

## The Effect of Supplier Selection Factors on Relationship Satisfaction and Intention to Continue a Relationship: Focused on Global Suppliers

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**Abstract.** The purpose of this study is to examine the relationship between the factors in selecting suppliers such as professionalism, innovativeness, affinity, and price advantage, relationship satisfaction between buyers and suppliers, and intention to continue the relationship. By examining these factors, this study aims to suggest ways of strengthening the relationship and to propose some relationship management strategies between suppliers and buyers. For this purpose, based on the study of literature and previous studies, the theoretical backgrounds related to SCM, supplier selection factors, relationship satisfaction, and intention to continue relationship were presented, on which research mode and research hypotheses were suggested. To verify the hypothesis, a survey was conducted on employees of global health food raw materials suppliers in China, the United States, New Zealand, Japan, and Germany through various methods such as international telephone and e-mail. The distributed questionnaire was 935 copies, and the final valid questionnaire was 300 copies. For the empirical analysis, frequency analysis, exploratory factor analysis, confirmatory factor analysis, and correlation analysis were conducted before hypothesis verification using statistical package programs SPSS26.0 and AMOS26.0. The results of the empirical analysis are as follows. First, it was confirmed that professionalism, innovativeness and price advantage among the four factors of supplier selection had a significant positive effect on relationship satisfaction, but affinity did not have a significant effect on relationship satisfaction. Second, it was confirmed that relationship satisfaction had a significant positive effect on intention to continue relationship. Based on the results of the empirical analysis, the implications of this study are as follows. First, in order to maintain the continuous relationship satisfaction with the buyer, the supplier will need constant efforts and research to lower the production cost through stable supply of raw materials, simplification and improvement of distribution structure, and development of a new distribution path. Second, suppliers should maintain a continuous transaction relationship through the efforts such as smooth

communication with buyers, acceptance of buyers' requirements, and improvement of work efficiency in order to maintain the relationship with buyers. Third, suppliers should make constant efforts to expand the suppliers by making the existing suppliers satisfied with current relationship introduce new suppliers. Fourth, the supplier should avoid behaviors that violate the law or morality, although the effort for relationship satisfaction is important.

**Keywords:** SRM (Supplier Relationship Management), professionalism, innovativeness, affinity, price advantage, relationship satisfaction, intention to continue a relationship (Intention of Relationship continuity)

## **1. Introduction**

The purchase has been made independently within an organization but has long been considered a strategically unimportant function. The main tasks of purchasing were not considered as the source of competitive advantage because they were regarded as the auxiliary sectors that satisfy and support the demand of major functions of companies such as research, development, design, and production (Kaufmnnn 2002). However, in recent years, purchasing has been recognized as a competitive function that has a significant impact on tactical functions that do not significantly demonstrate the importance of the whole function. Purchase is a portal system that connects external suppliers and internal functions, creating and delivering value to companies and their customers. As a result, the strategic importance of purchasing has significantly increased over the past few decades.

As the strategic importance of purchasing increased, the relationship between many companies and suppliers changed fundamentally. In other words, it was shifted from a hostile transaction to relationship-oriented cooperation. As a result, interest in academic literature and business practices in supplier-and-buyer relationship management has increased. Companies induce competition among suppliers if necessary to maximize profits in these relationships. Competitive suppliers consider their counterparts as enemies to acquire more resources from each other, and in most cases, suppliers are in a weaker position.

The same is true of the buyer. The more constrained buyers are too many conditions of cooperative suppliers, the more unlikely they are to be provided better quality and service in the long term. This causes instability in supply and stagnation in the improvement of market supply. It also includes risks such as waste of resources due to short-term profit competition rather than value creation. The provider can provide more services than supply just as the quantity of affordable products as the buyer demands. Suppliers are one of the important subjects of normal production and operation of companies, and supplier management is a key topic of purchasing strategy. This plays an important role in determining the future growth potential of the company and also determines the degree of the development potential of the company. Therefore, unless a rational and efficient supplier management strategy is planned, not only do companies go through huge losses but also, they cannot gain a competitive edge. Therefore, each company needs to make efforts to achieve optimization of supplier relationship management strategy and further, to build long-term and close cooperative relationship to increase the efficiency of supply chain management.

