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Intentions to Reciprocate Vendor Gifts Amongst Malaysian Purchasing Executives

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ABSTRACT

Business gift giving is a universal standard of conduct for most business organizations and industries (Beltramini 1992; Brenner and Molander 1977). Organizations use gifts as means to show appreciation for past business and to influence the attitudes and behaviours of a select, prestigious group of buyers in anticipation of future business (Meredith and Fried, 1977). Vendor gifts may serve as effective means of influencing customers or prospects. This research studied the effect of types of gift (personal or corporate gifts), cost of gift (expensive or inexpensive), and buyer-vendor relationship status (no relationship, moderate or strong) in relation to the buyers' (purchasing executives') feelings of indebtedness, perceived manipulations and intentions to reciprocate vendor's gifts. A total of 143 purchasing executives from manufacturing organizations in the Free Trade Zone of Penang were sampled for the study. Similar to those of Dorch and Kelly(1994), scenarios that incorporate the various combinations of the variables of interest were used to gauge reciprocating tendencies. The results show that the type of gift received, the extent to which the buyer experiences a sense of indebtedness, and the buyers' perceptions of the level of manipulation associated with the gift does significantly affect the buyers' intentions to reciprocate. The research also indicates that gift type and cost with respect to buyer-vendor relationship status do not influence the level of perceived manipulation of the buyers.

ABSTRAK

Pemberian hadiah dalam perniagaan merupakan sesuatu kelaziman sejagat dalam dunia perniagaan dan industri (Beltramini 1992; Brenner and Molander 1977). Organisasi menggunakan hadiah sebagai satu cara untuk menunjukkan penghargaan bagi urusniaga lampau dan juga bagi mempengaruhi sikap dan kelakuan sekumpulan pembeli tertentu dengan menaruh harapan untuk urusniaga akan datang (Meredith and Fried, 1977). Hadiah dari pembekal mungkin menjadi satu cara yang berkesan bagi mempengaruhi pelanggan atau bakal pelanggan. Penyelidikan ini mengkaji kesan jenis hadiah (peribadi atau korporat), kos hadiah (mahal atau murah), dan status perhubungan pembeli-pembekal (tiada perhubungan, sederhana atau rapat) ke atas perasaan terhutang budi pembeli (pembeli eksekutif), tanggapan dimanipulasi dan hasrat bagi membalas pemberian hadiah pembekal. Sejumlah 143 orang pembeli eksekutif daripada daripada organisasi pembuatan di Zon Perdagangan Bebas Pulau Pinang diuji untuk kajian ini. Senario yang sama digunakan oleh Dorch dan Kelly (1994) yang mengambilkira berbagai gabungan pembolehubah kajian digunakan bagi menaksir kecenderungan membalas budi.

Hasil keputusan menunjukkan bahawa jenis hadiah yang diterima, tahap perasaan terhutang budi, dan tanggapan pembeli tentang darjah manipulasi yang berkaitan dengan hadiah berkenaan, mempengaruhi secara signifikan niat pembeli bagi membalas budi. Kajian ini juga menunjukkan bahawa status perhubungan pembeli-pembekal tidak mempunyai kesan moderator ke atas perhubungan antara jenis hadiah dan kos hadiah dengan tanggapan darjah manipulasi.

INTRODUCTION

There is nothing new about gift giving. Gift giving dates back as far as the Old Testament. Doing business was less difficult and less complicated then. The ethical behaviour and actions of modern businessmen only came into question with the enactment of written policies, rules and laws instituted in the modern era. The moral revolution in the twentieth century has led to further scrutiny of business ethics. The recent scandal within the Olympic Council reflects the growing practice and concerns of gift-giving.

The annual expenditure on business gifts have been estimated at US$1.5 billion with an expected growth rate of 5 percent annually mainly focused on "classy" gifts (Gibson 1989). It was also noted that 97 percent of all buyers accept gifts of some sort from their vendors (Janson 1988). Baumhart 1961; Beltramini 1992; Brenner and Molander 1977, all conclude that gift giving is a universal standard of conduct for most businesses.

Gifts are also used as a way to further establish stronger buyer-vendor relationships. On receipt of a gift, the purchasing executive may experience a feeling of pressure to repay the gift giver in some way (Becker 1986; Gouldner 1960). Therefore, vendor gifts may serve as an effective means of influencing customers or prospects. According to Cialdini (1985), the giving of benefaction (praise, help, invitations, gifts, etc.) can lead to feelings of obligation on the part of a recipient.

Regan (1971) also extended this line of research in assessing the effects of giving favours and liking on compliance behaviour, arguing that feelings of obligation alone may result and that normative pressure (rather than liking) mediates the favour-compliance relationship. This means that those who have been helped, feel obliged to return the help, without necessarily feeling more favourable toward the help provider. Regan's intriguing discovery was that of the ability of a lesser value gift (a soft drink) to generate a magnified compliance response (willingness to purchase more expensive raffle tickets from the gift giver). In this aspect, the reciprocity showed an evidence of an ability for the giver to reap significantly more than what was given.

