 55 years old totalled 10.0 percent (n=43). Only 5.2 percent (n=24) of the respondents were aged above 56 years old. These results imply that those aged between 26 and 35 years were the majority amongst respondents and that those aged above 56 were the minority in the study. In this regard, the second group age is the highest and this implies that the population is more active in improving their labour force in the food retail industry. Furthermore Table 1 indicated that the majority of the respondents were black; 62.7 percent (n=269), followed by Indians; 19.1 percent (n=82), White; 13.5 percent (n=58) and Coloured; 4.7 percent (n=20). This result indicates that more than half of the respondents in this study were black people.

Table 1: Respondent's demographic characteristics

	Frequency	Percentage
Gender		
Male	248	57.2%
Female	181	42.2%
Total	429	100%
Age		
16-25 years	60	14.0%
26-35 years	176	41.0%
36-45 years	126	29.4%
46-55 years	43	10.0%
56 and more	24	5.6%
Total	429	100%
Race		
Black	269	62.7%
White	58	13.5%
Indian	82	19.1%

Coloured	20	4.7%
Total	429	100%

### 6. TESTS OF MEASURES AND ACCURACY ANALYSIS STATISTICS

#### 6.1 Reliability results

In this study, to treat and analyse the data two software packages were used known as the Statistical Package for the Social Sciences (SPSS version 24.0) and the Analysis of Moments (AMOS version 24.0). Based on these softwares, the following three techniques were applied confirmatory factor analysis (CFA), structural equation modelling (SEM) and path analysis. When using CFA, the following results were obtained. Table 2, shows the research constructs, descriptive statistics, Cronbach's test, composite reliability (CR), average variance extracted (AVE) and factor loading values.

Under descriptive statistics the mean values are between the ranges of 3.637 as lowest to 3.942 as highest. These values show that most of the respondents moderately agreed with the questions. Moreover, for item-total correlations the values are between 0.659 and 0.900 for all the measurement items. These values are all above 0.5 the required threshold. Therefore, all these items are measuring what they are supposed to measure because they met the required threshold. Thus, for Cronbach's test, the results vary form 0.799 and 0.955; these values are all above, 0.7. Therefore, these values suggest that the items have relatively high internal consistency. Additionally, composite reliability (CR) value has a value between 0.799 and 0.940; these values are greater than 0.7 which reflects to a good consistency of the variable according to Hair, Babin, Anderson and Tatham (2010); while average variance extracted (AVE) to be acceptable should be greater than 0.5 (Chin 1998). In this study AVE value is between 0.654 and 0.739; therefore, this is acceptable. And factor loading values are between 0.731 and 0.982, which are above the normal standard of 0.5. Therefore, the relationships between the variables and the variable are acceptable because these values met the requirement.

 Table 2:
 Accuracy analysis statistics

Research constructs		Descriptive statistics		Cronbach's test		C.R. value	AVE value	Factor loading
		Mean	SD	Item-total	α Value			
	BST1	- 3.637	4.200	0.692	0.940	0.940	0.712	0.745
Buyer-supplier trust	BST2			0.734				0.781
	BST3	3.037		0.886				0.905
	BST4			0.808				0.903
	BST5			0.786				0.855
Buyer-supplier commitment	BSC1	3.942	4.147	0.820	0.955	0.955	0.739	0.956
	BSC2			0.864				0.941
	BSC3			0.769				0.883
	BSC4			0.759				0.860
	BSC5			0.900				0.982
Relationship longevity	RL1	3.791	3.228	0.832	0.799	0.799	0.654	0.912
	RL2			0.750				0.888
	RL3			0.671				0.747
	RL5			0.659				0.731

Note: BST= Buyer-supplier trust; BSC= Buyer-supplier commitment; RL=Relationship longevity; C.R: Composite reliability; AVE: Average Variance

Source: Own Source

#### 6.2 Validity results

Table 3: Correlations between constructs

Research construct			
	BST	BSC	RL
Buyer-supplier trust (BST)	1.000		
Buyer-supplier commitment (BSC)	0.568**	1.000	
Relationship longevity (RL)	0.441**	0.598**	1.000

Source: Own Source

As indicated in Table 3, positive correlations ranging between BSC and BST (r=0.568; p<0.01); RL and BST (r=0.441; p<0.01) and RL and BSC (r=0.598; p<0.01) were observed between all the variables. These correlations are all below the required threshold of 1.0. Therefore, all the correlations are acceptable.

#### 6.3 Model fit assessments

CFA was used to measure of accuracy of the items measurement and AMOS 24.0 was used to show the acceptability of the model fit. Tables 3 and 4, indicate the different fit index as well as model fit results obtained for CFA and SEM.