Accordingly, the SRM aims to create and improve value in the transaction relationship by participating in the activity process such as building, developing, maintaining, or releasing the relationship with the supplier.

This study selected four factors that include suppliers' professionalism and innovativeness which raise the quality of products or services and represent technology, the affinity that can affect communication before or after transactions,

and price advantage directly related to value among the factors affecting SRM. Furthermore, this study aims to verify the influence of the main factors that are used to select these suppliers on relationship satisfaction and intention to continue the relationship.

## **2. Literature Review**

### **2.1. SRM**

SRM (Supplier Relationship Management) is a purchase part of SCM (Supply Chain Management) and it is an activity to improve the relationship with suppliers, external partners, and to expand and integrate the supply chain to enhance the efficiency of the entire supply chain. Ultimately, it is an activity or a method to increase the competitiveness of the company.

Herrmann and Hodgson (2001) defined SRM as managing current suppliers, finding new suppliers, reducing costs, planning procurement, and integrating purchasing experiences to extract the benefits of supplier relationships. Young Ki Park et al. (2004) defined SRM as an activity that maximizes the capability and role of suppliers through differentiated relationship management by suppliers and ultimately enhances the competitiveness of companies. Jin Won Noh (2005) defined SRM as an activity that improves the relationship with suppliers as external partners, and expands and integrates supply chains to enhance the overall efficiency of the supply chain.

SRM is a management solution that suggests how companies should manage product suppliers to maximize profits (Risi and Schipani 2018; Mahmoud 2021). It is distinguished from SCM in that it can efficiently handle demand forecasting and inventory management including management of partners' product supply status.

### **2.2. Factors for selection of suppliers**

In general, the criteria of supplier selection are based on four criteria: quality, cargo delivery, service provision, and cost. The quality here in the criteria means the things relative to the stable and efficient provision of products, quality control systems, production facilities, and production processes. Cargo delivery is the ability of suppliers to deliver production capacity, manpower, and logistics to buyers with the promised conditions fulfilled. The service provision is related to whether suppliers have a smooth service system to meet buyers' needs during the transaction period. Cost in the criteria is related to whether a supplier can offer the advantage of the cost of raw materials until they are made into finished products.

Therefore, this study aims to conduct research by setting four factors of professionalism, innovativeness, affinity, and price advantage that can represent the characteristics of quality, cargo delivery, service provision, and cost as supplier selection criteria.

### **2.2.1. Professionality**

Suppliers' professionalism can be achieved through technical skills and professional sales representatives. Professional production line, production processing, facility, management system, and production capacity can meet buyers' realistic desire for a product. So, in this phase, sales managers who can meet buyers' potential demand by combining the expertise on products and can actively deliver the value of the products plays a very important role.

Tsai et al. (2010) emphasized the importance of professionalism. Individual professionalism is said to be the degree to which marketers possess professional skills, knowledge and capabilities to create common value with consumers, and the professionalism of sales managers had a positive impact on consumers' purchase intention. In the study on casino VIP customers, Sang Youl Lee et al. (2022) said that the professionalism of casino dealers showed a significant positive (+) relationship with interaction, reaction attitude and knowledge sharing of creating the common good.

Based on this, this study aims to define suppliers' professionalism as the degree of professional knowledge, product, and technical competence to satisfy buyers' demands.

### **2.2.2. Innovativeness**

Innovativeness is the core content of corporate management and is an important factor in determining the direction, size, and growth rate of a company. The innovativeness of a company includes innovativeness relative to organization, technology, management, and strategy. So, it is a driving force to explore new opportunities to develop by presenting the difference between the expected development situation and the reality of corporate management.

Zawislak et al. (2012) defined innovativeness as being the clearest and attractive innovativeness capability. However, not all companies can innovate. In the market, most companies are limited in production, processing, and marketing elements. so, they stated that innovativeness is composed of technology development capability, manufacturing capability, management capability, and transaction capability. In addition, Cho et al. (2019) emphasized the importance of innovativeness through the IPA analysis (Importance-Performance Analysis) and Borich Needs Assessment, and suggested countermeasures to promote purchasing decisions for global industrial goods.

Therefore, based on previous studies such as Zawislak et al. (2012), this study defines suppliers' innovativeness as the ability to research and develop new products and production processes.