Even though the above mentioned studies on the extensiveness of gift-giving were found by researchers in the US, similar situations are also commonly seen in Malaysia. Due to fierce competition, sales persons have resorted to all means of practice (including gift giving) to secure or make a sale. In this context, organizations use gift giving as a means to show appreciation for past business and to influence the attitudes and behaviours of a select, prestigious group of buyers in anticipation of future business. This practice may result in a conflict of interest between the person receiving the gift and his organization. His future actions may be influenced by the gift leading to less objectivity in his decision making resulting in losses to the organization. Apart from this the price of the gifts in itself will be factored by the organizations in its pricing strategy which will increase cost of goods to consumers.

Therefore, the purpose of this study is to enhance the understanding of business gift giving practices by investigating the impact of vendor gift giving on the perceptions and intentions of purchasing executives in Malaysia.

A gift refers to a benefit one party confers voluntarily on another (Sherry 1983), regardless of the nature of the benefit conferred or the motives for engaging in the gift giving behaviour. Voluntarily providing a benefit to another party constitutes gift giving behaviour. This action can be for altruistic (e.g., a gesture of gratitude for past patronage) or for egoistic reasons (e.g., a bribe). Gifts to purchasing executives from a vendor may take a variety of forms, including free lunches, tickets to sporting or entertainment events, etc., and may range in value from inexpensive to very expensive.

In the context of this study, gifts can be classified into two categories: personal gifts and corporate gifts.

a) Personal gifts are vendor gifts that directly benefit the individual, such as T-shirts, watches, tickets to sporting events, and vacations.

b) Corporate gifts directly benefit the organization and may include special delivery arrangements and vendor-sponsored training seminars. Corporate gifts can be differentiated from good service in that they are considered to be neither part of standard operating procedure nor part of a negotiated contract between the buyer and vendor to provide extraordinary benefits to the purchasing firm.

RELATED LITERATURE

Despite frequent utilization of business gifts, there is little academic research to examine and substantiate their effectiveness in influencing customers or prospects. Previous researches on business gifts tend to be descriptive and addressed the perceived ethicality of these gifts (Baumhart 1961; Brenner and Molander 1977; Chonko and Hunt 1985; Trawick et. al. 1991). These studies have focused exclusively on personal gifts and have reported mixed findings regarding the generally held belief about the reciprocal nature of gift giving behaviour (Belk 1979; Mauss 1954).

A fair number of descriptive researches on ethics in industrial marketing have also been conducted to determine the extent to which various practices are considered to be ethical or unethical (Rudelius and Buchholz 1979). Industrial purchasers' beliefs about the ethics of salesperson behaviours would be of interest to marketers, if such beliefs were related to intentions regarding the choice of suppliers.

Tsalikis and Frizsche (1989) found that the marketing function in general is the area of business most subjected to ethical abuse. The position of a purchasing agent is specifically exposed to possible problems in ethical behaviour. This is due to the fact that the buyer and seller typically have competing goals and objectives. Therefore, the "give and take" that occurs between the individuals can be a potential source for ethical problems.

Marucheck and Robbins (1988) believe that an ethical purchasing function is imperative if the organization is to develop relationships with key constituents which are based on mutual trust. Given this new found prominence, and the need for high ethical standards, purchasing agents or buyers are increasingly searching for ways in which to further professionalize the purchasing function (Barath and Hugstad, 1977).

Even though most of the above studies were focused on the ethics of gift giving and the ethicality of buyers and salespersons, Beltramini (1992) explored the effectiveness of business gifts. He found that customer perceptions of product attributes were positively influenced by personal gifts for low-priced products and that no differences in purchase inquiries exist between gift recipients and non-recipients.

In comparison, Trawick, Swan, and Rink (1989) found that the choice of supplier is less in favour for the gift-giver as the value of a gift increased or when gifts were given to prospects as opposed to customers. La Forge (1988) discovered that most planners think it is ethical to accept small gifts; however they become indecisive when the gifts become more expensive. Whatley (1987) found that more than 50% of senior managers reported receiving small gifts like diaries, calendars and liquor.

Dorsch and Kelley (1994) in their effort to investigate the effects of vendor gifts suggested that personal gifts lead to lower levels of perceived indebtedness and intentions to reciprocate, whereas expensive vendor gifts were found to have a stronger positive impact on the level of indebtedness than inexpensive gifts. In this sense, the reciprocity evidenced of the ability for the giver to reap significantly more than what was given. While the natural indebtedness inherent in gift giving seemingly provides an effective compliance producer, a number of mediators of reciprocity exist, which in turn can affect the magnitude of the reciprocal response.

For example, Greenberg and Frisch (1972) found that the receiver of help usually perceive the help-giver was more motivated to help; feel more obliged to help back; and more likely to help back in a more significant manner when help given is perceived as deliberate as opposed to accidental. DePaulo, Brittingham, and Kaiser (1983) later rephrased this notion as perceived "appropriate" versus "inappropriate" help. These findings indicated that in giving business gifts, it is important that the recipient perceive the gift as appropriate and intended for him or her (as perhaps an especially long valued long-term customer), rather than distributed to a broad range of recipients.

