A framework for determining and prioritizing relational capitals

The case of Iran e-business

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Abstract

Purpose – The purpose of this study is to propose a framework to determine and prioritize relational capitals. This study has empirically performed the framework and revealed prioritized indicators of relational capital within service and non-service industries in Iran.

Design/methodology/approach – A valid questionnaire was utilized to conduct a survey of 243 business managers in different organizational levels of service and non-service industries in Iran.

Findings – Correlation analysis was utilized to ascertain validity of measures. Priority of each relational capital was specified using ordinal regression analysis.

Research limitations/implications – The findings offer valuable insights on relational capital and its indicators in a novel perspective.

Practical implications – Using the proposed framework and utilizing the classification of relational capital indicators, managers and analysts will be able to enumerate the most effective factors for improving business performance and competitive authority based on types of business relations and its environment.

Originality/value – This study provides a guideline for determining and prioritizing business relational capital considering both sides, business-to-business and business-to-consumer relations, which have been under examination in the literature.

Keywords Relational capital, Intellectual capital, B2B, B2C, Iran

Paper type Research paper

1. Introduction

For several years, corporate strategy theorists have been paying greater attention to the idea that organizations comprise a body of knowledge. As we move from the industrial age into the information age, knowledge is becoming a key driver for the competitive success of firms. Knowledge must be managed effectively in people and organizations to ensure that valuable created capacities are maintained (Bohn, 1994). According to Zack (1999), the ability to create knowledge and to continue learning from it is a competitive advantage because innovative knowledge developed today will be core knowledge tomorrow.

However, knowledge is not the only intangible resource and asset of interest to organizations; there is also intellectual capital, which includes those intangible assets of an organization that are not recorded in financial statements but which may constitute 80 per cent of the market value of the organization (Zack, 1999). It includes the following:

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- *Human capital:* The knowledge, skills, etc. of individuals;
- *Structural capital:* The property of the organization, such as processes and information in a database; and
- *Relational capital:* The relationships that an organization has with its clients/customers and environment (Day, 2000; Saint-Onge, 1996; Stewart, 1997).

The relationships a firm has with its customers contribute to its organizational capital (Hunt, 1997) and comprise an important part of its shareholder value (Payne *et al.*, 2000). The value in these relationships, therefore, needs to be understood and managed carefully. Marketing managers need to be able to understand the dimensions of this value to manage their portfolio of customer relationships effectively (Srivastava *et al.*, 2001) and develop these market-based assets (Srivastava *et al.*, 1998) for competitive advantage (Barney, 1991). Development of scales to measure this value is thus a useful research goal which is supported by calls for the quantification of market-based assets and their value (Srivastava *et al.*, 1998).

Because of few physical assets in electronic businesses, as commercial or administrative transaction or information exchange over the internet, knowledge management and intellectual capital assessment are needed more than traditional businesses. e-business needs better knowledge of its intellectual capital to gain sustainable competitive advantages using them and reinforcing their position in the competitive market (Tan *et al.*, 2007; Sonnier *et al.*, 2007).

Therefore, it is required that business, especially e-business, has a framework to measure intellectual capital. The main purpose in this research is to represent a framework for assessment of relational capital, one of three dimensions of intellectual capital, in business. The conceptual framework is based on current literature on intellectual capital, and through its use, managers can prioritize relational capital indicators regarding organizational relations type and determine the most important areas to improve business performance in the competitive market. Empirical studies based on specific business would strengthen the contribution of the framework to business performance. A prioritized list of indicators of relational capital, as the output of this procedure, can be a guide to measuring this part of intellectual capital.

Most research on relational capital has focused on "customer capital" (Christopher, 1996; Ravald and Gronroos, 1996; Liu and Lin, 2007; Ramezan, 2011), while business-to-business (B2B) situations are valuable resources for creating relational capital. This research considers both sides of relational capital in business and investigates related indicators in business-to-customer (B2C) and B2B relations, which have been excluded from previous studies on intellectual capital. These indicators are then prioritized using regression analysis. Because of the large number of indicators, the Freidman test was used to select a manageable number.

This research continues by investigating relational capital and the ways it can be used to measure them as intangible resources of creating value for business in both B2B and B2C relations. Section 3 introduces a proposed framework for determining and prioritizing measurement indicators. The next sections represent research methodology and achieved results. The last section is dedicated to a discussion about outputs of procedure.