### **2.2.3. Affinity**

Affinity belongs to the category of human social ability and refers to the way or means of ideological exchange and emotional communication established between people. A person with affinity can easily feel favorable to the other party and can improve reliability from a friendly impression, which is a very important factor for sales managers.

Many previous studies have confirmed that partnership and friendly cooperation in the supply chain are important factors in maintaining the continued competitiveness of the supply chain. Wong et al. (2002) emphasized that cooperation based on partnership should be supported in order to maintain the continued competitiveness of the supply chain. Hee June Jeon (2010) confirmed that the relationship in line with partners' roles has a positive (+) effect on the satisfaction and operational performance perceived by the partner company, and the satisfaction of the partner company has a positive (+) effect on the operational performance. In the study on the effect of a supplier's affinity on satisfaction, conflict, and commitment in supply chain relationships, Jong Hoon Kim (2017) emphasized the importance of affinity as a countermeasure to conflict in the relationship, and perceived affinity had a positive effect on relationship satisfaction and commitment through empirical analysis. In addition, affinity has a moderating effect on the relationship between commitment and conflict.

Therefore, this study defines affinity as the activities that can enhance cooperation and common interests with buyers, affect immersion, and manage the conclusion or maintenance of transactional relationships.

### **2.2.4. Price advantage**

Price advantage is the goal all suppliers pursue. And it is related to achieving price advantage among competitors by using a series of functional policies to lower prices. Price advantage is low in differentiation in strategy because the more various products are made, the more expensive it is.

Price advantage is also a very important factor in trade transactions. Since the lowering of the cost inevitably leads to the deterioration of the product quality, the ability to induce buyers' interest is very important by lowering the cost among similar products and leading to the price advantage under the prerequisite to maintain the quality of a product. Therefore, the stable supply of raw materials, excellent production processes and facilities, and excellent distribution structure under uncertain market conditions can help to gain a price advantage.

Therefore, this study defines the price advantage as delivering to buyers at a lower price than competitors on the premise of providing a similar level of products.

### **2.3. Relationship satisfaction**

Oliver (1999) stated that satisfaction is the level of satisfaction with the perceived result felt by a person compared to the expected value. Satisfaction with relationships is considered to be a very important variable in the relationship between suppliers and buyers (Barclay and Smith 1995). Relationship satisfaction is a positive emotion in a mutual relationship. Especially in the transaction, suppliers and buyers make a lot of efforts to improve the relationship quality and to convert it into a common profit. Se Jo Oh et al. (2003) defined relationship satisfaction in terms of the paths that occur from the relationship: satisfaction among members, economic satisfaction, and satisfaction with service quality. Seo and Jo (2020) defined relationship satisfaction as a comprehensive evaluation of transactions that companies formed over time based on the total transaction experience.

Relationship satisfaction consists of evaluation and preference for partner companies, and it has been studied as a relationship that has a great influence on transaction intention and purchasing behavior Yuyu, et al. (2015). Many previous studies have argued that relationship satisfaction is related to the maintenance of a relationship as a positive emotion in a mutual relationship. Shaver and Brennan (1992) studied the relationship between attachment and relationship satisfaction and revealed that their relationship had a positive (+) effect. Cramer (2002) said that relationship satisfaction had a significantly positive (+) effect on tendencies of conflict. Knobloch (2010) analyzed the correlation between relationship satisfaction and relationship uncertainty in the study on the relationship between relationship uncertainty and intimacy. As a result, it was found that there was a strong negative correlation between relationship satisfaction and relationship uncertainty. In the study on relationship satisfaction and conflict resolution strategy, Yeon and Seo (2013) said that high relationship satisfaction helps conflict resolution.

Therefore, this study defines relationship satisfaction as the accumulated evaluation of products and services in the transaction relationship between suppliers and buyers.

### **2.4. Intention to continue a relationship**

Intention to continue a relationship is a willingness of consumers to continue their relationship with a specific company, and it is a very important factor in present and future relationships (Seo Yu Been 2017). The success of relationship management depends on the formation and maintenance of long-term and stable relationships, with which the strategic goal of activity should be in line. So, the intention to continue a relationship of the trading company can be an exact measurement of the relationship performance (Seo and Jo 2020).