In summary, available research on reciprocity has revealed that the giving of benefactions contributes to feelings of uneasy dependency or sense of obligation and there is a need to restore equity in on-going interpersonal relationships. The extent of this reciprocal response is in turn mediated by perception of the giver, the gift, the transaction, and the intended response. What is specifically unknown, however, is how this process actually manifests itself in real world situations like the common practice of business gift giving as part of the marketing communications programme.

THE STUDY AND THE METHODOLOGY

As mentioned earlier, the purpose of this study is to enhance the understanding of business gift giving practices by investigating the impact of vendor gift giving on the perceptions and intentions of purchasing executives. A framework from Dorsch and Kelley's (1994) research which broadens the traditional conceptualization of business gifts to include personal and corporate gifts was adopted. The norm of reciprocity (Gouldner 1960) and the theory of indebtedness provide the basic tenet underlying the proposed conceptual framework. The framework suggests that gift characteristics and the amount of business conducted between a vendor and a buyer have an impact on purchasing executives' perceptions of gift giving motives, their feelings of indebtedness, and their intentions to reciprocate vendor gifts. A test of the proposed framework is conducted by analyzing data from a scenario-based experiment using regression analysis. The problem statement of this study is: *"To what extent does gift cost, gift type, and buyer-vendor relationship status affect purchasing executives'* *feelings of indebtedness, perceived manipulation, and intentions to reciprocate vendor gifts?"*

According to Beltramini (1992), the conceptual foundation for studying the effectiveness of business gifts can be found in the theoretical construct of reciprocity. Dorsch and Kelly's framework jointly considers the norm of reciprocity (Cialdini 1985; Gouldner 1960) and the theory of indebtedness as a more complete explanation for the motivation to reciprocate vendor gifts.

Greenberg's (1980) theory of indebtedness offers a conceptual explanation for the conditional nature of reciprocal behaviours and provides direction for research assessing the effectiveness of business gifts in producing reciprocal behaviour. According to this theory, the extent to which individuals perceive themselves to be indebted is influenced by four major factors:

i) recipient's perceptions of the motives of the donor,
ii) the rewards and costs incurred by the recipient and the donor during the gift-giving process,
iii) recipient's judgment of who is responsible in initiating the gift (e.g. did the recipient make an explicit request for a gift?), and
iv) the verbal and non verbal cues provided by witnesses to the gift, co-recipients of the gift, or the donor.

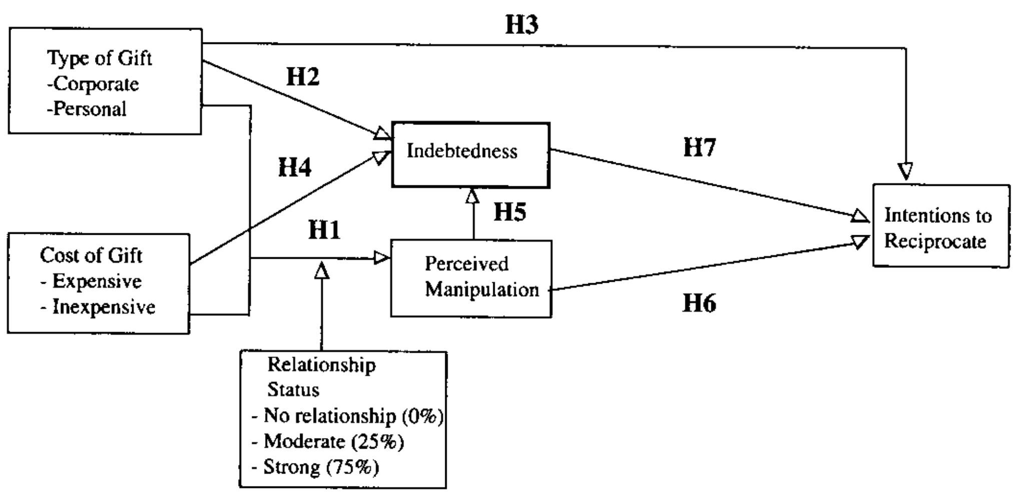
This study focused on the first two factors and holds the other two factors constant. Three endogenous constructs, which are indebtedness, perceived manipulation and intentions to reciprocate are included in the proposed theoretical framework.

Indebtedness - Refers to the feelings of obligation to repay a benefit experienced by a purchasing executive on receipt of a vendor gift.

Perceived manipulation - Pertains to the purchasing executive's interpretation of the gift giving vendor's intentions for providing the benefit.

Intentions to reciprocate - Refers to the purchasing executive's behavioural decisions to repay the vendor, for his gifts. The purchasing executive's reciprocation of vendor gifts can take several forms, like larger future purchases, being more accessible or becoming a stronger advocate for the vendor within the organization.