2. Literature review

2.1 Relational capital and B2B and B2C relations

Studies about intellectual capital began in the mid-1990s when researchers tried to investigate and explain its various aspects (Alcaniz *et al.*, 2011). Edvinsson (1997) provides an initial classification, dividing intellectual capital into two types: human and structural capital. In this classification, customer capital and any relationships with the customers that may have been built over time are considered sub-categories of structural capital. Customer capital was renamed relational capital by authors such as Bontis (2002) and Cañibano *et al.* (2002) on the grounds that it should include not only an organizations' relationships with its customers but also with any other third parties that are related to the firm. In other words, relational capital includes both B2B and B2C relations and is defined as knowledge embedded in the value chain of the organization; that is to say, the knowledge identified in the relationship of the organization with its suppliers, clients and entities outside the organization (Bontis, 2002).

Relational capital is based on social capital theory. Social capital has received considerable attention from sociologists, organizational theorists, economists and psychosocial scientists (Burt, 1997). The term "social capital" is defined as resources embedded in a social structure that are accessed and/or mobilized in purposive actions (Lin, 2001). Another definition of "relational capital" introduces it as the sum of the actual and potential resources embedded within, available through and derived from the network of relationships possessed by an individual or social unit (Nahapiet and Ghoshal, 1998). Some researchers have made differentiations between structural and relational dimensions of a social network (Tsai and Ghoshal, 1998). The structural dimension of social capital focuses on social interaction. The relational dimension of social capital describes the quality and nature of connections employees have developed with each other. Extending the concept to the interorganizational realm (Kale *et al.*, 2000, p. 218), relational capital is defined as the level of mutual trust, respect and friendship that arises out of close interactions between alliance partners. Moreover, relational capital focuses on trust and close interactions between partners and facilitates multifold cooperations with partners in interorganizational relationships (Griffith and Harvey, 2004; Tsai and Ghoshal, 1998).

Trust is embedded in a particular exchange relation and becomes a fundamental basis of long-term relationships between partners. Trust exists when one party has confidence in an exchange partner's reliability and integrity (Morgan and Hunt, 1994). As Granovetter (1985) notes, economic actions are embedded in social relationships and close interactions are the channels for information, knowledge and resource flows (Tsai and Ghoshal, 1998).

Relational capital, in another perspective, refers to relations between an organization and its customers. Compared to human and structural capital, customer capital as an essential part of intellectual capital has an incremental importance and influences the realization of organizational values. Fornell (1992) found in his research that customer satisfaction can retain business relationships, decrease product price fluctuations and improve organization position. Snell (1999) noted the point of success for business relationships in the market compared to others is achieving a better understanding of customer needs about a product/service. Customer satisfaction can be defined as a combination of high quality, lowest price and best customer service (Willis, 1996).

To improve customer relationship management and customer capital, knowledge-based resources should be created, captured and transferred through customer interaction, integrated channel management and analysis tools. Continuous interactions in buyer – seller relationships help the organization to construct customer databases and create knowledge by analyzing customer data.

To attain effective customer capital accumulation, there has to be an organization-wide generation of market intelligence, pertaining to the current and future needs of a customer. This intelligence should be actuated horizontally and vertically in the organization so that it can be developed fully according to market changes. In this case, customer satisfaction can be provided and customer loyalty (CL) can be promoted. At the end of the process of accumulation of customer capital, it should lead to better financial performance.

2.2 Measurement of relational capital indicators

In the literature on intellectual capital, there is research that discusses relational capital and its indicators. However, to our knowledge, none of the existing research points to a degree of importance for each of these indicators and identifies which ones would create more relational value for the organization. Liu and Lin (2007) tried to investigate how knowledge management, organizational learning and organization directorate can have an influence on attaining better customer capital. This study focused on the B2C dimension of relational capital and considered five indicators for assessment of customer capital, which were introduced by Liu *et al.* (2002). Martines-Torres (2006), by analyzing components of intellectual capital, proposed a model to better understand intellectual values. Although the causes determine intellectual capital and its indicators in an organization with a structured procedure, the importance of each indicator and its value for the organization cannot be excluded in this model. In other words, the proposed model does not present a procedure to determine quantitative value and rank of the indicators.

