Research paper

Relationship factors and firms' willingness-to-pay: A comparison of east-west settings☆

Munyaradzi W. Nyadzayo [a], Mayoor Mohan [b], Riza Casidy [c,*]

[a] *Faculty of Business, University of Wollongong in Dubai, PO Box 20183, Dubai, United Arab Emirates*
[b] *Department of Marketing, School of Business, Virginia Commonwealth University, Richmond, USA*
[c] *Department of Marketing, Macquarie University, NSW 2103, Australia*

A B S T R A C T

The aim of this study is to examine the underlying mechanism that explains the effects of supplier firms' sustained competitive advantage (SCA) on customer firms' willingness-to-pay a price premium (WTP) across Eastern and Western settings. Drawing upon the relationship marketing (RM) paradigm, we posit that SCA influences WTP via calculative commitment and relationship quality (RQ). A survey involving executives from Australian ($n = 336$) and Chinese ($n = 360$) firms was conducted to test the theoretical model. The findings reveal that the effect of SCA on WTP is mediated by RQ and calculative commitment among Chinese firms. Among Australian firms, however, the effect of SCA on WTP is mediated only by RQ and not calculative commitment. The study contributes to the literature by distinguishing the role of 'rational' (i.e., calculative commitment) and 'emotional' (i.e., affective commitment and RQ) relationship factors in influencing WTP, and by validating a multidimensional RQ model that is applicable to culturally diverse contexts. To marketing practitioners, this research helps to identify the conditions under which RM practices can be effective for B2B firms that operate across diverse cultures.

1. Introduction

Relationship marketing (RM) is a primary strategic consideration of business-to-business (B2B) managers (Ellram & Murfield, 2019; Zablah, Bellenger, & Johnston, 2004). This importance stems from firms seeking to leverage successful relationships in order to achieve long-term positive outcomes (Palmatier, Dant, Grewal, & Evans, 2006; Palmatier, Houston, Dant, & Grewal, 2013; Voss, Tanner Emily, Mohan, Lee, & Kim Hong, 2020). Notably, the emphasis on RM has taken on greater significance globally, given the increase in many B2B firms' international operations (Samiee, Chabowski, & Hult, 2015; Wang, 2007; Yang & Wang, 2011). Given this backdrop, B2B firms in the East, for instance, have widely adopted modern RM principles to guide their interfirm relationship strategies (Wang, 2007; Yang & Wang, 2011). That being said, recent research highlights the challenges that firms face due to the cultural differences that distinguish B2B relationships in certain countries (e.g., Kingshott, Sharma, Sima, & Wong, 2020; Lin & Wang, 2008; Migge, Kiffin-Petersen, & Purchase, 2020; Yang & Wang, 2011). Unfortunately, these issues have not been adequately addressed in existing

RM literature. One plausible explanation for this shortcoming is that empirical RM studies have tended to focus on Western contexts (Wang, Shi, & Barnes, 2015), resulting in findings that fail to generalize well in the East (Geyskens & Steenkamp, 2000).

Indeed, some scholars have identified factors that delineate B2B relationships in East-West settings. Wang (2007) suggests that the RM styles of Western firms are usually impersonal and non-contextual, while the approaches adopted by Eastern firms are more personal and flexible. Nisbett (2009) corroborates this assertion, stating that Eastern firms seek to establish closer relationships, while Western firms prefer to maintain a professional working distance. However, this East-West divergence can complicate the way that RM theory is applied, resulting in potentially undesirable outcomes (Paparoidamis, Katsikeas, & Chumpitaz, 2019). Indeed, a precise accounting of how RM drives partner-related B2B decisions uniquely in Eastern and Western settings remains absent, spurring calls for further inquiry into the nuanced conditions that clarify the application of RM theory in "non-Western" settings (e.g., Burgess & Steenkamp, 2006).

To overcome this research gap, the current investigation focuses on

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the influence of relationship factors on a firm's willingness-to-pay (WTP) a price premium, which is a key driver of performance in B2B markets (Persson, 2010). RM factors can significantly affect a firm's WTP (e.g., Casidy & Nyadzayo, 2019; Geiger, Dost, Schönhoff, & Kleinaltenkamp, 2015; Keh & Xie, 2009). These studies find that a buyer's lack of commitment to a supplier could produce negative relationship outcomes such as reduced WTP, weakened perception of supplier innovativeness, and doubts about long-term partnership prospects. Hence, this pattern of results warrants further investigation from a specifically cross-cultural perspective for at least two reasons. First, since B2B innovation and procurement have become increasingly globalized, it is now common for customers to source new offerings from the worldwide marketplace of suppliers (Cortez & Johnston, 2017; Lilien, 2016; Roy & Sivakumar, 2010). However, it remains unknown whether local relationship protocols in different nations promote or attenuate WTP in response to supplier innovativeness. Second, any deleterious effects of relational variables on a customer's WTP could be compounded by misguided RM strategies that do not take local business norms into account.

There are several reasons why it is worthwhile to address cross-cultural gaps in RM research. The rapid growth in internationalization and innovation across B2B industries has driven both governments and suppliers within emerging and developed markets to meet the changing needs of their customers and exploit new opportunities (Dayan & Ndubisi, 2019). However, various challenges remain across cultures and markets, such as structural and contextual factors, lack of resources and experience, competitive dynamics, and disparate solution needs (Atuahene-Gima, Li, & De Luca, 2006; Dayan & Di Benedetto, 2010; Ndubisi, 2011). Hence, "there is a need for more understanding of how service firms can better manage their business relationships, innovation strategies and global marketing activities…" (Dayan & Ndubisi, 2019, *p*.1). Indeed, the contemporary B2B paradigm calls for further research on innovation, customer and market relationships, and value creation in interfirm collaborations, focusing on the needs of emerging markets (LaPlaca & da Silva, 2016). Hence, it is vital to examine how firms' WTP decisions are influenced by RM in non-Western settings to ensure that RM theory addresses the globality of 21st-century B2B marketing (Leonidou & Hultman, 2019).

The purpose of this research is to examine the moderating effect of East-West settings on the RM mechanisms that bridge a supplier's sustained competitive advantage (SCA) vis-à-vis their innovative efforts and a customer's WTP. This link is essential to performance on both sides of the dyad (Casidy, Nyadzayo, & Mohan, 2019; Dayan & Ndubisi, 2019). Based on the RM paradigm, the authors posit that SCA drives WTP via calculative commitment and relationship quality (RQ). Calculative commitment is the customer's rational motivation for remaining in a relationship with a supplier (Čater & Čater, 2010; Voss et al., 2020), and RQ is operationalized as an omnibus assessment of a B2B partnership that includes affective commitment. While RQ is commonly treated as a mediator in RM studies (e.g., Jiang, Shiu, Henneberg, & Naude, 2016), an examination of a concomitant mediating role for calculative commitment is necessary due to its differential compatibility with Eastern and Western relationship management norms (Wang, 2007). Thus, this study examines whether calculative commitment and RQ have divergent explanatory power in mediating the link between a supplier firm's SCA and a buyer's WTP in East-West settings.

The findings, based on a large survey of Australian and Chinese B2B executives, reveal that East-West cultural differences do determine how calculative commitment and RQ drive WTP decisions in light of a supplier's SCA. Among Chinese firms, calculative commitment is a critical factor in linking SCA and WTP. Whereas, among Australian firms, the role of RQ is more pronounced, and calculative commitment exhibits no explanatory power. In sum, the results shed light on the unique differences in the relational mechanisms that influence RM decisions, such as WTP, between Western and Eastern B2B firms.

This research offers several contributions. First, it examines a multidimensional RQ model that plays a distinct role in influencing WTP among buyer firms across different cultural settings. Second, it demarcates the role of calculative commitment in Eastern vs. Western B2B partnerships, thereby making a unique contribution to the literature on RM theory. Third, the current effort provides a unique perspective on the RM concerns surrounding innovation and adoption decisions faced by B2B firms in a global environment. Thus, this research responds to Casidy et al. (2019) call for further studies that examine the role of relational factors in B2B innovation and adoption decisions across cultural contexts. Fourth, this research establishes the need for managers to develop a flexible RM strategy that can adapt to the norms and practices unique to Eastern and Western channel partners.

2. Background: B2B relationships in east-west settings

The perceived difference between the East and West are defined by cultural rather than geographical factors (Pattberg, 2009). Interestingly, these differences can influence the social, structural, and financial aspect of business exchanges, and is particularly crucial in B2B relationships because what works in one culture might not work in others (House, Hanges, & Javidan, 2004). While globalization has spurred cultural hybridization (Holton, 2000), it has also resulted in a greater demand for a precise understanding of the subtle yet influential similarities and disparities in B2B RM across cross-national and cross-cultural contexts (Coviello, Brodie, Danaher, & Johnston, 2002; Leonidou & Hultman, 2019; Samiee et al., 2015).