FIGURE 1
Determining the Intentions of Purchasing Executives to Reciprocate Vendor Gifts: A Model adopted from Dorsch and Kelley, (1994)



Hypotheses

a) The moderating effect of relationship status
Relationships between a buyer and a vendor may range from weak to strong. This status can be based on the amount of business transacted over a given period of time and is a useful measure of the degree of interdependence between the buyer and vendor (cf. Dwyer, Schurr, and Oh, 1987). This relationship status can be manipulated as the percentage of material requirements purchased from the particular vendor the previous year. For weak or no relationships it is defined as 0% material requirements purchased, a moderate relationship is 25% purchase and a strong relationship is 75% purchase.

A weak buyer-vendor relationship can be characterized by little or no interdependence between the two parties (e.g. a vendor-prospect relationship), whereas a strong buyer-vendor relationship can be characterized by a substantial degree of interdependence between the two parties (e.g. a vendor-major account relationship). It is expected that purchasing executives will perceive corporate gifts regardless of cost, to be less manipulative than personal gifts when no previous or moderate buyer-vendor relationship exists.

Hypothesis 1a: When a previous buyer-vendor relationship does not exist, corporate gifts, regardless of cost, are expected to be perceived as less manipulative than personal gifts.

Hypothesis 1b: When a moderate buyer-vendor relationship exists, corporate gifts, regardless of cost, are expected to be perceived as less manipulative than personal gifts.

When a moderate buyer-vendor relationship exists, inexpensive personal gifts will be viewed as less manipulative because of their conformance with the status of the buyer-vendor relationship. Expensive personal gifts are expected to be perceived as most manipulative, because this type of gift may be seen as not conforming to the status of the buyer-vendor relationship (i.e., an expensive gift is generally considered to be more unethical by purchasing executives (Trawick, Swan, and Rink 1989). Corporate gifts, regardless of cost are perceived as more manipulative than inexpensive personal gifts (as they do not conform to the buyer-vendor relationship on a personal level) but as less manipulative than expensive personal gifts (due to ethical considerations).

Hypothesis 1c: When a strong buyer-vendor relationship exists, inexpensive personal gifts are expected to be perceived as least manipulative and expensive gifts as most manipulative; the level of perceived manipulation associated with corporate gifts, regardless of cost, is expected to fall between those of inexpensive personal gifts and expensive personal gifts.

Conceptualizations of indebtedness and reciprocity (Becker 1986; Cialdini 1985; Gouldner 1960) suggest that indebtedness and the associated intentions to reciprocate are derived from received benefits regardless of the explicit relationship between the buyer-vendor. As such, the level of indebtedness and intentions to reciprocate experienced by the buyer on receipt of a vendor gift in this case are not expected to be influenced by the type of buyer-vendor relationship.

b) Type of gift, indebtedness and intentions
A purchasing executive's feelings of obligation to repay the vendor (indebtedness) is influenced by the type of gift. The buyer is likely to consider corporate gifts to be more ethical than personal gifts as the buyer's firm usually benefit from a corporate gift (Rudelius and Buchholz 1979). Personal gifts which benefit individuals instead of the firm may be considered unethical (cf. Ferrel and Gresham 1985, Trawick et al. 1991) and may thus elicit lesser feelings of indebtedness.

Hypothesis 2: Personal gifts have a weaker impact than corporate gifts on the level of indebtedness of purchasing executives.

Purchasing executive's intentions to repay (reciprocate) a gift, whether it is a personal or corporate gift, may also depend on the perceived ethicality of the gift. As discovered by Rudelius and Buchholz (1979), personal gifts are more of an ethical concern than corporate gifts to a purchasing executive. This means that buyers will appear to be less likely to repay personal gifts.

Hypothesis 3: Personal gifts have a weaker impact than corporate gifts on the intentions of purchasing executives to reciprocate vendor gifts.

c) Cost of the gift and indebtedness

Greenberg, Block and Silverman (1971), Greenberg and Frisch (1972), Kahn (1972) and Pruitt (1968) studied the relationship between gift-related situations and found that, as high donor's costs and large recipient's benefits are incurred, higher levels of indebtedness are experienced by the recipient. Thus, in this context, a purchasing executive who receives an expensive gift from a vendor would likely experience stronger feelings of indebtedness.

Hypothesis 4: Expensive gifts have a stronger impact than inexpensive gifts on the levels of indebtedness of purchasing executives.

d) Relationships among indebtedness, perceived manipulation and intentions to reciprocate.

The theoretical framework also hypothesizes relationships among the above three endogenous constructs. Evidence from studies (Greenberg and Frisch 1972; Schopler and Thompson 1968) suggested that gift recipients experience higher levels of indebtedness when they perceive that donor motives for gift giving are not manipulative.

Hypothesis 5: The level of perceived manipulation attributed to the vendor by purchasing executives is inversely related to their feelings of indebtedness toward the vendor.

Intentions to reciprocate a gift may also depend on assessments of vendor motives for giving the gift. Lowe and Goldstein (1970) and Schopler and Thompson (1968) contended that gifts characterized by high levels of perceived manipulation are less likely to result in reciprocating behaviours.