#### 6.4 CFA model fit assessments

Symbolically written as  $\chi^2$ , Chi-Square value should vary from as low as 2 to as high as 5 to be acceptable (Tabachnick & Fidell 2007:10). In the present study,  $\chi^2 = 2.100$ ; this value is acceptable. Additionally, according to Hammervold and Olsson (2012:7), Moss (2009:2), Tabachnick and Fidell (2007:755) and Hooper, Coughlan and Mullen (2008: 55) for these model index Goodness-of-Fit Index (GFI), Normed Fit Index (NFI), (RFI), Incremental Fit Index (IFI), Tucker-Lewis Index (TLI), Comparative Fit Index (CFI) and Augmented Goodness of Fit Index (AGFI) to be acceptable and fit the model they should be greater or equal to 0.90. In this study, GFI = 0.907; NFI= 0.923; RFI = 0.914; IFI = 0.966; TLI = 0.952;

CFI = 0.979; AGFI = 0.911; which are acceptable. For Schumacker and Lomax (2016), the root mean square error of approximation (RMSEA) should be near to 0 while the higher limit should be below 0.08 to be acceptable and fit the model. As presented in Table 4, RMSEA is 0.050; which was less than 0.08. Therefore, it was acceptable and fit the model.

The CFA model fit results are presented in Table 4, all the results met the required thresholds; therefore they all are acceptable and fit the model well.

Table 4: CFA model fit results

Fit index	Results
Chi-square (x <sup>2)</sup>	2.100
GFI	0.907
NFI	0.923
RFI	0.914
IFI	0.966
TLI	0.952
CFI	0.979
AGFI	0.911
RMSEA	0.050

Source: Own Source

#### 6.5 SEM model fit assessments

The following results were provided using AMOS 24.

Table 5: SEM model fit results

Fit index	Results
Chi-square (x <sup>2)</sup>	2.333

GFI	0.901
NFI	0.935
RFI	0.919
IFI	0.966
TLI	0.951
CFI	0.968
AGFI	0.905
RMSEA	0.048

Source: Own Source

In the present study,  $\chi^2=2.333$ ; this value is acceptable. As previously mentioned the following model index (GFI), (NFI), (RFI), (IFI), (TLI), (CFI) and (AGFI) should be greater or equal to 0.9 to be acceptable. In this study, GFI =0.901; NFI= 0.935; RFI = 0.919; IFI = 0.966; TLI = 0.951; CFI = 0.968; AGFI = 0.905; which are acceptable. The root mean square error of approximation (RMSEA) should be near to 0 while the higher limit should be below 0.08 to be acceptable and fit the model. As presented in Table 5, RMSEA is 0.048; which was less than 0.08. Therefore, it was acceptable and fit the model.

The SEM model fit results are presented in Table 5, all the results met the required thresholds; therefore they all are acceptable and fit the model well.

#### 6. 6 Results of the hypotheses

The results of the hypotheses tests are presented in Table 6.

Table 6: Results of hypotheses testing (path modelling)

Proposed hypothesis relationship	Hypothesis	Path coefficient estimates	P-value	Decision
Buyer-supplier trust →buyer-supplier commitment	H1	0.850	***	Accepted
Buyer-supplier trust → relationship Longevity	H2	0.692	***	Accepted
Buyer-supplier commitment → relationship longevity	Н3	0.783	***	Accepted

Source: Own Source

The Table above shows that the three hypotheses (H1, H2 and H3) were accepted with a p-value represented with three (\*\*\*) starts. More explanations are provided in the discussion that follows.

#### 7. DISCUSSION OF THE RESULTS

In this section, the results of the three hypotheses of the present study are discussed so as to address the empirical objectives of this study. The final three hypotheses stated that trust and commitment are positively related to relationship longevity.

#### 7.1 Results for hypothesis 1

H1, stated that there was a positive and significant relationship between buyer-supplier trust and buyer-supplier commitment. Table 6, showed a path coefficient estimates of 0.850 with a p-value of three starts which means that the relationship is acceptable at 99% confidence interval. This demonstrates the fact that trust between buyer and supplier are critical factors, to develop long-term relationship between the supply chain partners. Therefore, it is very important to focus on it. In the words of Kwon and Suh (2005:24) "trust is the root or the foundation of commitment".

Therefore, it is crucial for the buyer and supplier to develop longevity relation. Partners who are involved into longevity relationship based on trust are able to benefit mutually by reducing costs and inventory (Boyce, Mano & Kent 2016). These authors go further by saying that the end customer receives the best possible goods and services.