RM refers to the "deliberate actions and initiatives by organizations and personnel to develop, maintain, and sustain strong relationships with customers and other interest groups" (Ndubisi & Nataraajan, 2016, *p.* 228). Central to this paradigm is that leveraging the most out of partnerships is vital to long-term success (Flambard-Ruaud, 2005). Indeed, international RM has gained its own prominence in modern-day B2B practice for several reasons. Existing literature indicates that the unique business characteristics of emerging markets (e.g., China and India) are strikingly different from those in developed economies such as the United States, Europe, and Australia (e.g., Hewett & Krasnikov, 2016; Sheth, 2011). A majority of these differences can be narrowed down to the B2B relationship dynamics in emerging markets, where social contracts, local culture, unique institutions, and special forms of relationships (e.g., *Guanxi* in China) require distinct relationship management protocols (Abosag & Naudé, 2014; Murphy & Li, 2015). For example, Badi, Wang, and Pryke (2017) contend that while Chinese firms may adopt Western business principles, concepts like *guanxi* are likely to evolve and remain a fundamental aspect of local business relationships—thus, requiring B2B managers to heed and cultivate such relationship norms when entering markets such as China.

Unfortunately, in the literature there are very few studies that compare East-West B2B relationships and, moreover, these are fragmented (Kingshott et al., 2020). On the one hand, scholars like Mavondo and Rodrigo (2001, *p*.111) posit that "the [Eastern] relational concept is not unique to the Western literature." Others argue for the need to evaluate existing RM views to identify context-specific management practices that are appropriate for different cultural settings (e.g., Abosag & Naudé, 2014; O'Cass, Ngo, & Siahtiri, 2015; Sheth, 2011). Thus, it is vital to further our understanding of the role of RM in customer-supplier relationships, and more specifically, as we discuss next, clarify the role of RQ and calculative commitment in B2B channels by considering the cross-cultural differences between East-West business settings.

3. RM theory: conceptualizing a holistic view of RQ in east-west settings

The quality of the bond between exchange partners is a vital determinant of relationship permanence and intensity (Hennig-Thurau & Hansen, 2000) and is, therefore, an optimal measure of successful relationships (Griffith & Harvey, 2001; Jiang et al., 2016; Rauyruen &

Miller, 2007). Thus, RQ is linked to channel operational performance, customers' purchase intentions, loyalty, and overall financial performance (Crosby, Bitner, & Gill, 1990; De Wulf & Odekerken-Schroder, 2001; Nyaga & Whipple, 2011; Palmatier, Dant, & Grewal, 2007; Rauyruen & Miller, 2007). In defining RQ, Woo & Ennew, 2004, p.1256) advocate a "very general perspective", describing it as an "overall evaluation of the relationship between buyer and seller." Similarly, Palmatier (2008, p.85) conceptualizes RQ as the "overall caliber of relationship ties and their overall impact on outcomes." The current research adopts the broad perspectives of RQ outlined herein.

Notably, among researchers, there is no consensus regarding the measurement of RQ and, in particular, its constituent dimensions (Casidy & Nyadzayo, 2019). This is due to the inherent complexity of interfirm relationships across diverse business environments, each of which demands different relational inputs to yield successful partnership outputs (Casidy & Nyadzayo, 2019; Woo & Ennew, 2004). To address such inconsistencies, Jiang et al. (2016) adopted a monadic operationalization of RQ and developed a comprehensive higher-order, four-dimensional RQ scale (termed CLOSES) that is impartial to industry and geographic settings.[1] Indeed, each of the four dimensions is known to positively affect RM outcomes (Ganesan, 1994; Lages, Lages, & Lages, 2005; Monroy & Alzola, 2005; Rauyruen & Miller, 2007).

While the CLOSES tool can be applied in various contexts (Jiang et al., 2016), the authors did recommend investigating its appropriateness for cross-cultural settings. Moreover, in their RQ framework, Jiang et al. (2016) do not take commitment into account, although it is widely regarded as an essential aspect of high-quality B2B relationships (e.g., Athanasopoulou, 2009; Rauyruen & Miller, 2007; Voss et al., 2020; Woo & Ennew, 2004). Commitment, in its two main forms -calculative and affective- reflects a firm's motivation to invest and stay in a relationship. As the size of this investment grows, each partner's share of the positive outcomes of the relationship increases (Voss et al., 2020). Thus, commitment is a relevant component of RM and is strongly associated with all the dimensions of the CLOSES tool.

However, when taken separately, the roles of calculative commitment and affective commitment in relation to RQ demand further consideration. While calculative commitment indicates the economic or instrumental premium placed on the partnership, affective commitment indicates the social or emotional premium (Geyskens, Steenkamp, & Kumar, 1998). Čater and Čater (2010) consider calculative commitment as a 'rational' motivation and affective commitment as an 'emotional' motivation for customers to remain in a relationship with a supplier. Voss et al. (2020) contend that calculative commitment emphasizes strategic obstacles to leaving a relationship, while affective commitment identifies ways to overcome challenges in order to remain in a relationship. Thus, the former exhibits a prevention focus and the latter a promotion focus in how they each prime relationship commitment. This framing matters when conceptualizing RQ in East-West B2B relationships, where we contend that calculative and affective commitment relate to RQ differently. This assertion is in line with existing literature that shows that the roles played by these two types of commitment are quite distinct (Bloemer, Pluymaekers, & Odekerken, 2013; Meyer,

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[1] CLOSES reflect the intensity of communication (C), long-term orientation (LO), and social and economic satisfaction (SES) of focal parties in a relationship. *Communication* is the "formal as well as informal sharing of meaningful and timely information between firms" (Anderson & Narus, 1990, p.4). *Long-term orientation* is associated with the perception of interdependence of outcomes in which one party's (supplier) outcomes are expected to benefit the other (buying firm) in the long run (Ganesan, 1994; Lee & Dawes, 2005). *Economic satisfaction* refers to "a channel member's positive affective response to the economic rewards that flow from the relationship with its partner" (Geyskens et al., 1999, p.224), while *social satisfaction* refers "to being satisfied with the social outcomes of the relationship such that one party appreciates the contacts with its exchange partners and personally likes working with them" (Jiang et al., 2016, p.304).

Becker, & Vandenberghe, 2004) and produce different outcomes (Randall & O'driscoll, 1997). Others share a similar view: for example, Lee, Pae, and Wong (2001) find that due to the characteristics of special relationship forms like *guanxi*, affective commitment is more synonymous with RQ in places like China than is calculative commitment. Likewise, Shaalan et al. (2013, p.2517) suggest that affective commitment is more "implicit" than calculative commitment in successful cross-cultural relationships.

Scholars continue to discuss the role of calculative commitment and affective commitment as it relates to RQ in international RM (Khalil, 2019; Zhou, Zhang, Shen, & Zhou, 2020 - In Press). While it is clear that both forms of commitment influence a firm's WTP (Casidy & Nyadzayo, 2019; Geiger et al., 2015; Keh & Xie, 2009), it appears that affective commitment aligns closely with RQ, while calculative commitment is a singular RM mechanism. Indeed, a recent literature review by Jiang et al. (2016) identified 24 studies in which affective commitment is considered as part of the RQ dimension, while no studies have regarded calculative commitment as a component of RQ. In sum, while studies have reported similar results for RQ and affective commitment in cross-cultural settings, the same cannot be said for calculative commitment. Accordingly, this study adopts a five-dimensional RQ conceptualization that adds affective commitment to the CLOSES tool, while calculative commitment remains an alternative concomitant RM path.

4. Hypotheses

The conceptual framework examines a multidimensional RQ model and applies it in a cross-cultural setting (see Fig. 1). Specifically, this study examines the role of RM constructs (i.e., calculative commitment and RQ) as the underlying process by means of which a supplier's SCA influences a customer's WTP in two distinct business markets (i.e., Australia vs. China).