Hypothesis 6: The level of perceived manipulation attributed to the vendor by purchasing executives is inversely related to their behavioural intentions to reciprocate to the vendor.

Individuals who internalize the norm of reciprocity frequently feel that they ought to repay a gift. This feeling of indebtedness is said to have motivational properties. Greenberg (1980) also found that by reciprocating the benefit, individuals can reduce their feelings of indebtedness. This means that the higher the level of indebtedness, the stronger the reciprocation intentions.

Hypothesis 7: Feelings of indebtedness experienced by a purchasing executive are positively related to their intentions to reciprocate.

Measuring Instrument

The measure of variables in this study will be based on those used by Dorsch and Kelley (1994) where twelve scenarios were developed so that the basic gift giving situations were identical across the three concrete treatment variables (no, moderate, strong relationship between buyer-vendor). The use of scenarios is widespread in the research of ethics.

Martin (1981-1982) stated that the scenario technique may be the best technique developed to date for studying ethical understanding The manipulated gift characteristics were gift type (corporate or personal) and gift cost (inexpensive or expensive). Relationship status was manipulated as the percentage of material requirements purchased from the particular vendor during the previous year - either 0, 25 or 75 percent.

Each respondent was required to respond to one of the 12 scenarios. The assignment of respondent to the scenario was done randomly and in about equal number. The summated scales used to assess indebtedness, perceived manipulation, and behavioural intentions were developed by Dorsch and Kelley (1994) based on scale development procedures suggested by Churchill (1979) and Nunnally (1978). Multiple items were used to measure buyer perceptions of indebtedness, manipulation, and behavioural intentions toward the supplier. These measures were found to be reliable with Cronbach alpha ranging from 0.83 to 0.94. All responses to each question were made on a five-point Likert-type scale ranging from 1 = strongly disagree to 5 = strongly agree.

Sampling

The population under study was purchasing executives from manufacturing facilities located in the Penang state. The list of purchasing executives of manufacturing facilities registered with the Penang Development Corporation (PDC) was used as the sampling frame. From a total of 205 questionnaires distributed, 150 questionnaires were returned (69.8% response rate), 143 of which were complete and usable.

The respondents comprised of 40.6% males and 59.4% females, of which 70.9% were less than 36 years old. A total of 49.3% hold bachelor's degree and more than half of the respondents earned RM30,000 and above per annum. About 55% had more than 3 years of experience in purchasing. 66.2% of the respondents were employed by American firms, 18.8% by local firms and 9.8% by Japanese firms. An estimated 50% of the respondents worked for firms which employ between 1001-2000 employees. About 17.4% of the respondents do not know if their company had a code of ethics, while 70.5% said 'yes' and the rest (i.e. 12.1%) mentioned 'no'.

RESULTS OF THE STUDY

1. Type of Gift, Cost of Gift , Relationship Status and Manipulation (H1)

Table 1 summarizes the mean levels of perceived manipulation by the various combinations of the gift characteristics and vendor-buyer relationship, while Table 2 provides the regression analysis to ascertain the significance of the hypothesized relationships. The mean levels of perceived manipulation tend to be higher for expensive gifts as compared to inexpensive gifts. And for each category of relationship and cost of gift, personal gift is perceived to be more manipulative compared to corporate gift. As for each category of cost of gift, perceived manipulation is perceived to be higher when there is no previous relationship compared to when the relationship is strong. However, the differences in perceived manipulation for when the relationship is moderate and strong is small.

Table 2 summarizes the regression results (using dummy codings for the manipulated variables). Looking at the zero order model when there was no interaction effect, the findings show that type of gift and cost of gift are significant with standardized coefficients of β = -0.31 (p = 0.00) and β = 0.28 (p = 0.00) respectively.

Table 1
Mean Levels of Perceived Manipulation

Relationship Status	Type of Gift	Cost of Gift: Expensive	Cost of Gift: Inexpensive
No Relationship	Personal	4.0222	3.3889
	Corporate	3.4815	2.8462
Moderate Relationship	Personal	3.5758	3.5152
	Corporate	3.1389	2.0556
Strong Relationship	Personal	3.5833	3.3704
	Corporate	3.3810	2.4222