In the study of Park et al. (2015), she defined the intention to continue a relationship as a psychological state of a specific object and the activities to maintain a friendly transaction relationship made after the first transaction in a long term. Yu

Been Seo (2017) defined it in much broader way by stating that the intention to continue the relationship is a wide concept including the wide concept of mobilizing all methods and uniting with each other to maintain a continuous relationship beyond the desire for long-term-oriented transactional relations.

Therefore, this study defines the intention to continue a relationship as a willingness to maintain the transaction relationship without seceding to another supplier.

### 3. Research Design

#### 3.1. Research model and hypothesis

In this study, the supplier selection factors were selected as independent variables, and the sub-variables were selected as professionalism, innovativeness, affinity, and price advantage. In order to examine the structural relationship between supplier selection factors, relationship satisfaction, and intention to continue a relationship, the research model and research hypotheses were presented as shown in Figure 1 based on literature research and previous studies.

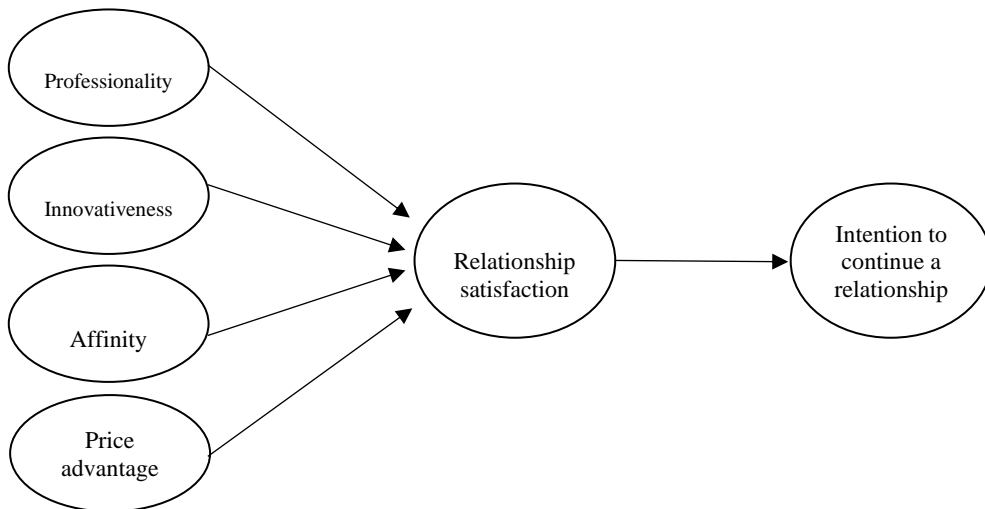


Fig. 1: Research model.

According to Yong Sun Seo and Dong Hyuk Jo (2020), the factors of customer relationship marketing —supplier's flexibility, professionalism, and communication in the transaction relationship within the supply chain— have an effect on the intention to continue the relationship with the buyer. Azadegan (2011) classified suppliers' innovativeness into continued efforts to achieve technology, the production design of products, the input of professional talents, recognition of technical competence, and improvement of production process compared to competitors. He confirmed that such supplier innovativeness positively influences global purchasing decisions. Jong Hoon



Kim (2017) verified that supplier's affinity can strengthen relationship satisfaction and commitment and suppress conflict, and suggested affinity as a countermeasure to strengthen the partnership and prevent conflict expression.

Park and Chae (2021) confirmed that when offline retailers with relatively low-price images foray into the online market, where price competitiveness is important, the existing price images affect the current entire images of retailers in terms of price and consumer behaviors at online stores, and if offline retailers have low-price images, the halo effect has a strong effect on the low-price image of online retailers. Sa Yang et al. (2022) verified that relationship satisfaction and relationship commitment had a positive effect on the intention of relationship continuity in terms of marketing activities, relationship quality, and the relationship with the third parties.

Based on the results of previous studies, this study set up the following hypotheses to examine not only the relationship between supplier selection factors and relationship satisfaction but also the relationship satisfaction and intention to continue the relationship.