4.1. The indirect effects of SCA on WTP

SCA can be defined as a "competitive advantage that is not easily replaceable or eliminable, that can be maintained over a certain period of time, and that is the origin of a firm's sustained superior performance" (Olavarrieta & Ellinger, 1997, p.565). Innovation is a crucial source of SCA, as identified in the B2B literature (Casidy et al., 2019; Salunke, Weerawardena, & McColl-Kennedy, 2019). This is because innovation-based SCAs not only have a significant influence on performance: they are difficult for competitors to imitate (Hult, Hurley, & Knight, 2004; Weerawardena & O'Cass, 2004). Importantly, innovation-based SCAs are viewed positively across the globe, including in China (Li & Mitchell, 2009). This is relevant because sources of innovation-based SCA can include internal, firm-owned assets and initiatives or external, supplier-provided solutions (Maury, 2018; Nyaga & Whipple, 2011). However, the effective leveraging of competitive advantages from supplier-based SCAs requires a strong focus on RM strategies. In line with recent works (e.g., Casidy et al., 2019; Salunke et al., 2019), this study contends that supplier innovation-based SCAs have salient marketing capabilities that can drive performance in B2B markets (i.e., among suppliers and customers), specifically by influencing customers' WTP.

Supplier-based SCAs are likely to enhance a customer's WTP. This is because when perceived benefits exceed costs, a value-maximizing B2B customer increases current purchases, does more business with a particular supplier, and indicates greater WTP (Palmatier et al., 2007). Interestingly, Palmatier et al. (2007) coined the term 'customer's willingness to reciprocate' to suggest that RM efforts will generate higher returns when invested in partner-firms that are willing to reciprocate the value they receive via increased sales and WTP. This mindset can also be applied to the other side of the dyad. A strategically beneficial partner offering distinct SCA drives customer firms to secure the relationship by investing in the partner's offerings (Wu, Chen, & Chen, 2015). This relationship-specific investment manifests as greater WTP and is a result
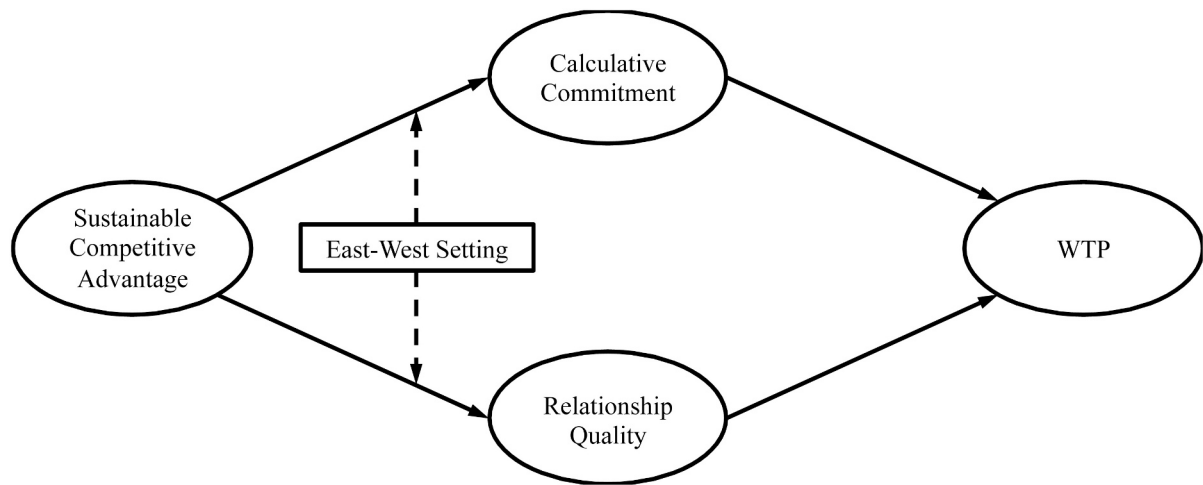
Fig. 1. Conceptual Framework.

of the increased emphasis on RM to consolidate the partnership (Chiou & Droge, 2006; Geiger et al., 2015; Keh & Xie, 2009). Thus, customers' WTP behavior concerning supplier-based SCA can be regarded as a function of RM efforts such as improving the quality of the relationship and increased commitment.

Indeed, one such type of motivational state that is especially evident is calculative commitment, as it reflects the extent to which the customer perceives the need to maintain a relationship due to the significant anticipated costs of switching or the lack of suitable channel partner alternatives capable of providing a similar SCA (Cater & Zabkar, 2009). Calculative commitment is a decision that emanates from a pragmatic cost-benefit analysis of the investments made in a partnership (Brown, Crosno, & Tong, 2019). Palmatier et al. (2006b, *p*.479) consider innovative supplier offerings that enhance productivity or efficiency (e.g., customized order processing systems) as "structural relationship marketing programs." Typically, these programs are costly and complex to set up, and although they may offer unique benefits, B2B customers tend to be calculative, and thus reluctant to switch their business to another supplier (Palmatier, Gopalakrishna, & Houston, 2006). In such cases, calculative commitment is beneficial because customer firms anticipate that maintaining such commitment will result in improved financial and non-financial outcomes (Giovanis, Athanasopoulou, & Tsoukatos, 2015). In this regard, Parent et al. (2011, *p*.219) view WTP as a "key concept underlying competitive strategy… whereby consumers feel there are few or no substitutes for what these companies are selling." Thus, because a customer's WTP is determined by the net benefits versus the costs incurred (Töytäri, Rajala, & Alejandro, 2015), it stands to reason that calculative commitment plays a mediating role in driving WTP behavior. This notion is based on the concept of customer-perceived value–the difference between the perceived net benefits and price paid (Anderson & Wynstra, 2010). Central to this argument is the idea that value is context-specific as customers tend to perceive value based on their specific situations (), and multi-faceted as it highlights the economic, strategic, and behavioral dimensions (Wilson & Jantrania, 1994). As a result, taking into consideration their business situation and institutional constraints, B2B customer firms tend to re-align their value perceptions with economic and relationship-related strategic sacrifices and the potential for future realization of value, thereby driving WTP behavior. Further, prior research shows that customers' WTP is limited by the perceived net benefits (Brandenburger & Stuart Jr, 1996). Similarly, based on the notion that "value created = willingness to pay opportunity cost" (Brandenburger & Stuart Jr, 1996, *p*.8), it is expected that innovation-driven SCA will indirectly influence WTP by taking into account the strategic cost-benefit analysis of the relationship as evaluated by the buyer through calculative commitment. Hence:

H1a. Calculative Commitment mediates the relationship between SCA and WTP.

As discussed earlier, in line with prior literature (e.g. Wu & Chiu, 2016), we conceptualize calculative commitment and RQ concomitantly to capture holistically the East-West B2B relationship phenomenon. Indeed, a central focus of B2B firms is to devise business strategies that inspire partners to continue transacting, thereby improving long-term prospects (Wu et al., 2015). To this end, Persson (2010) identified six corporate brand image dimensions that are determinants of price premium in B2B markets. Notably, of these dimensions, there is consensus that relational elements (e.g., RQ dimensions) play an especially vital role in driving WTP (Han & Sung, 2008; Kuhn, Alpert, & Pope, 2010; Persson, 2010). At the same time, innovation is also considered a critical marketing action that scholars have qualified as relationship-specific investments that signal intentions to foster a long-term relationship with partners (Lui, Wong, & Liu, 2009). For example, Kandampully and Duddy (1999, *p*.51) state that customers "will be inclined to maintain their relationship only if the firm maintains their market leadership, both in exceptional service and in innovativeness."

Since WTP is a consequence of positive RM behaviors (Rauyruen, Miller, & Groth, 2009), a symbiotic relational view of the supplier, resulting from their ability to provide a critical advantage that drives customer firm value, begets premium relational benefits such as WTP. Thus, in this study, we expect to find that positive RQ (based on communication, long-term orientation, satisfaction [economic and social] and affective commitment), has a fundamental mediating influence on the link between SCA and WTP. For instance, as a bundle of intangible values (Wu et al., 2015), RQ is central to the impact of SCA on WTP as strong B2B relationships provide opportunities for firms to create competitive advantage in the form of customer loyalty (Čater & Čater, 2010; Rauyruen & Miller, 2007). Also, when B2B customers achieve stronger economic satisfaction, this indicates an increase in efficiency, thus leading to a higher share of wallet and increased WTP (Biggemann & Buttle, 2012). Other scholars add that "the creation of superior value increases the customer's willingness to pay for the supplier's offerings" (Geiger et al., 2012, *p*.83). Thus:

H1b. Relationship Quality mediates the relationship between SCA and WTP.