Table 2
Buyers' Perceptions of Vendor's Manipulation

	Zero-Order Model			First-Order Model			Second-Order Model		
Treatment Variable	Regression Coefficient	t	p	Regression Coefficient	t	p	Regression Coefficient	t	p
Intercept	3.46	18.6	0.00	3.53	13.13	0.00	3.39	11.53	0.00
Type of Gift (T)	-0.69 (-0.31)	-4.01	0.00	-0.82 (-0.36)	-2.41	0.02	-0.54 (-0.24)	-1.33	0.19
Cost of Gift (E)	0.63 (0.28)	3.69	0.00	0.38 (0.17)	1.13	0.26	0.63 (0.28)	1.61	0.11
Relationship (R1)	-0.36 (-0.15)	-1.73	0.09	-0.13 (-0.06)	-0.36	0.72	0.13 (0.05)	0.30	0.77
Status (R2)	-0.22 (-0.09)	-1.05	0.29	-0.21 (-0.09)	-0.55	0.58	-0.02 (-0.01)	-0.04	0.97
T x E				0.58 (0.22)	1.66	0.10	0.00 (0.00)	0.03	1.00
T x R1				-0.42 (-0.14)	-1.00	0.32	-0.92 (-0.31)	-1.56	0.12
T x R2				-0.05 (-0.02)	-0.12	0.90	-0.41 (-0.15)	-0.69	0.49
C x R1				-0.08 (-0.03)	-0.20	0.84	-0.57 (-0.19)	-0.98	0.33
C x R2				-0.06 (-0.02)	-0.14	0.89	-0.42 (-0.14)	-0.66	0.51
T x C x R1							1.02 (0.25)	1.21	0.23
T x C x R2							0.74 (0.20)	0.87	0.39
R^2	0.21			0.23			0.24		
F	8.92			4.36			3.70		
Degrees of freedom	4			9			11		
Durbin Watson	2.09			2.16			2.16		

Note:* Relationship Status: R1 and R2 are dummy variables used to represent the three relationship status.
i) When R1 = 0 & R2 = 0, No Relationship ii) When R1 = 1 & R2 = 0, Moderate Relationship
iii) When R1 = 0 & R2 = 1, Strong Relationship * Type of Gift: i) T = 1, Corporate Gift;
ii) T = 0 Personal Gift * Cost of Gift: i) E = 1, Expensive Gift; ii) E = 0, Inexpensive Gift

The negative coefficient for type of gift indicates that personal gifts are perceived to be more manipulative compared to corporate gifts. Positive regression coefficient for cost of gift indicate an expensive gift is perceived to be more manipulative compared to an inexpensive gift. This confirms the earlier findings in the analysis of means level. Status of relationship does not seem to influence perceived manipulation.

The inclusion of first-order interactions only improve the coefficients of determination, R^2, by an insignificant amount of 2% (i.e. 0.21 to 0.23). The addition of second-order is only able to explain an additional 1% (i.e. 0.23 to 0.24). Thus, this indicates that relationship status does not seem to have a moderating effect on the type and cost of gift on perceived manipulation. Further, the non-significance of both the dummy variables for relationship status (p-values = 0.09 and 0.29) indicates that the relationship status has little influence on the buyer's perception of vendor manipulation. Thus, Hypotheses 1a, 1b and 1c are not supported.

2. Type of Gift and Indebtedness (H2)

Table 3, summarizes the mean levels of perceived indebtedness by type of gift and cost of gift. The mean level of perceived indebtedness tends to be higher for corporate gifts as compared to personal gifts. The average means for personal and corporate gifts are 1.86 and 2.46 respectively.

Regression analysis results to test for Hypothesis 2 that examines the effect of type of gift (personal vs. corporate gifts) on the level of indebtedness are given in Table 4. The positive partial regression coefficient for type of gift $\beta = 0.27$, p = 0.002; see Table 4) indicates that the level of indebtedness are higher for corporate gifts than for personal gifts. This finding confirms the above analysis of means level. Therefore, Hypothesis 2 is supported.

3. Type of Gift and Intentions to Reciprocate (H3)

It was found that the mean level of intentions to reciprocate was higher for corporate gifts (mean = 2.88) as compared to personal gifts (mean = 2.01). It was hypothesized that personal gifts reduced the purchasing executive intentions to reciprocate vendor gifts. This hypothesis was also supported by the findings in the Multiple Regression Analysis $\beta = 0.29$, p = 0.00; see Table 5).

Table 3
Mean Levels of Perceived Indebtedness

Type of Gift		**Cost of Gift**	**Average Means**
	Expensive	Inexpensive	
Personal	1.9824	1.7313	1.8606
Corporate	2.5568	2.3700	2.4597
Average Means	2.2817	2.0861	2.1832

Table 4
Buyers' Perceptions of Indebtedness

Treatment Variable	Zero-Order Model Regression Coefficient		t	p
Intercept	2.09		6.93	0.00
Perceived manipulation	-0.11	(-0.12)	-1.31	0.19
Type of Gift (T)	0.55	(0.27)	3.17	0.002
Cost of Gift (E)	0.30	(0.15)	1.77	0.08
R^2	0.12			
F	6.00			

Note: * Type of Gift: i) T = 1, Corporate Gift; ii) T = 0, Personal Gift
Cost of Gift: i) E = 1, Expensive Gift; ii) E = 0, Inexpensive Gift

Table 5
Buyers' Behavioural Intentions to Reciprocate

Treatment Variable	Zero-Order Model Regression Coefficient B	Beta	t	p
Intercept	0.59		2.02	0.05
Perceived indebtedness	0.60	(0.55)	8.27	0.00
Perceived manipulation	0.10	(0.10)	1.48	0.14
Type of Gift (T)	0.61	(0.29)	4.06	0.00
R^2	0.46			
F	37.71			

Note: * Type of Gift: i) T = 1, Corporate Gift; ii) T = 0, Personal Gift

4. Cost of Gift and Indebtedness (H4)

The effect of cost of a gift on the level of indebtedness experienced by purchasing executives was studied in H4. The mean level of indebtedness was found to be higher for expensive gifts as compared to inexpensive ones. The average means were 2.28 and 2.09 respectively (refer Table 3).