Chen *et al.* (2004) discussed relational capital from the end-customer perspective and divided it into three categories:

(1) basic marketing capability (BMC);

(2) market intensity (MI); and

(3) CL.

In this classification, BMC is the groundwork for a company to manage its human capital. To increase MI and CL, a company should first enhance its BMC, such as the serving capability and the capability of collecting and utilizing customer data. MI, the ultimate expression of customer capital, refers to the current state of market building and its potential. CL, the third part in this classification, is playing more and more of a role of importance in today's competition. A company without loyal customers will have to resort to various sales promotions to attract new customers who are sometimes unprofitable to the company. Accordingly, the company should make great efforts to improve the quality of product and service pertaining to the current and future needs of customers and to enhance customer satisfaction and thereupon CL (Chen *et al.*, 2004).

Liu *et al.* (2010) view the relational capital from an interorganizational relationships' perspective. They represent a model considering relational capital and organizational learning that indicates firms with higher levels of inter-and intra-organizational learning have the ability to gain more knowledge and increase the degree of satisfaction in their relationships with partners. They identify three key dimensions of relational capital as trust, transparency (T) and interaction. In an economic exchange, trust implies an expectation of good faith efforts by parties through commitment, investment and an implicit demonstration of willingness to be vulnerable (Sarkar *et al.*, 2001; Wu *et al.*, 2007). In e-business, where alliances of partners commit to supplying required items, trust has a strong effect on the output of the alliances and success of business. e-business requires a strong collaboration among partners and realization of this is dependent on bilateral trust between parties.

The second dimension, T, refers to the knowability or openness of each partner, and thus the potential for learning (Hamel, 1991). T can be influenced through the design of organizational interfaces, the attitudes toward outsiders, the partner's relative pace of skill building and the protectiveness of individuals (Norman, 2004). Maintaining open-door policies with each other result from a willingness of the partners to create T in the alliances. Interaction is a key factor that is related to relationship characteristics and facilitates exchange of information and interpersonal contacts. From these researchers' viewpoints, interaction is defined as the degree of reciprocal contact or action between alliance partners. Sustained interaction provides the social glue for holding the alliance partners together (Madhok, 1995) and allows a firm to deal with conflicts and crises and build up joint problem solving arrangements (Kandemir *et al.*, 2006).

A brief look at previous studies shows that most have focused on only one of the relational capital dimensions. Rudez and Mihalic (2007) proposed a model consisting of both B2C and B2B relational capital and indicate that distinct indicators should be used to measure each dimension. Table I has classified all of the indicators from two viewpoints:

(1) relations with end-customer; and

(2) relations with business.

The purpose of this research is to represent a holistic view of how to measure relational capital and identify the indicators and which factors should have more priority in our assessment.

3. Proposed framework

This section explains the framework which is proposed for assessment of relational capital in e-business (Figure 1). The main goal of this framework is to represent a

Research focus	Relational capital blocks
Criterion-defining sample	Employees of service and non-service firms Located in Iran
Sample	243 employees
Response rate	17.7 per cent (43 employees)
Method for data gathering	Survey
Process for data gathering	Ordinary mail Making responses' database using Google document service
Statistical software	SPSS 17.0 for windows