4.2. The interaction of culture and SCA

Culture—the primary driver of the East-West dichotomy (Pattberg, 2009)—is a complex, multifaceted, and powerful force that shapes peoples' norms, perceptions, predispositions, and behaviors (Leung,

Bhagat, Buchan, Erez, & Gibson, 2005). It is defined as the "collective programming of the mind which distinguishes the members of one category of people from another" (Hofstede, 1989, *p*.391), and reflects specific values such as individualism and collectivism. Indeed, the environments of B2B markets can shape how firms operate and, in turn, influence their performance (Peng, Wang, & Jiang, 2008). Since resources (both tangible and intangible) vary according to the characteristics of each context, firms need to manage the social aspect of their resources and capabilities to generate economic returns (Hoskisson, Eden, Lau, & Wright, 2000).

Prior research contends that culture plays a moderating role in interfirm relationships For instance, Cannon, Doney, Mullen, and Petersen (2010) found that individualism and collectivism moderated the impact of trust and performance on long-term orientation in international B2B relationships, while cross-cultural sensitivity has also been found to have a significant impact on RQ (Skarmeas, Katsikeas, Spyropoulou, & Salehi-Sangari, 2008). Voldnes, Grønhaug, and Nilssen (2012) established that there are cultural differences concerning the impact of satisfaction on cross-cultural buyer-seller relationships. Flambard-Ruaud (2005) also shows that exchange partners in the West tend to have economic and impersonal involvement, which leads to calculative commitment. In the East, particularly in Chinese markets where *guanxi* is the lifeblood of business, research consistently shows that such interpersonal ties or connections facilitate economic transactions by providing pooled resources, tacit knowledge, and joint solutions to business problems (Lovett, Simmons, & Kali, 1999; Park & Luo, 2001). Although *guanxi* is considered costly and risky (Iyer, Sharma, & Evanschitzky, 2006), it is surprising that there is little understanding of the key factors that affect its behaviors (Shou, Guo, Zhang, & Su, 2011). Thus, it is important to understand the indirect effect of SCA on WTP through calculative commitment in Eastern and Western markets.

In this study, we contend that the impact of SCA on calculative commitment is moderated by culture. Research evidence suggests that although *guanxi* incorporates the notion of affective attachment and emotional commitment (Wang, 2007), its fundamental premise involves "exchanges of favors, both emotional and economical, following certain social norms and behavioral rules" (Yang & Wang, 2011, *p*.493). The notion of calculative commitment resembles the economic commitment that is present in *guanxi* networks (Low & Li, 2019) and is grounded mainly on utilitarian attachment (Park & Luo, 2001; Shou et al., 2011). Further, collectivist cultures predominantly found in the East, such as in China, value cooperation and group interdependence (Fock, Yim, & Rodriguez, 2010; Wong, Tjosvold, & Zhang, 2005). Hence, customers in the East might not mind being 'locked' in a relationship, particularly with a supplier that is perceived as having strong SCA. Indeed, scholars posit that when there is a strong dependence on a business partner, a firm is usually reluctant to establish affective-based relationships and will succumb to increased calculative commitment instead (Chang, Wang, Chih, & Tsai, 2012; Hibbard, Kumar, & Stern, 2001; Wetzels, De Ruyter, & Van Birgelen, 1998). Hence, we hypothesize that SCA would lead to a *stronger* calculative commitment in the Eastern cultural setting. On the other hand, individualist cultures, predominantly found in the West, value autonomy and self-reliance (Chelariu, Brashear, Osmonbekov, & Zait, 2008; Kagitcibasi, 1997). As such, customers in the West do not appreciate being 'locked' in a relationship with a supplier due to contractual obligations. In the West, relationships based on calculative commitment are seen as "unstable, as dependence implies a forced collaboration which the participants will try to break in the long term." (Santos-Vijande, Sanzo-Perez, Alvarez-Gonzalez, & Vazquez-Casielles, 2005, *p*.192). Consequently, studies in the West have found no significant effects of calculative commitment on important relational outcomes such as purchase intention and loyalty (Čater & Čater, 2010; Rauyruen & Miller, 2007). Therefore, we contend that SCA would lead to *weaker* calculative commitment in the Western cultural settings. Thus:

H2a. Culture moderates the effects of SCA on calculative commitment,

such that SCA leads to stronger (weaker) calculative commitment among Chinese (Australian) firms.

However, we do not anticipate that the impact of SCA on RQ will vary across East–West cultural settings. Regardless of the context, past literature stresses the importance of marketing capabilities that enhance RQ as a key driver of firm strategy and performance in the Eastern and Western cultural settings (Barry & Graca, 2019; Chang, Cheng, & Wu, 2012; Ndubisi, 2011). Thus:

H2b. Culture does not moderate the effects of SCA on RQ.

4.3. The conditional indirect effect of culture

Cultural differences have been found to influence the health of B2B relationships and firm performance (Barry, Dion, & Johnson, 2008; Kucukemiroglu, 1999; Pagell, Katz, & Sheu, 2005). Research also attests that the importance of interpersonal relationships vary across culture (Iyer et al., 2006). For example, the institutional basis for B2B relationships in Western markets tends to be political and legal, while Eastern networks depend on cultural institutions driving the establishment of relationships based on *guanxi* (Iyer et al., 2006).

Previously, we hypothesized that the effects of SCA on calculative commitment is moderated by culture, such that the effects are positive in the Eastern business settings and negative in the West. We expand this conceptualization to propose that the indirect effects of SCA on WTP via calculative commitment are significant only in the East. In the Chinese culture, a good supplier's performance has been found to drive RQ variables such as satisfaction and trust, as they create a sense of reliability and credibility (Chen, Huang, & Sternquist, 2011; Wang et al., 2015). The commitment levels in some Eastern business relationships may be considered excessive compared to regular business relationships, and may be regarded as negative by the West (Abosag & Naudé, 2014). Moreover, collectivism and high-power distance in the Chinese culture have been found to influence the power and commitment in buyer–seller relationships (Zhao, Flynn, & Roth, 2006). At the same time, in the West, being 'forced' or 'locked' into a relationship involuntarily, as would be the case with calculative commitment, offers few relationship benefits (Voss et al., 2020). After all, unlike in the East, there are relatively fewer environmental, structural, or institutional shortcomings that Western firms are compelled to overcome. For these reasons, calculative commitment plays a more pivotal intervening role in linking SCA to WTP in the East, but not in the West. Thus:

H3a. The mediating effect of calculative commitment on WTP is moderated by culture, such that the indirect effects of SCA on WTP via calculative commitment are significant (not significant) among Chinese (Australian) firms.

Given the central role of RQ in influencing relational outcomes in East and West cultural settings (Barry & Graca, 2019; Chang, Cheng, & Wu, 2012; Ndubisi, 2011), we do not expect the mediating role of RQ to vary for these two contexts. Therefore, we posit that the mediating influence of RQ on the relationship between SCA and WTP is consistent across Chinese and Australian market. Thus:

H3b. The indirect effects of SCA on WTP via RQ is not conditional on cross-cultural settings.

5. Methodology and results

5.1. Data collection and sample

This research employed a cross-sectional survey-based design that was implemented across two countries. As noted earlier, the East–West dichotomy is defined by cultural rather than geographical factors (Pattberg, 2009). For example, while Australia is geographically located in the East, it is considered as "part of the Western world" (Jones &

Smith, 2000, p.400) because it shares a historical, cultural and economic background similar to those countries geographically located in the West (e.g., USA; see Singhapakdi, Marta, Rao, & Cicic, 2001). Therefore, consistent with prior B2B cross-cultural studies (Atuahene-Gima & De Luca, 2008; Barnes, Yen, & Zhou, 2011), we recruited respondents from China and Australia to represent Eastern and Western cultural settings, respectively. This is consistent with recent studies (Kingshott et al., 2020) that also used the Chinese-Australian context to represent the East-West setting noting that "this setting underscores a stereotypical East-West business context that is important for those firms operating across different cultural/national boundaries to understand" (Kingshott et al., 2020, p.2).

Respondents were given a survey containing an identical set of questions. We appointed a professional market research firm (CINT panel management) to recruit top-level executives of B2B firms in both countries as the study respondents. To participate in the survey, respondents had to hold the position of CEO, director, or manager of a business organization at the time of survey completion. The sampling frame for each country was specified to match the national distribution of firm size, industry category, and geographic location provided by the Australian Bureau of Statistics (ABS) (2019) and National Bureau of Statistics of China (2014). A total of 690 responses were obtained, representing an overall response rate of 40%.

Each participant was asked to spend about 20 min responding to all of the survey items, including demographic information (i.e., age and gender) and their company profile (i.e., nature of business, company income, and number of employees). All of the original scale items from the literature were in English and then translated into Chinese by certified translators following a back-translation procedure. Table 1 lists the characteristics of respondents across the two cultural settings.