*Hypothesis 1: the supplier's professionalism will have a positive effect on relationship satisfaction.*

*Hypothesis 2: the supplier's innovativeness will have a positive effect on relationship satisfaction.*

*Hypothesis 3: the supplier's affinity will have a positive effect on relationship satisfaction.*

*Hypothesis 4: the price advantage of suppliers will have a positive effect on relationship satisfaction.*

*Hypothesis 5: relationship satisfaction will have a positive effect on intention to continue a relationship.*

### **3.2. Survey design and research method**

For the empirical analysis of this study, the survey was conducted by international dialing, e-mail, and online targeting employees of global health food raw material suppliers in China, the USA, New Zealand, Vietnam, and India. The survey period was 24 days from June 11 to July 5, 2022, and 329 questionnaires were collected. Among them, 29 inappropriate and unanswered questionnaires were refined and 300 questionnaires were used for empirical analysis as the final effective questionnaire. The Likert 5-point scale was used for measurement.

The questionnaires used in this study were three items of supplier's professionalism (business continuity, smooth production line, and patent holding), four items of innovativeness (effort for improving production process, effort for improving product quality, production process development, and effort for developing new lines of production), four items of affinity (improvement of affiliated values, response to request from clients, claim handling, and cooperation proposal),

four items of price advantage (low product price, simplified distribution structure, and stable raw material supply), three items of relationship satisfaction (ways of communication, acceptance of requirements, and ways of business response), and three items of intention to continue the relationship (maintenance of long-term transaction, partnership for co-existence and co-prosperity). The questionnaire was composed of twenty-seven items including six questions regarding demographical ones.

The empirical analysis was conducted by frequency analysis for grasping general characteristics of the questionnaire, exploratory factor analysis for reliability and validity analysis of measurement tools, confirmatory factor analysis for intensive validity verification of measurement tools, correlation analysis for correlation between variables and discriminant validity verification, and structural equation path analysis for hypothesis verification using statistical programs SPSS 26.0 and AMOS 26.0.

## **4. Empirical analysis**

### **4.1. General characteristics of data**

The results of analyzing the general characteristics of the samples are as shown in Table 1.

Table 1: General characteristics of data.

Division		Frequency (person)	Ratio (%)
Gender	Male	151	50.3
	Female	149	49.7
Age Group	20s	96	32.0
	30s	120	40.0
	40s	61	20.3
	Over 50s	23	7.7
Education	High school graduate	16	5.3
	College graduate	200	66.7
	Master of arts	67	22.3
	Doctorate	17	5.7
Position	Staff	119	39.7
	Team leader	83	27.7
	Manager	59	19.7
	Director	28	9.3
	CEO	11	3.7
Number of employees	1~10	34	11.3
	11~50	88	29.3
	51~100	112	37.3
	101~150	55	18.3
	>150	11	3.7
Company duration	1~10	34	11.3
	11~20	148	49.3
	21~30	78	26.0
	>30	40	13.3
Total number of respondents		300	100.0

As for the gender, 151 are males (50.3%) and 149 females (49.7%). As for the age group, 96 (32.0%) are in their 20s, 120 (40.0%) in their 30s, 61 (20.3%) in their 40s, and 23 (7.7%) in their 50s or older. As for the academic background, 16 are high school graduates (5.3%), 200 college graduates (66.7%), 67 master-degree graduates (22.3%), and 17 doctorate graduates (5.7%). In addition, 119 employees (39.7%) were ones with no positions and were the most common, followed by 83 team leaders (27.7%), 59 managers (19.7%), 28 directors (9.3%), and 11 CEOs (3.7%). The number of employees can be judged on the size of the company. Among 300 companies surveyed, the companies with 51~100 employees are 112 (37.3%), which are the highest among the companies surveyed. And subsequently, they are followed by 88 companies with 11~50 employees (29.3%), 55 companies with 101~150

(18.3%), 34 companies with 1~10 employees (11.3%), and 11 companies with over 150 employees. As for the company duration, 148 (49.3%) companies are in 11~20 years, followed by 78 (26.0%) in 21~30 years, 40 (13.3%) in 31 years or more, and 34 (11.3%) in less than 10 years.

#### 4.2. Verification of reliability and validity of measurement variables

In order to verify the validity of the construct of the measurement items used in this study, exploratory factor analysis was conducted according to the main component factor extraction and the method of the Varimax Rotation, and the factor of the eigen value of 1.0 or more was used for analysis.

Table 2: Result of reliability and exploratory factor analysis.