Buyer-supplier trust is important in this study because it allows the facilitation of effective exchange and improve relationship satisfaction and performance (Bianchi and Saleh 2010; Payan, Svensson, Awuah, Anderson & Hair 2010). According to Çerri and Xhuvani (2012:77) the presence of trust between the buyer and supplier is more encouraged to continue the relationship into the future.

Therefore, it is primordial for the supply chain partners to develop trust between them. It leads to a great relationship with important outcomes.

#### 7.2 Results for hypothesis 2

H2, stated that there was a positive and significant relationship between buyer-supplier trust and relationship longevity. Table 6 showed a path coefficient estimates of 0.692 with a pvalue of three starts which means that the relationship is acceptable at 99% confidence interval. This shows that trust has been considered as a key driver to govern buyers and suppliers relationships (Caniels, Gelderman & Vermeulen 2012); therefore, companies or businesses should try to add this key ingredient to their relationships. Without trust as a key driver of supply chain partners' relationship, there will be a possibility to have an obstacle to any relationship. Due to longevity relationship based on trust, supply chain partners work closely together and sharing potentially important information, they need to have the confidence that their partner will not behave dishonestly (Boyce et al. 2016:6). In this study, the importance of trust between the supply chain partners in the food retail industry has been emphasized and has been seen as a key to achieve longevity relationship between people involved in the relationship. It can also be confirmed with the words of Ribeiro-Soriano and Urbano (2009:420) that when trust leads to long-term relationship, it removes current barriers, increases knowledge sharing and allows suppliers and buyers to attain their full potential.

#### 7.3 Results for hypothesis 3

H3 stated that there was a positive and significant relationship between buyer-supplier commitment and relationship longevity. Table 6 showed a path coefficient estimate of 0.783 with a p-value of three starts which means that the relationship is strong and significant. Based on the results obtained in the Table 6, commitment really affects longevity relationship, therefore supply chain partners should see it as a great value to be developed.

Based on this results it can be confirmed with the words of Kwon and Suh (2005:27) that without commitment between the supply chain partners seems to be impossible because the relationship is fragile and exposed to risk. The presence of commitment between buyer and supplier in a business relationship mean that suppliers are willing to develop a relationship with the buyer (Buxton and Tait 2012).

Commitment is much more important in the food retail industry because the supply chain partners perceive it as a longevity relationship (Nowacki 2014:6). Going in the same view, Ariesty (2016:62) confirmed that longevity relationship requires a full commitment from parties involved.

#### 8. LIMITATIONS AND IMPLICATIONS FOR FUTURE RESEARCH

Since this study only focused on trust and commitment in determining relationship longevity, future researchers should include other constructs such as information sharing, joint problems solving, cost reduction and better communication between the supply chain partners to achieve relationship longevity. Additionally, it has been confirmed that trust and commitment are key factors to achieve relationship longevity. Both trust and commitment motivate a rational assurance between buyers and suppliers, which simplifies the development of a dynamic relationship. Therefore, future researchers should try to find methods in which buyers and suppliers can increase the level of trust and commitment in their collaboration. For any other organisations and partners, who want to improve their performance, they have to learn how to develop a strong relationship. This study focused only on food retail industry to explain the antecedents of relationship longevity, future researchers should extend the search to other industry as well as in other provinces or the outside of South Africa, because this study was only focused on Gauteng province. This might help researchers to compare their results with current study and be able to find different or maybe robust results.

#### 9. CONCLUSIONS AND RECOMMENDATIONS

The results of this study provide evidence that the practice of supply chain relationship longevity has achieved its potential in the food retail industry. The results related to the supply chain relationship longevity support that to achieve continuity it is very important for

supply chain partners to develop or create certain values such as trust and commitment. The data supports this since it has been found that trust exists, leads and maintains relationship longevity as well as commitment. In this study, multiply definitions were provided. These definitions will help people from different industries to understand the importance of supply chain relationship longevity through trust and commitment. Moreover, this study has brought updated information on trust, commitment and relationship longevity.

Also, this study shows that trust, commitment and relationship longevity are concepts that do not appear in contract; therefore through this study is an open door for companies to stipulate these values into contracts because they are keys to success. This can be seen as an opening for future researchers.

As it has been observed in this study, the results provide further information to the cumulative body of empirical literature within marketing relationship and supply chain management theory by illustrating the importance of relationship marketing and by facilitating the description of the marketing relationship between buyers and suppliers in the food industry. Thus, this study proposes an additional contribution to existing literature because it amplifies and reinforces current knowledge within the marketing and supply chain field by giving guidance on how to achieve a greater profit between partners. Additionally, a conceptualised model, data collected from a big provincial population and an acceptable model testing methodology were provided to enhance the literature on marketing relationship theory.

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