The survey, which was administered online, asked respondents to answer questions related to a supplier firm with which the respondent's firm has close ties. We requested that respondents identify a supplier that they work closely with and answer questions related to that supplier. We also specified that the supplier can be a firm that provides goods/services to the respondent's firm, including consultancy services, marketing services, delivery services, hardware, and parts supplies. In the initial phase of the survey, respondents were asked to state the name of this important supplier and the type of industry in which the supplier operates. Subsequently, the name of this firm was auto-inserted into the relevant sections of the survey. This approach is consistent with prior research on RM within B2B settings (e.g., Casidy & Nyadzayo, 2019; Casidy, Nyadzayo, Mohan, & Brown, 2018).

5.2. Measures

We used established scales from the literature to operationalize each construct. Each item employed a seven-point scale anchored by 1 = strongly disagree and 7 = strongly agree. SCA was measured with items adopted from Salunke et al. (2019), whereas affective and calculative commitment were measured using items adapted from Verhoef, Franses,

Table 1
Respondent Characteristics.

	Australia ($n = 336$)		China ($n = 360$)	
Age	$M = 45.35$ ($SD = 13.21$)		$M = 33.88$ ($SD = 6.39$)	
Gender	Male = 47%		Male = 69%	
Firm Size	1–4 employees	20%	1–4 employees	1%
	5–19 employees	33%	5–19 employees	10%
	20–199 employees	36%	20–199 employees	33%
	200+ employees	11%	200+ employees	56%
Industry (Top-5)	Professional Services	15%	Manufacturing	42%
	Retail	15%	Education	7%
	Education	10%	Retail	7%
	Consumer Services	7%	Professional Services	6%
	Manufacturing	7%	Communications	5%

and Hoekstra (2002). As discussed in the preceding section, we conceptualize RQ as a second-order construct, and its five dimensions (economic satisfaction, social satisfaction, long-term orientation, communication, affective commitment) are first-order factors measured through their respective indicators. Apart from affective commitment (Verhoef et al., 2002), all of the remaining RQ dimensions are measured using items from Jiang et al. (2016). Finally, the outcome construct, WTP, was measured using items from Casidy and Nyadzayo (2019). Tables 2 and 3 show the scale items and their respective sources.

5.3. Measurement models

The psychometric properties of the measures were assessed through confirmatory factor analysis (CFA) in Mplus 7.4 This was performed initially on RQ as the focal construct, and then on the full measurement model that included SCA, calculative commitment, RQ, and WTP. As seen in Table 2, the second-order CFA model fit was deemed to be acceptable on the basis of the overall model fit indices (Hair, Black, Babin, Anderson, & Tatham, 2006) for both Australia and China. Before estimating the hypothesized structural model, we applied a CFA to all of the model constructs. The full measurement model exhibited an acceptable fit with the data obtained from the two sample groups (see Table 3).

As reported in Table 4, the composite reliabilities for all constructs ranges between 0.75 and 0.97, indicating good reliability. Further, the square roots of the average variances extracted for each construct exceed the correlation coefficient between the constructs, except for SCA – RQ (0.76) in the Chinese data. We calculated the heterotrait-montrait (HTMT) to address this potential discriminant validity concern (Henseler, Ringle, & Sarstedt, 2015). Our HTMT ratio analysis indicated that none of the HTMT ratios of the paired constructs (including SCA – RQ in Chinese data) was higher than 0.80, thus supporting discriminant validity (Gold, Malhotra, & Segars, 2001; Teo, Srivastava, & Jiang, 2008).

5.4. Common method bias

We conducted both procedural and statistical analysis to determine whether the study contained common method bias (CMB). We avoided using double-barreled questions and ensured that the survey items were as concise as possible. We intentionally dispersed related items throughout the survey to minimize self-report validity concerns. With regards to statistical measures, we employed two statistical methods to assess CMB. First, we employed the Harman one-factor test (Podsakoff, MacKenzie, Lee, & Podsakoff, 2003) by subjecting all measurement items to a single principle component factor analysis with unrotated solution. The analysis revealed five factors with eigenvalues >1, with the first factor explaining 44.47% of the total variance in the Australian data, and four factors with eigenvalues >1, with the first factor explaining 43.48% of the total variance in the Chinese data. In both samples, the total variance explained by the first factor was under the 50% threshold indicative of common method bias problems (Podsakoff et al., 2003). Second, we employed the marker variable method by utilizing 'industry sector', a theoretically unrelated construct, as a proxy for common method variance (CMV). After partialling out the variance associated with the marker variable, there is very low ($r = 0.02$) difference between the initial correlations and the partialled correlations, and there are no substantial changes to the correlation between the model constructs, thereby suggesting that common method bias is not a concern in the study.

5.5. Measurement invariance

Because the goal is to compare the direct and indirect paths in the conceptual model in two cultural settings (Australia vs. China), we need to establish measurement invariance to ensure that the measurement model yields the same representation for the two cultural settings. We

Table 2
CFA for Relationship Quality.

	Australia				China			
	Std	UnStd	SE	t	Std	UnStd	SE	t
Affective Commitment								
Because I feel a strong attachment to [X], I remain a customer of [X]	0.937	1			0.749	1		
Because I feel a strong sense of belonging with [X], I want to remain a customer of [X]	0.952	1.016	0.038	26.648	0.788	0.990	0.076	12.990
Economic Satisfaction								
Our financial performance from the relationship with [X] is satisfactory.	0.784	1			0.746	1		
Our investments of resources in relationship with [X] (e.g., time and money) have paid off well.	0.875	1.104	0.061	18.158	0.731	1.118	0.084	13.359
We are satisfied with the financial gains from our business relationship with [X].	0.865	1.126	0.064	17.623	0.733	0.971	0.072	13.415
The contribution of our relationship with [X] to our total business performance is pleasing.	0.889	1.158	0.064	18.119	0.790	1.051	0.071	14.718
Social Satisfaction								
We are satisfied with the social aspects of the relationship with [X].	0.795	1			0.728	1		
Interactions between our firm and [X] are characterized by mutual respect.	0.868	1.031	0.059	17.401	0.715	0.924	0.071	13.068
The working relationship of our firm with [X] is characterized by feelings of harmony.	0.881	1.018	0.057	17.805	0.692	0.900	0.072	12.434
Communications								
We always keep [X] informed about events or changes that may affect [X].	0.834	1			0.709	1		
We share much information with [X] if it can be of help.	0.939	1.140	0.055	20.873	0.781	1.121	0.084	13.305
We exchange information with [X] frequently and informally, not only according to a prespecified agreement.	0.795	1.018	0.060	17.067	0.665	0.969	0.082	11.776
Long-Term Orientation								
Maintaining a long-term relationship with [X] is important to us.	0.845	1			0.748	1		
We focus on long-term goals in our relationship with [X]	0.748	0.929	0.062	15.053	0.750	0.959	0.069	13.901
We expect [X] to be working with us for a long time.	0.759	0.835	0.054	15.523	0.673	0.817	0.067	12.262
Relationship Quality[a]								
Affective Commitment[b]	0.756	1			0.853	1		
Economic Satisfaction[b]	0.815	0.698	0.060	11.695	0.887	0.905	0.082	11.011
Social Satisfaction[b]	0.927	0.922	0.072	12.752	0.981	0.997	0.087	11.504
Communications[b]	0.740	0.848	0.077	10.967	0.941	0.929	0.084	11.105
Long-Term Orientation[b]	0.955	0.977	0.072	13.553	0.960	0.943	0.082	11.552

Notes: Fit statistics for the Australian sample: χ^2 (df) = 242.81 (84). CMIN/DF = 2.89 CFI = 0.96, TLI = 0.95, RMSEA = 0.075.
Fit statistics for the Chinese sample: χ^2 (df) = 219.03 (84). CMIN/DF = 2.61 CFI = 0.95 TLI = 0.94, RMSEA = 0.067.
Std = standardized, UnStd = unstandardized, and SE = standard errors.
[a] Second-order factor.
[b] Second-order indicators.

Table 3
CFA for Full Measurement Model.