	Professionality	Innovativeness	Affinity	Price advantage	Relationship satisfaction	ICR	Communality	Cronbach's Alpha
Innovativeness2	.874	.128	-.042	.111	.027	.054	.797	.860
Innovativeness1	.841	.111	.031	.023	.129	.156	.762	
Innovativeness3	.779	.118	.061	.194	.056	.043	.667	
Innovativeness4	.767	.122	.250	-.056	.174	.038	.701	
Affinity2	.096	.865	.046	-.037	.110	.040	.774	.839
Affinity3	.176	.818	.004	.081	.083	.122	.729	
Affinity1	.152	.783	.006	.094	-.038	.038	.648	
Affinity4	.035	.715	.084	.225	.028	.300	.661	
Professionality2	.050	.063	.887	.165	-.042	.126	.839	.875
Professionality3	.115	.034	.872	.102	.010	.132	.802	
Professionality1	.055	.004	.845	.111	.060	.137	.751	
RS1	.122	.102	.132	.804	.211	.125	.749	.782
RS3	.099	.079	.204	.781	.083	.136	.693	
RS2	.032	.110	.068	.760	.212	.153	.663	
Continuous Intention2	.017	-.087	-.016	.080	.864	.092	.769	.814
ICR3	.120	.194	.040	.192	.833	.043	.786	
ICR1	.284	.096	.016	.291	.743	.051	.729	
Price advantage3	.057	.111	.066	.086	.076	.825	.714	.786
Price advantage2	.109	.100	.121	.171	.065	.824	.749	
Price advantage1	.110	.206	.307	.166	.045	.706	.676	
Eigen-value	5.660	2.460	2.138	1.980	1.299	1.125		
% dispersion	28.298	12.300	10.692	9.899	6.495	5.626		
Cumulative dispersion %	28.298	40.598	51.289	61.188	67.683	73.310		
KMO measure = .805, $\chi^2=2941.254$ ( $df=190$ ), $p=.000$								

As shown in Table 2, a total of 6 factors were derived and the explanatory power of the factors was 73.31%. The standard fit of KMO, which shows the appropriateness of factor analysis, is .805, which means that it is desirable for the selection of variables for factor analysis. Barrett's sphere formation test value is  $\chi^2=2941.254$ , degree of freedom (df) is 190, and significance probability is  $p=.000$ . It means common factors exist. In addition, the reliability analysis results show that the Cronbach's  $\alpha$  value, which represents internal consistency, is more than .7 and reliability is secured.

### 4.3. Confirmatory factor analysis

In this study, confirmatory factor analysis was conducted to test the single dimension of each measurement item using multi-items, and the results are as follows.

Table 3: Result of confirmatory factor analysis.

conceptual variable	reg. value					cr	ave
	variables	estimate	std. estimate	S.E.	t		
Professionality	Prof.1	.849	.761	.055	15.467	.895	.740
	Prof.2	1.000	.886	.*	.*		
	Prof.3	.977	.865	.055	17.671		
Innovativeness	Innov.1	1.000	.838	.*	.*	.874	.635
	Innov.2	.973	.843	.059	16.404		
	Innov.3	.889	.712	.067	13.239		
	Innov.4	.907	.724	.066	13.670		
Affinity	Affinity1	.800	.687	.067	11.928	.897	.687
	Affinity2	.926	.790	.067	13.819		
	Affinity3	1.000	.816	.*	.*		
	Affinity4	.909	.710	.073	12.377		
Price advantage	PA1	.992	.760	.084	11.814	.820	.603
	PA2	1.000	.798	.*	.*		
	PA3	.793	.685	.073	10.885		
Relationship satisfaction	RS1	.931	.808	.083	11.271	.842	.642
	RS2	.903	.724	.085	10.674		
	RS3	1.000	.702	.*	.*		
Intention to continue a relationship	ICR1	1.000	.776	.*	.*	.859	.672
	ICR2	.809	.703	.071	11.475		
	ICR3	.972	.841	.074	13.115		
* Items with initial loading value as 1. $\chi^2=289.784$ ( $df=147$ , $p=.000$ ), $\chi^2/df=1.971$ , $RMR=.036$ , $GFI=.916$ , $AGFI=.880$ , $NFI=.904$ , $RFI=.876$ , $IFI=.950$ , $TLI=.935$ , $CFI=.949$ , $RMSEA=.057$ , $SRMR=.0472$							