Table I.
Research resume

Relational Capital Type	Source	Indicator	Reference
Customer Capital	• basic marketing capability	○ Constructing and utilizing customer database ○ Identifying ability of customer's needs ○ Providing customer based services ○ Discerning customers' perspectives and preferences	Chen et al. (2004) Liu, S.S., et al. (2002)
	• market intensity	○ Market share ○ Market potential ○ Unit sales to customer ○ Brand and trademark reputation ○ Organizational image in the market ○ Impact of the firm's objectives on attracting cusomers ○ Development of theme construction in the firm	Chen et al. (2004) Chen et al. (2004)
	• customer loyalty	○ Customer satisfaction ○ Customer complaint ○ Customer churn ○ Customer loyalty ○ Investment on customer loyalty	Chen et al. (2004)
	• direct distribution channel	○ Developing internet and information systems ○ Developing direct distribution channels ○ Internet position among distribution channels	
Business Capital	**Intra organizational** • Personal knowledge	○ strong partnership of staffs from different levels in knowledge transporting practices ○ Finding professional innovations by using technologies (web pages, staff help, etc.) ○ Using subject manuals (books, problems, case studies, etc.)	Martínez-Torres (2006)
	• Internal collaboration	○ Using criteria for selecting people for internal promotion, etc. ○ The number of departments meetings ○ Cooperativeness of departments commissions ○ Supporting results of departments commissions by directorate ○ Availability of general interest	Martínez-Torres (2006)
	Inter organizational • trust	○ A good faith relationship between the firm and its partners ○ Bilateral understanding between the firm and its partners ○ No fraud in the firm interactions ○ Bilateral trust between the firm and its partners	Chang, and Gotcher (2007)
	• transparency	○ partner's willingness to discuss and solve technical problems ○ partner's willingness to provide product technology data/documentation ○ partner's willingness to provide process technology	Robson (2001)
	• relationship with commercial partners	○ high priority of relationship with partners ○ continuous improving cooperation with commercial partners ○ degree of success in commercial collaborations ○ no bureaucracy relations ○ using relations as a knowledge resource ○ face to face relations	Inkpen (2000) Subramaniam & Venkatraman (2001)
	• R&D resource sharing	○ co-publishing the research results ○ cooperation for commercialization ○ licensing between participations ○ technical meetings and conferences ○ reorganization for new research agendas ○ co-funding on research ○ sharing experimental data ○ equipment and experimental sharing	Dalpe (1993) Georghiou (1998)
	• Relationship with other partners and groups	○ relationship of the firm and media ○ using media as a source of image ○ the local community's supporting of developments ○ impact of the government on the firm ○ relationship of the firm with its financers ○ experience of the firm with interest groups ○ impacts of competitors on supply of the firm	Callon et al. (1997) Brown (1997) Rudež and Mihalič (2007)

Figure 1.
Relational capital resources and related indicators

guideline for the identification of an appropriate management system for relational capital. Moreover, this framework helps business managers to make a better assessment of a firm's financial situation. In the absence of good information about this intangible asset, there is always the possibility of misusing business opportunities. Managers may not wish to invest in intangibles if there is a probability of deteriorating business performance because they think only in terms of expenses rather than investment on assets.

To understand intellectual capital in an e-business, the first step emphasizes identifying the mission and strategic goals of the organization (Meritum Project, 2001; Martínez-Torres, 2006). In order to reach its goals, it would be necessary for it to have resources, both tangible and intangible (Figure 2).

In other words, achieving strategic goals and creating value requires determining the most critical intangible assets, which are determined by intangible asset resources. This framework focuses on intangible relational resources and assets that help organizations realize their strategic goals. Here it is necessary to remember the difference between intangible resources and intangible activities. Intangible resources can be measured at a determined moment, while intangible activities are carried to acquire or produce internally intangible resources; to retain or improve those that already exist; and to measure and control them. According to previous sections, relational capital is divided into customer capital and business capital. In this step, resources of this capital are investigated.

To measure intangible assets, after determining related assets, it is necessary to specify related indicators. It should be noted that indicators would likely create different values and have different levels of importance and priority. Therefore, the proposed framework in this study has used regression analysis to rank the specified indicators.

The dependent variable in this research is relational capital and the relationship between this variable and its sub-constructs can be expressed with the following equation:

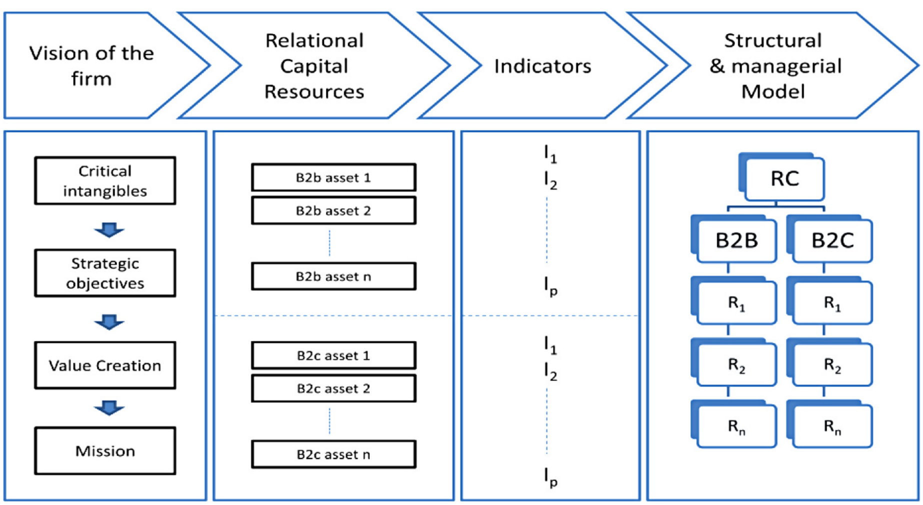

Figure 2.
Proposed framework for assessment of relational capital

$$
\begin{aligned}
\textit{Relational Capital} = {} & \beta_0 + \beta_1(BMC) + \beta_2(MI) + \beta_3(CL) + \beta_4(DDC) \\
& + \beta_5(PK) + \beta_6(IC) + \beta_7(\textit{Trust}) + \beta_8(T) \\
& + \beta_9(RCP) + \beta_{10}(R\&DRS) + \beta_{11}(ROP\&G)
\end{aligned}
$$

BMC = basic marketing capability,
MI = market intensity,
CL = customer loyalty,
DDC = direct distribution channel,
PK = personal knowledge,
IC = internal collaboration,
T = transparency,
RCP = relationship with commercial partners,
$R\&DRS$ = R&D resource sharing, and
$ROP\&G$ = relationship with other partners and groups.

4. Methodology

4.1 Study design

Based on previous studies, relational capital is sub-divided into 11 elements: end-customer relationship capital (BMC, MI, CL, DDC, PK and IC), non-end-customer relationship capital (trust, T and RCP, R&DRS and ROP&G). Each sub-construct was operationalized with some items that measured employees' perception of that variable in its importance on the success of e-business. All items (58 in total) were measured with a five-point Likert-type scale.

To have a manageable number of indicators (Reisinger *et al.*, 2003), an initial survey was conducted with 10 academic professors in the field of e-business. This survey was conducted to select 25 high-ranked indices and then prioritized in the main survey. Before ranking the indicators using the Freidman test, Cronbach's alpha was used to investigate the reliability of each construct.

Previous studies have focused on service or non-service industries to obtain a more homogeneous sample (Chang and Gotcher, 2007; Liu *et al.*, 2010). This study has tried to show that differences among businesses in relational capital measurement are mostly related to their relations with commercial partners, not to the industry type. Therefore, a finalized questionnaire with 25 indicators was mailed to 243 business managers in different organizational levels of different firms. People had to answer on a five-point Likert-type scale, showing their level of agreement with the questions present in the survey (Table II).

4.2 Findings

In the initial survey, validity was tested by interviewing the academic professors. Cronbach's alpha was used to test the reliability of measures. Cronbach's alpha results ranged between 0.75 and 0.95 for each construct, which is acceptable. The Freidman test determined the rank of each indicator and the 25 most important indicators were selected for the main survey. Table II represents these indicators and their related construct.

Table III depicts the mean scores of each variable and its corresponding construct. Generally speaking, all items scored in the affirmative (1 = strongly disagree, 5 = strongly agree and 3 = the mid-point) with mean values greater than 3.0.

Relational capital-sub categories	Indicators
Basic marketing capability	Construction and utilization of the customer database
	Identifying ability of customer's needs
Market intensity	Market share
	Brand and trademark reputation
	Destination of the company is important to attracting customers
	Developing theme construction by the firm
Customer loyalty	Customer satisfaction
	Investment on customer relationship
Direct distribution channel	Developing internet and new direct distribution channels
Personal knowledge	Conducting seminars, conferences, etc. and using subject manuals like books to increase personal knowledge
Internal collaboration	Criteria for selecting people, for internal promotion, etc.
	Informing everyone about departments commissions and supporting them by the directorate
Trust	Good faith relationship among the firm and its partners
	Existence of bilateral understanding among the firm and its partners
Transparency	The partner's willingness to discuss and solve technical problems and providing product technology data and process technology
Relationship with commercial partners	Importance of relationship with commercial partners
	Checking the cooperation regularly
	Exploiting every opportunity that arises for a commercial partnership
R&D resource sharing	Co-publishing the research results and cooperation for commercialization
	Research co-funding
	Sharing experimental data, equipment and facilities
Relationship with other partners and groups	Good relationship with media and using it to improve image
	Impact of government on business
	Relationship of the firm with its financers
	Experience of the firm with special interest groups