	Australia				China			
	Std	UnStd	SE	t	Std	UnStd	SE	t
Sustained Competitive Advantage (SCA)								
The innovations [X] introduced enabled them to enjoy a superior market position for a reasonable period	0.795	1			0.795	1		
The new changes [X] introduced have been appreciated by us	0.858	0.983	0.062	15.896	0.858	0.983	0.062	15.896
The new products or services [X] introduced were a stepping stone for further development	0.823	0.898	0.055	16.203	0.823	0.898	0.055	16.203
Calculative Commitment								
Because it is difficult to stop using [X] products/services, I remain a customer of [X]	0.726	1			0.726	1		
I remain a customer of [X] because it is difficult to take my business to another company	0.936	1.366	0.111	12.325	0.936	1.366	0.111	12.325
I remain a customer of [X] because it costs much time and energy to switch my business to another company	0.679	0.902	0.076	11.930	0.679	0.902	0.076	11.930
Willingness to pay price premium (WTP)								
We are willing to pay a higher service fee for [X] product/services over another supplier	0.908	1			0.908	1		
We are willing to pay a lot more for [X] product/services than another service provider	0.833	0.950	0.074	12.813	0.833	0.950	0.074	12.813
Relationship Quality[a]								
Affective Commitment[b]	0.766	1			0.766	1		
Economic Satisfaction[b]	0.818	0.686	0.057	11.952	0.818	0.686	0.057	11.952
Social Satisfaction[b]	0.936	0.913	0.070	13.124	0.936	0.913	0.070	13.124
Communications[b]	0.730	0.821	0.074	11.073	0.730	0.821	0.074	11.073
Long-Term Orientation[b]	0.941	0.933	0.068	13.695	0.941	0.933	0.068	13.695

Notes: Fit statistics for the Australian sample: χ^2 (df) = 501.136 (218). CMIN/DF = 2.30 CFI = 0.95 TLI = 0.94 RMSEA = 0.062.
Fit statistics for the Chinese sample: χ^2 (df) = 599.959 (218). CMIN/DF = 2.75 CFI = 0.91 TLI = 0.90, RMSEA = 0.070.
Std = standardized, UnStd = unstandardized, and SE = standard errors.
[a] Second-order factor.
[b] Second-order indicators.

Table 4
Correlations and Discriminant Validity Analysis.

Variable	CR	M	SD	1	2	3	4
Panel A: Australia							
1. Willingness-to-pay	0.863	4.13	1.49	0.871			
2. Sustained Competitive Advantage	0.866	4.91	1.16	0.571	0.826		
				0.634			
3. Calculative Commitment	0.828	3.83	1.48	−0.009	−0.117	0.788	
				0.167	0.163		
4. Relationship Quality	0.919	5.25	0.99	0.570	0.694	−0.139	0.835
				0.632	0.671	0.076	
Panel B: China							
1. Willingness-to-pay	0.863	5.38	1.13	0.781			
2. Sustained Competitive Advantage	0.866	5.80	0.79	0.564	0.736		
				0.618			
3. Calculative Commitment	0.828	5.48	1.06	0.428	0.372	0.775	
				0.548	0.536		
4. Relationship Quality	0.919	5.78	0.69	0.741	0.759	0.580	0.926
				0.775	0.755	0.660	

Notes: In each cell below the diagonal, the top value indicates the correlation between constructs, and the bottom value indicates the HTMT ratio. The square root of the average variance extracted is highlighted in bold. All correlations are significant at 0.01 level. CR = composite reliability, M = mean, SD = standard deviation.

initially tested for configural invariance (Hair et al., 2006) to examine whether the same factor structure exists in the Australia and the Chinese data by observing the model fit indices. Our analysis revealed that the simultaneously estimated model for Australian and Chinese firms showed a good fit to the data (χ^2/df (791.508/404) = 1.96, $p < .001$, CFI = 0.95, TLI = 0.93, RMSEA = 0.053). All the factor loadings were highly significant at $p < .001$ for the two cultural settings and exceeded the 0.70 level. Thus, it can be concluded that the model exhibits configural invariance for both Australian and Chinese firms. Subsequently, we tested for metric invariance.

We evaluated metric invariance by constraining factor loadings to be equivalent for the moderator subgroups. Metric invariance is deemed to exist when constraining factor loadings do not significantly impair model fit (Hair et al., 2006). Our analysis found full metric invariance, as the constrained model did not yield a significantly poorer fit than the configural invariance model ($\Delta\chi^2(\Delta df) = 12.369(15)$, $p > .65$). Thus, we proceeded to examine the inter-relationship between our key constructs across the two cultural settings.

5.6. Tests of hypotheses

Prior to testing the research hypotheses, we assessed potential issues of multicollinearity using the variance inflation factor (VIF). The VIF statistics suggested no multicollinearity issue between the independent variables for either the Australian or Chinese sample (VIF < 3). Additionally, a Durbin-Watson test generated satisfactory values of 1.75 (Australia) and 1.85 (China), indicating no correlated errors (Field, 2013).

We then tested the hypothesized relationships using a moderated mediation analysis with the PROCESS macro developed by Hayes (2017). Consistent with the procedure recommended in prior cross-cultural research (Malhotra, Singhal, Shang, & Ployhart, 2014; Rungtusanatham, Miller, & Boyer, 2014), we combined the Chinese and Australian samples into one for analysis purposes to assess mediation and applied the cultural settings (Australia vs China) as a moderator. This approach is possible when using PROCESS, which is considered superior to other modeling software due to its ability to simultaneously estimate mediation and moderation effects (i.e. "conditional" mediation; Hayes, 2017). Because our aim was to examine whether the mediation effects of RQ and calculative commitment are significantly different for the two cultural settings (i.e., Australia vs China), the PROCESS approach was considered ideal for our purposes (see Gong & Yi, 2018).

A moderated mediation analysis was performed using the PROCESS syntax with SCA as the independent variable, RQ and calculative commitment as the mediators, East vs West cultural settings (Australia vs China) as the moderator, and WTP as the outcome construct. We included firm characteristics (i.e., company income and company size – measured by number of employees) and respondent characteristics (i.e., age and gender) as covariates in the model.[2] The analysis results gave general support to our hypotheses. SCA was found to have significant negative effects on calculative commitment ($\beta = -0.650$, $t = -4.62$, $p < .001$), and calculative commitment was found to have significant effects on WTP ($\beta = 0.073$, $t = 2.42$, $p < .02$). SCA was also found to have significant positive effects on RQ ($\beta = 0.457$, $t = 5.86$, $p < .001$), and RQ was found to have significant effects on WTP ($\beta = 0.621$, $t = 10.53$, $p < .001$). Our analysis results revealed that when cultural settings were excluded as a moderator, SCA has significant indirect effects on WTP via calculative commitment ($\beta_{indirect} = 0.056$, 95% CI [0.030, 0.089]) and via RQ ($\beta_{indirect} = 0.343$, 95% CI [0.255, 0.432]), thereby supporting H1a and H1b.

Consistent with our hypotheses, there is a significant interaction between SCA and cultural settings in influencing calculative commitment ($\beta_{interaction} = 0.508$, $t = 5.05$, $p < .001$). A spotlight analysis found that SCA has significant positive effects on calculative commitment among Chinese firms ($\beta = 0.365$, $t = 4.41$, $p < .001$), whereas the direction of effects are reversed among Australian firms ($\beta = -0.143$, $t = -2.52$, $p < .05$; see Fig. 2), thereby confirming H2a. This suggests that higher level of SCA leads to a stronger (weaker) level of calculative commitment among Chinese (Australian) firms. On the other hand, as hypothesized, we did not find significant interactions between SCA and cultural settings in influencing RQ ($\beta_{interaction} = 0.039$, $t = 0.70$, $p > .10$). A spotlight analysis indicates that the effects of SCA on RQ are consistent for both Australian ($\beta = 0.496$, $t = 15.78$, $p < .001$) and Chinese firms ($\beta = 0.535$, $t = 11.65$, $p < .001$), with no significant differences between the two cultural settings (see Fig. 2), thereby confirming H2b.