The positive partial regression coefficient for the gift cost-indebtedness relationship $\beta = 0.15$, $p = 0.08$; see Table 5) indicates that expensive gifts have a stronger impact than inexpensive gifts on the levels of indebtedness of purchasing executives. This finding supports H4.

5. Perceived Manipulation, Indebtedness and Intentions to Reciprocate (H5, H6 and H7)

Table 6 tabulates the correlations between these three variables. In H5 and H6, it was hypothesized that the level of perceived manipulation experienced by purchasing executives is inversely related to the feelings of indebtedness and behavioural intentions to reciprocate the vendor. It was found that there was very slight significance for the relationship between perceived manipulation and indebtedness and there was no significance found for the relationship between perceived manipulation and intentions to reciprocate in the Pearson correlation and Spearman rank correlation analysis.

The Multiple Regression Analysis findings ($b = -0.12$, $p = 0.19$ and $b = 0.10$, $p = 0.14$; see Table 4 and 5) confirm the above results. Thus, H5 and H6 are not supported.

In H7, the level of indebtedness experienced by a purchasing executive are positively related to their intentions to reciprocate. The Pearson correlation and Spearman rank correlation analysis support the hypothesis. The positive Pearson correlation $\rho = 0.6291$, $p = 0.000$) and Spearman rank coefficient $\rho = 0.6177$, $p = 0.000$) show that when the level of indebtedness is increased, the intentions to reciprocate will also increase. The Multiple Regression Analysis findings ($b = 0.55$, $p = 0.00$; see Table 5) confirm the above results. The finding supports H7.

DISCUSSION AND CONCLUSION

It was hypothesized that gift characteristics and the amount of business conducted between a vendor and a buyer have an impact on purchasing executives' perceptions of gift giving motives, their feelings of indebtedness, and their intentions to reciprocate vendor gifts.

Table 6

Pearson and Spearman Correlations of Perceived Manipulation, Perceived Indebtedness and Intentions to Reciprocate

	Perceived Manipulation	**Perceived Indebtedness**	**Intentions to Reciprocate**
Perceived Manipulation	-	-0.1636 (p = 0.053)	-0.0876 (p = 0.305
Perceived Indebtedness	-0.1802 (p = 0.032)	-	0.6091 (p = 0.000)
Intentions to Reciprocate	-0.1014 (p = 0.235)	0.6177 (p = 0.000)	-

(Note: Above diagonal are Pearson correlations whilst below diagonal are Spearman correlations)

With the introduction of the moderating effect of buyer-vendor relationship status on buyer perceptions of vendor gift giving motives, it was found that relationship status does not have a moderating effect on perceived manipulation as found by Sharma, Durand, and Gur-Arie (1981). This finding also contradicts studies by Belk (1979) and Sherry (1983) who suggest that the relationship status of the exchange participants (i.e. buyer and vendor) should moderate the interpretation of gift giving motives. Caplow (1982) found that Christmas gifts exchanged in personal relationships are frequently scaled to the formal relationship between the donor and recipient. However, in an industrial setting personal gifts are considered less ethical by purchasing executives in cases which a previous exchange relationship did not exist (Trawick, Swan and Rink, 1989). Unfortunately, corporate gifts were not studied.

The results of the regression analysis suggest that personal gifts have a weaker impact than corporate gifts on the level of indebtedness (H2) and intentions to reciprocate (H3) vendor gifts on purchasing executives. As suggested by Rudelius and Buchholz (1979), the type of gift a purchasing executive receives influences her feelings of obligation to repay the vendor. Since the buyer's firm will benefit from the receipt than personal gifts. In addition, according to Ferrell and Gresham (1985) and Trawick et. al (1991), Personal gifts may elicit weaker feelings of indebtedness as they represent a benefit to the individual rather than to the organization. In general, personal gifts are more of an ethical concern than corporate gifts. This concern is consistent with the utilitarian philosophical belief that it is unethical to engage in acts that lead to personal gain at the expense of society in general (Ferrell and Gresham 1985).

However, expensive vendor gifts have a stronger impact than inexpensive gifts on the levels of indebtedness of purchasing executives (H4). This is shown by Greenberg, Block and Silverman (1971); Greenberg and Grisch (1972); Kahn (1972); and Pruitt (1968), in situations where high donor costs and large recipient benefits are incurred, higher levels of indebtedness are experienced by the recipient

The results of the study do not support Hypothesis 5 where it states that perceived manipulation is inversely related to the purchasing executives' feelings of indebtedness (H5). This finding is in contrast to that of Greenberg and Frisch (1972) and Schopler and Thompson (1968), who argue that gift recipients experience a higher level of indebtedness when they perceive that donor motives for gift giving are not manipulative; and likewise, purchasing executives are expected to experience a lower level of indebtedness when vendor gift-giving motives are perceived to be manipulative.