The overall fit index is acceptable as it is below the recommendation criteria of fitness such as GFI.9, AGFI.9, NFI.9, CFI.9 or more, RMR.05, and SRMR.05. In

addition, in this study, the factor load of the measurement items was shown to be within the range of .5 to .95. In addition, the combined reliability (CR) was .7 or higher, and the average dispersion extraction (AVE) was .5 or more. Therefore, it is judged that there is no big problem in the concentration validity of the survey because all the indicators indicating the factor loading and the complex reliability meet the standard value.

#### 4.4. Correlation analysis

In this study, correlation analysis was conducted to verify the discriminant validity between each factor. As shown in Table 4, the correlation coefficient value was not found to be large when compared with the square root value of the average variance extraction index (AVE) value of the diagonal line. In addition, the correlation analysis showed that all items were significant, and the correlation coefficient value was less than .7. Therefore, in this study, it is judged that there is no problem with the multiple collinearity between each variable, and the suitability of the data is secured.

Table 4: Result of correlation analysis.

Division	Professionality	Innovativeness	Affinity	Price advantage	Relationship satisfaction	Intention to continue a relationship
Professionality	.740 (.860)					
Innovativeness	.149**	.635 (.797)				
Affinity	.114**	.342***	.687 (.829)			
Price advantage	.407***	.297***	.413***	.603 (.777)		
Relationship satisfaction	.395***	.265***	.290***	.486***	.642 (.801)	
Intention to continue a relationship	.081*	.292***	.331***	.272***	.544***	.672 (.820)
※ The diagonal value is AVE, and the ( ) value is the value of the AVE square root* p<.1, * p<.05, *** p<.01						

#### 4.5. Hypothesis testing

This study investigates the causal relationship between professionalism, innovativeness, affinity and price advantage, relationship satisfaction, and intention to continue a relationship in the criteria of selecting suppliers. The results of hypothesis verification and structural equation path coefficient of each research unit can be confirmed in Table 5 and Figure 2.

Table 5: Result of hypothesis test.

hypothesis	path		parameter estimation	standardization coefficient	S. E.	t	p	verification result
H1	Professionality	→ RS	.130	.165	.054	2.416	.016**	adopted
H2	Innovativeness	→ RS	.150	.179	.057	2.620	.009***	adopted
H3	Affinity	→ RS	.041	.041	.071	.573	.567	rejected
H4	Price advantage	→ RS	.302	.351	.072	4.167	.000***	adopted
H5	RS	→ ICR	.584	.548	.083	7.074	.000***	adopted

CMIN=258.882 (*d.f.*=147, *p*=.000), CMIN/DF=1.761, RMR=.037, GFI=.924, AGFI=.891, NFI=.914, RFI=.889, IFI=.961, TLI=.949, CFI=.960, RMSEA=.050, SRMR=.0475

\*\* *p*<.05, \*\*\* *p*<.01

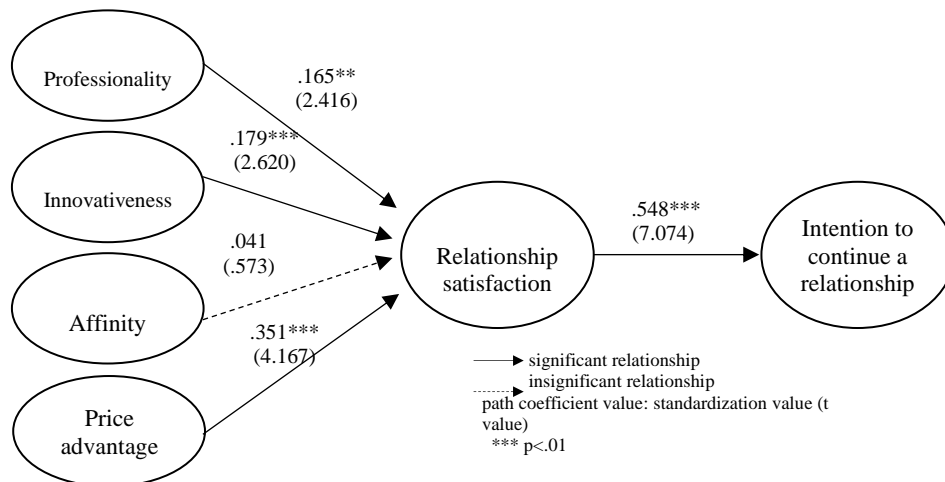


Fig. 2: Result of equation model analysis.