We found that calculative commitment had significantly different mediating effects across the two cultural settings in support of H3a. Specifically, SCA has significant indirect effects on WTP via calculative commitment among Chinese firms ($\beta_{indirect} = 0.027$, 95% CI [0.001, 0.061]), but the indirect effects are not significant among Australian firms ($\beta_{indirect} = -0.011$, 95% CI [−0.031, 0.002]). The pairwise contrasts between conditional indirect effects ($\beta = 0.037$, 95% CI [0.003, 0.085]) are significant which further confirmed that the mediation effect

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[2] We further examined the validity of our model by randomly splitting the sample into two subsamples based on age (Sample 1 = 18–40 (Gen Y); Sample 2 = 40 and above (Gen X and Baby Boomers) and reran the analysis. We found that the results hold across the two subsamples.
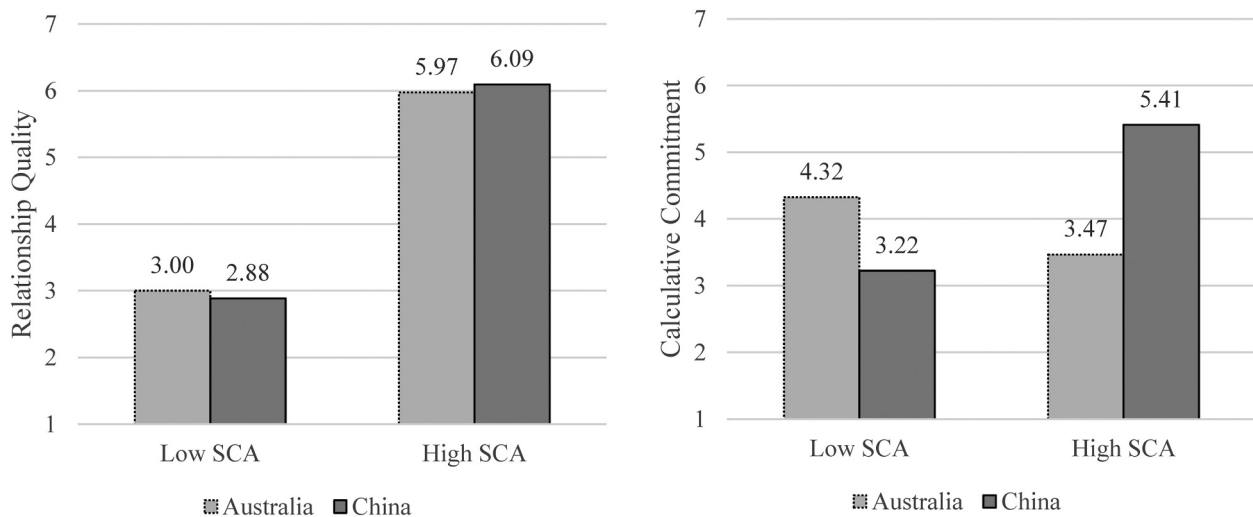
Fig. 2. The Effects of SCA on RQ and Calculative Commitment among Australian and Chinese firms.

of calculative commitment on WTP was moderated by cultural settings, thereby confirming H3a. Importantly, we found significant indirect effects of SCA on WTP via RQ among Australian ($\beta_{indirect} = 0.308$, 95% CI [0.224, 0.397]) and Chinese firms ($\beta_{indirect} = 0.332$, 95% CI [0.232, 0.467]) with no significant differences across the two groups, thereby supporting H3b. Table 5 provides the detailed results of the tests of

Table 5
Tests of Hypotheses.

Direct Effects	β	SE	t
DV: RQ			
SCA	0.457***	0.078	5.861
Cultural settings	−0.154	0.320	−0.481
SCA * Cultural settings	0.039	0.056	0.700
Age	0.003	0.003	1.071
Gender	−0.066	0.055	−1.187
Company Size	0.072*	0.035	2.039
Company Income	−0.001	0.027	−0.034
DV: CAL			
SCA	−0.650***	0.141	−4.624
Cultural settings	−1.612**	0.576	−2.796
SCA * Cultural settings	0.508***	0.101	5.050
Age	−0.006	0.005	−1.266
Gender	−0.166	0.100	−1.656
Company Size	0.252***	0.064	3.950
Company Income	0.008	0.048	0.156
SCA → Calculative Commitment (Australia)	−0.143*	0.057	−2.517
SCA → Calculative Commitment (China)	0.365***	0.083	4.406
DV: WTP			
SCA	0.280***	0.049	5.751
Relationship Quality	0.621***	0.059	10.529
Calculative Commitment	0.073*	0.030	2.424
Age	−0.013***	0.004	−3.363
Gender	−0.253**	0.085	−2.995
Company Size	0.187***	0.054	3.475
Company Income	0.057	0.041	1.392

Indirect Effects								
DV: WTP								
	β	SE	LL	UL	Δβ	SE	LL	UL
SCA → RQ → WTP								
Australia	0.308	0.046	0.220	0.399	0.024	0.060	−0.086	0.148
China	0.332	0.061	0.232	0.468				
Index of moderated mediation	0.024	0.060	−0.086	0.148				
SCA → CAL → WTP								
Australia	−0.011	0.009	−0.033	0.001	0.037	0.021	0.002	0.086
China	0.027	0.015	0.002	0.060				
Index of moderated mediation	0.037	0.021	0.002	0.086				

Notes: All coefficients are unstandardized; LL = Lower Limit, UL = Upper Limit of Confidence Interval (95%); DV = Dependent Variable, SCA = Sustained Competitive Advantage, CAL = Calculative Commitment, RQ = Relationship Quality, WTP = Willingness-to-pay premium price.

hypotheses.

5.7. Robustness check: alternative model specification

Thus far, our theorized effects of SCA on WTP are underpinned by the distinct mediating roles of RQ and calculative commitment. However, several studies in the B2C literature (Hennig-Thurau, 2000; Venetis & Ghauri, 2004; Vesel & Zabkar, 2010) conceptualized calculative commitment as an RQ dimension. Hence, to further assess the robustness of our RQ model, we tested an alternative model in which RQ has six dimensions, including calculative commitment. As seen in Table 6, the six-dimension RQ model demonstrates good fit with the data as shown by the fit indices. However, the standardized factor loadings of calculative commitment are below the recommended level of 0.6 (Hair et al., 2006) among Australian and Chinese firms, indicating weak evidence of convergent validity for its inclusion as an RQ dimension. These findings provide further support for our contention that calculative commitment is distinct from affective commitment, and therefore it should not be regarded as an RQ dimension in B2B contexts.

6. Discussion

According to Gu et al. (2019, *p*.227), "insights about how to effectively manage buyer-seller relationships across cultures and countries are scarce." Further, recent research also states that there is a significant dearth of studies exploring RM practices between B2B firms across the East-West cultural divide (Kingshott et al., 2020). Hence, this study examined the role of relational constructs (i.e., calculative commitment and RQ) as the underlying mechanism of the effects of SCA on WTP as an important performance outcome variable across East-West settings (i.e., Australia vs. China).

Generally, our results provided support for our hypotheses. Specifically, we found significant differences between the two cultural settings with regards to the underlying mechanisms by which SCA affects WTP. Among Australian and Chinese firms, SCA was found to have significant effects on WTP via RQ. However, we found contrasting results with regards to the mediating role of calculative commitment in the two cultural settings. Precisely, we found that calculative commitment mediates the relationship between SCA and WTP among Chinese firms, but no significant mediating effects were found among Australian firms. We expand on these findings by discussing several theoretical and managerial implications that follow from the results.

6.1. Theoretical contributions

Given the paucity of research that examines the boundary conditions and unique mechanisms that clarify the application of RM theory in distinct cultural settings (Burgess & Steenkamp, 2006; Paparoidamis et al., 2019), the theoretical contributions of the current research are significant. First, we contribute to the conceptualization of RQ in the B2B domain by validating a multi-dimensional RQ model in a cross-cultural setting. To date, there has been "a lack of consensus on the structural nature of this [RQ] construct…which leads to the ongoing academic standoff regarding the dimensions that should be chosen for measuring the construct" (Jiang et al., 2016, *p.*297). We build upon this prior work by integrating affective commitment with the RQ dimension and validating the model in two distinct cultural settings, thereby addressing Jiang et al. (2016, p.310) call for research to test their model in "other country or cultural contexts". The psychometric results of the current application portend well for the contemporary conceptualization of RQ as the scale works consistently in both Chinese and Australian contexts. Moreover, as shown in our alternative model, we theorize and empirically demonstrate that calculative commitment does not fit well into the multi-dimensional RQ model in both Australian and Chinese samples, thereby confirming the unique distinction between affective and calculative commitment as documented in the B2B RM literature (Čater & Čater, 2010; Cater & Zabkar, 2009; Wetzels et al., 1998).

Second, by examining the role of calculative commitment in distinctly different cultural settings, this study adds to the body of literature by considering the role of rational motivation (i.e. calculative commitment; see Čater & Čater, 2010) in achieving WTP in supplier–customer firm relationships. Prior studies in the West found no significant effects of calculative commitment on attitudinal and behavioral loyalty among Slovenian (Čater & Čater, 2010) and Australian firms (Rauyruen & Miller, 2007). Consequently, scholars contended that firms should focus on affective commitment rather than calculative commitment as the latter might not encourage the development of beneficial competencies that are needed to build relationships with customers (Bloemer et al., 2013; Santos-Vijande et al., 2005). Our results suggest that calculative commitment still plays an important role in the East as it significantly mediates the relationship between SCA and WTP. On the other hand, SCA was found to have negative effects on calculative commitment and does not significantly mediate the relationship between SCA and WTP in the West. These findings highlight the importance of rational motivation (i.e. calculative commitment) in the Eastern cultural setting, something that was largely ignored by prior studies focusing on the Western contexts.