Even though researches conducted by Lowe and Goldstein (1970); Schopler and Thompson (1968) have found that gifts characterized by high levels of perceived manipulation are less likely to result in reciprocating behaviours, the results of this study was not in line with their research. Similarly as suggested by Brehm and Cole (1966), the pressure to repay a gift may set back donor-recipient relations by restricting the behaviour that the recipient can exercise with the gift giver. As a consequence, the recipient is likely to feel manipulated. To re-establish the previous relationship with the gift-giver, the recipient may avoid repaying the gift. Again, the findings indicate the insignificant interaction between perceived manipulation and intentions to reciprocate and thus do not support Hypothesis 6.

One possible explanation to explain these findings (H5 and H6) is the culture difference between the respondents in this study as compared to the respondents in Dorsch and Kelley's (1994) research. Dorsch and Kelley focused on Americans living in the United States while this study was targeted at Malaysians living in Penang. In this aspect, England (1975) and McClelland (1961) discovered people brought up in different cultures have different values and ethical beliefs. Malaysians being Asians, are intrinsic in nature and may not like to reveal their actual feelings especially in cases if they knew that they were being manipulated. It is also possible that they may react negatively if they knew they were being manipulated.

In this study it was found that feelings of indebtedness experienced by a purchasing executive led to stronger intentions to reciprocate (H7). Even though a particular firm may have policies restricting gift-giving activities, purchasing executives will still feel some indebtedness. According to Greenberg (1980), one way a person can reduce her feelings of indebtedness is by reciprocating the benefit. Therefore, higher levels of indebtedness are expected to result in stronger reciprocation intentions as found by the study.

On the whole, Dorch and Kelly's (1994) model was able to explain 12% of variation in the buyers' perceptions of indebtedness, 46% in intentions to reciprocate behaviour and 24% in perceived manipulation. Although the findings were able to support some of the hypotheses, there are certain limitations that may have prevented more comprehensive results

IMPLICATIONS

Vendors should take into account the practice of gift giving as an important aspect in a selling process. They should carefully consider factors like gift type and cost, and the buyer-vendor relationship status when embarking on a gift-giving programme. Even though the key findings in this study indicate that relationship status between buyer-vendor is not significant, vendors should still deliberate the moderating effect of the relationship status on the link between gift characteristics and perceived manipulations.

The level of perceived manipulation experienced by the purchasing executives upon receiving a gift has an impact on the level of indebtedness. Also, the purchasing executives' perceptions of gift-giving motives and feelings of indebtedness, will influence their intentions to reciprocate. Therefore, vendors whose gifts are given in attempt to influence or gain favours from the buyers, will find the act unfruitful. In contrast, vendors should explicitly state their motives for gift-giving, for example when a gift is given for altruistic reason as an expression of gratitude for past business.

Buyers may purchase additional products from the vendor, become an advocate for the vendor within the organization or provide preferential treatment to the vendor during their sales calls. These subtle responses of the buyers' reciprocating responses to vendor gifts may not be obvious to the vendor. On the other hand, management should also be aware of the gift-giving practices of their vendors. Even though many buyers work in organizations that have corporate policies (in this study, 70%) in restricting gift-acceptance practices, management may find it difficult to enforce the corporate policies effectively.

Limitations. One of the obvious limitations in the study was that purchasing executives were asked to circle their response or choice on a Likert scale, based on their feelings after reading the scenarios. Even though the use of scenarios is widespread in the research of ethics, respondents may still find difficulty in relating to the situation in the scenario as they may perceive it to be unreal or artificial.

Another limitation of this study is that the values measured may not be reflective of the actual behaviours of the respondents if they were to encounter similar situations in real life. Respondents may be inclined to respond in an "ethical" fashion. The usage of scenarios instead of direct questions however does help in reducing the inclination of respondents to respond in this manner.

Future Research. There are several studies which can be carried out for future research to enhance the understanding of the effectiveness of business. The same study can be replicated with changes to the respondents surveyed. Respondents from other cultures or foreign countries could be selected to analyze their intentions to reciprocate vendor gifts. Translation of the questionnaire into the local language will be necessary to ensure that respondents understand the questions.

Research can also be conducted to see the extent to which unrequested and unexpected gifts influence behavioural intentions towards the vendor. In addition, researches could investigate the ethical orientation of gift givers and recipients or if code of ethics in an organization influence the intentions of a buyer to reciprocate.

As relationship marketing becomes more predominant, the issues concerning gifts, be it corporate or personal will warrant further attention from researchers. Corporate gifts seems to be perceived as non-manipulative in many circumstances and this could be a means of building buyer-seller relationships.

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