The results of the structural equation path analysis to verify the research hypothesis showed that hypothesis 1 was statistically significant as the path coefficient values =.165, *t*=2.416, *p*=.016 (significant level .05). Therefore, hypothesis 1 was adopted. And the path coefficient value was positive (+), so the higher the professionalism, the higher the relationship satisfaction.

Hypothesis 2 was =.179, *t*=2.620, *p*=.009 (significance level .01), which shows that it is statistically significant. Therefore, hypothesis 2 was adopted. And the path coefficient value has a positive (+) value, and the higher the innovativeness, the higher the relationship satisfaction.

Hypothesis 3 was =.041, *t*=.573, *p*=.567, which was not statistically significant. Therefore, hypothesis 3 was rejected.

Hypothesis 4 was  $\beta = .351$ ,  $t = 4.167$ ,  $p = .000$  (significant level .01), which shows that it is statistically significant. Therefore, hypothesis 4 was adopted and the path coefficient value was positive (+), so the higher the price advantage, the higher the relationship satisfaction.

Hypothesis 5 was  $\beta = .548$ ,  $t = 7.074$ ,  $p = .000$  (symbol level .01), which shows that it is statistically significant. Therefore, hypothesis 5 was adopted. And the path coefficient value is positive (+), so the higher the relationship satisfaction, the higher the intention to continue relationship.

## **5. Conclusion**

This study aims to suggest ways of enhancing the relationship between buyers and suppliers and the strategies for maintaining the management of the relationship by examining examine the influence relationship of professionalism, innovativeness, affinity, and price advantage among the selection factors of suppliers with the relationship satisfaction with a buyer and the intention to continue a relationship on the part of buyers and suppliers. For this purpose, this study conducted an empirical analysis on suppliers dealing with health supplements. As part of an empirical study, a survey was conducted on employees of global health supplements and raw materials suppliers in China, the United States, New Zealand, Vietnam, and India through international telephone, e-mail, and online methods. The collected questionnaires were analyzed using SPSS 26.0 and AMOS 26.0 to analyze frequency, reliability, exploratory factor analysis, confirmatory factor analysis, correlation analysis, and structural equation model path analysis.

The results of the empirical analysis of this study are as follows; professionalism, innovativeness, and price advantage among the four factors of supplier selection have a significant positive effect on relationship satisfaction. However, it was confirmed that affinity did not have a significant effect on relationship satisfaction, and it was also confirmed that relationship satisfaction had a significant positive effect on the intention to continue a relationship.

Based on the results of the empirical analysis above, the implications of this study are as follows. First, it was verified that the buyer valued the price advantage most among the supplier selection factors. This is a result that suggests that, on the part of the buyer, the cost reduction is the most important factor rather than suppliers' professionalism and innovativeness. Therefore, in order to maintain the continuous relationship satisfaction with the buyer, the supplier will need continuous efforts and research to lower the production cost through stable supply of raw materials, simplification and improvement of distribution structure, and development of a new distribution path. Second, it was found that the intention to continue the relationship was inspired by relationship satisfaction. Therefore, suppliers should maintain a continuous transaction relationship through efforts such as smooth communication



with buyers, acceptance of buyers' requirements, and improvement of work efficiency in order to maintain the relationship with buyers. Third, suppliers should promote relationship satisfaction and continue to make efforts to expand and diversify suppliers by the way in which existing buyers introduce new buyers. Fourth, the supplier should avoid the behavior of violating the law or morality, although the effort for relationship satisfaction is important.

This study has drawn positive research results such as drawing academic and practical implications by clarifying the relationship satisfaction with buyers and intention to continue the relationship between buyers and suppliers by professionalism, innovativeness, affinity, and price advantage among supplier selection factors. However, this study is limited to specific industries, so it is difficult to generalize the results of the study. Therefore, if future studies on supplier selection criteria are conducted in various industrial fields, more realistic research results will be derived.

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