Finally, the current study makes a unique contribution to the *guanxi* literature by focusing on innovation-driven SCA (Salunke et al., 2019) and its impact on WTP via relational mechanisms. In doing so, this research addresses Casidy et al. (2019) call for further studies that examine the role of relational factors in B2B innovation in various geographic contexts. Moreover, prior studies seem to underestimate the importance of calculative commitment in the Eastern business context. For example, Lee et al. (2001, p.63) suggest that "exchange partners in *Guanxi* have affective and personal involvement in the relationship, resulting in affective commitment…in contrast, relational exchange partners in the West tend to have economic and impersonal involvement, which leads to calculative commitment". Our results suggest otherwise. In our study, we found that supplier–customer relationships in the East place equal importance on both calculative commitment and affective commitment, the latter as an integral part of RQ. This suggests

Table 6
Second-Order CFA for Six-Dimensional Relationship Quality (Alternative Model).

Second-order Indicator	Australia				China			
	Std	*UnStd*	*SE*	*t*	*Std*	*UnStd*	*SE*	*t*
Affective Commitment	0.761	1			0.864	1		
Economic Satisfaction	0.813	0.690	0.059	11.745	0.887	0.895	0.080	11.226
Social Satisfaction	0.934	0.922	0.072	12.890	0.969	0.968	0.084	11.582
Communications	0.730	0.830	0.076	10.920	0.950	0.927	0.081	11.398
Long-Term Orientation	0.919	0.909	0.072	12.677	0.954	0.924	0.079	11.707
Calculative Commitment	−0.138	−0.159	0.070	−2.258	0.579	0.707	0.087	8.131

Notes: Fit statistics for the Australian sample: χ^2 (*df*) = 327.190 (129) CMIN/DF = 2.54 CFI = 0.96 TLI = 0.95 RMSEA = 0.068.
Fit statistics for the Chinese sample: χ^2 (*df*) = 376.004 (129). CMIN/DF = 2.91 CFI = 0.93 TLI = 0.91, RMSEA = 0.073.
Std = standardized, *UnStd* = unstandardized, and *SE* = standard errors.

that exchange partners in *guanxi* also place importance on economic and impersonal involvement. These findings provide useful theoretical insights for *guanxi* researchers, and encourage further examination of the importance of economic and impersonal involvement as manifested in calculative commitment, in affecting relational outcomes such as WTP.

6.2. Managerial implications

This study identifies several strategic considerations for the management of B2B relationships, specifically those relationships that deal with global channel partners. The overarching managerial implication of this research is that Eastern and Western firms operate in distinctively different ways with regards to the management of interfirm relationships, such that the differences in their relationship management approaches can significantly dictate the WTP of buyers. This has major implications for supplier–buyer relationships as it suggests that B2B firms, when operating globally, ought to adopt more locally appropriate strategies when establishing and maintaining relationships with channel partners.

An in-depth examination reveals a more nuanced perspective. Specifically, this research shows that the nature of the association between a supplier's SCA and customer's WTP is inherently different when considered from an Eastern versus Western standpoint. For instance, in the East, the outcome of a firm's WTP in dyadic interfirm relationships is highly dependent on relational motivation like RQ and rational motivation such as calculative commitment. In fact, not only is strong RQ a requirement for customer's WTP to positively reflect supplier's SCA, but buyers need to be 'locked into' the relationship as well. This suggests that customer firms in Eastern countries, possibly as a reflection of their collectivistic values, view dependence upon suppliers favorably, particularly those suppliers that are perceived as having strong innovation-based SCA. Hence, suppliers need to focus on the relational benefits to be gained from customers' association with the supplier firm (as seen via the mediating role of RQ), as well as establish the notion that there is no other strategic alternative to the relationship at hand (as depicted via the mediating role of calculative commitment). Indeed, the role of RQ and calculative commitment as prerequisite intermediary factors in the model reflects their complementary roles—the corollary being that the costs of terminating the relationship or switching suppliers are always likely to be high.

Conversely, this research finds that in the Australian cultural setting, while RQ plays an important role in translating innovation-based SCA into WTP, calculative commitment does not significantly influence WTP. In contrast to the findings pertaining to the East, we find that the more customer firms perceive the supplier as having strong SCA, the less they feel that they are 'locked' into a relationship with the supplier. This implies that firms working with Western B2B buyers need to make significant efforts to develop a holistic RQ with the buyers in terms of five inter-related dimensions, namely: long-term orientation, communication, economic satisfaction, social satisfaction (Jiang et al., 2016), and affective commitment (Verhoef et al., 2002). Regardless of the national context, however, the findings for both samples support the importance of good quality relationships in dyadic partnerships. Thus, managers always stand to gain by facilitating efforts that improve interfirm RQ, particularly for those firms within an East-West B2B relationship.

6.3. Limitations and future research

This study has several limitations that can be addressed in future research. First, while WTP is an important outcome construct in B2B relationships, other outcome constructs could be examined in future research, such as consideration set size, positive word-of-mouth communication, and intention to adopt new products/services launched by the supplier (Casidy et al., 2019), among others. A cross-cultural examination of how SCA can influence these other outcome variables via relational constructs operationalized in this study would

provide broader theoretical and practical insights on the role of calculative commitment and RQ in influencing industrial buyers' intentions and behaviors.

Secondly, while the current study adopted the operationalization of RQ proposed by Jiang et al. (2016), we recognize other potential RQ dimensions that could be included in future research. In particular, several scholars have identified trust as an important RQ dimension (De Wulf & Odekerken-Schroder, 2001; Dorsch, Swanson, & Kelley, 1998; Johnson, Sohi, & Grewal, 2004). Future studies could examine how trust interacts with RQ and commitment in linking the relationship between SCA and WTP across diverse cultural settings. Further, we operationalized only two types of commitment (i.e., affective and calculative commitment) in this study, whereas others have examined other types including normative and continuance commitment (Cater & Zabkar, 2009; Keh & Xie, 2009). Future research could examine the role of normative vs continuance commitment and whether they would fit into the RQ dimension along with affective commitment across cultures.

Next, the use of a cross-sectional survey design in this study also imposes several limitations. Specifically, the key constructs used in this study (e.g., SCA, calculative commitment, RQ) may vary across firms and over time. Thus, future studies employing longitudinal data analysis could strengthen the findings of the present study. Determining whether and how calculative commitment and RQ influence WTP during various phases of supplier-buyer relationships, would generate useful theoretical and practical implications for marketers. Perhaps, calculative commitment plays a stronger role in the early phase of buyer-supplier relationship whereas RQ plays a stronger role during the later phase of relationship.

Finally, while our research implies that developing economies are representative of Eastern culture, and that Western culture comprises developed economies, certainly the opposite is true as well, as the UN classification[3] of countries shows that some countries in the so-called West are in fact economies in transition. Hence, our findings need to be interpreted with care, being cognizant that they are mostly generalizable to the cultures examined in this study. Thus, we are calling for future studies that capture a much broader scope comprising other developed Eastern economies as well as developing Western economies.

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Munyaradzi Nyadzayo, Ph.D., is the Associate Dean (Research) and Associate Professor of Marketing at the University of Wollongong in Dubai. He has extensive knowledge and experience in various research fields such as B2B marketing, brand management, relationship marketing, retailing, franchising, services marketing and entrepreneurial marketing in emerging markets. His research has been published in leading marketing journals including *Industrial Marketing Management*, *Journal of Business Research*, *Journal of Marketing Management*, and *Journal of Retailing and Consumer Services*, among others.

Mayoor Mohan, Ph.D., is an Associate Professor of Marketing at Virginia Commonwealth University. His primary research interests include managerial phenomenon related to brand strategy, innovation strategy, and B2B marketing strategy. His research on these topics has been published in premier marketing journals such as the *Journal of Business Research*, *Industrial Marketing Management*, *European Journal of Marketing*, *Journal of Product and Brand Management*, and *Journal of Services Marketing*, among others. In addition, his research has been featured in popular news outlets like Forbes.

Riza Casidy, Ph.D., is an Associate Professor at the Department of Marketing, Macquarie University, Australia. His major research interests are in the area of brand management and services marketing. He has published over 40 articles in leading marketing journals, including *Journal of Service Research*, *Industrial Marketing Management*, *European Journal of Marketing*, and *Tourism Management*, among others.