Table II. Twenty-five high-ranked indicators of relational capital

Pearson's bivariate correlation coefficient was used to test the relationship between independent variables and dependent ones. The result showed that the relational capital variables and sub-variables had a substantive and significant relationship with relational capital. ANOVA was then used to analyze respondents' characteristics related

Table III.
Relational capital elements: descriptive statistics

	Mean	SD
Basic marketing capability		
Construction and utilization of the customer database	5.98	1.089
Identifying ability of customer's needs	5.76	1.090
Market intensity		
Market share	5.67	1.148
Brand and trademark reputation	5.60	1.286
Destination of the company is important to attracting customers	5.52	1.335
Developing theme construction by the firm	5.40	1.321
Customer loyalty		
Customer satisfaction	5.15	1.424
Investment on customer relationship	4.98	1.725
Direct distribution channel		
Developing the Internet and new direct distribution channels	4.89	1.674
Personal knowledge		
Conducting seminars, conferences, etc. and using subject manuals like books to increase personal knowledge	3.92	1.756
Internal collaboration		
Criteria for selecting people, for internal promotion, etc.	3.78	1.387
Informing everyone about departments commissions and supporting them by the directorate	5.64	1.874
Trust		
Good faith relationship among the firm and its partners	3.31	1.072
Existence of bilateral understanding among the firm and its partners	4.10	1.658
Transparency		
The partner's willingness to discuss and solve technical problems and providing product technology data and process technology	5.21	1.593
Relationship with commercial partners		
Importance of relationship with commercial partners	3.98	1.264
Checking the cooperation regularly	4.87	1.286
Exploiting every opportunity that arises for a commercial partnership	5.32	1.457
R&D resource sharing		
Co-publishing the research results and cooperation for commercialization	4.650	1.732
Research co-funding	4.092	1.958
Sharing experimental data, equipment and facilities	3.893	1.283
Relationship with other partners and groups		
Good relationship with media and using it to improve image	3.439	1.348
Impact of government on business	3.585	1.974
Relationship of the firm with its financers	5.049	1.683
Experience of the firm with special interest groups	3.225	1.611

to gender, age and education. Table IV represents a correlation matrix across all variables with all values being statistically significant ($p < 0.01$).

To determine degree of importance for each relational capital indicator, we used ordinal regression. The relationship between the dependent variable of intellectual

Variable	1	2	3	4	5	6	7	8	9	10
BMC										
MI	0.729									
CL	0.680	0.711								
DDC	0.619	0.472	0.699							
PK	0.535	0.298	0.571	0.461						
IC	0.603	0.529	0.600	0.643	0.596					
Trust	0.445	0.419	0.498	0.458	0.565	0.418				
T	0.603	0.529	0.600	0.643	0.596	0.513	0.406			
RCP	0.636	0.586	0.753	0.737	0.889	0.900	0.915	0.609		
R&DRS	0.712	0.670	0.698	0.498	0.579	0.603	0.631	0.745	0.362	
ROP&G	0.534	0.701	0.282	0.313	0.291	0.327	0.687	0.632	0.603	0.419

Note: All correlation values are significant at the 0.0.1 level (two-tailed)

Table IV.
Correlation matrix

capital and its sub-constructs derived by this model can be expressed with the following equation:

$$\begin{aligned} \mathit{Relational\ Capital} = {} & 0.296 + 0.059\,(\mathit{BMC}) + 0.015\,(\mathit{MI}) + 0.364\,(\mathit{CL}) \\ & + 0.309\,(\mathit{DDC}) + 0.004\,(\mathit{PK}) + 0.008\,(\mathit{IC}) \\ & + 0.447\,(\mathit{Trust}) + 0.291\,(\mathit{T}) + 0.583\,(\mathit{RCP}) \\ & + 0.378\,(\mathit{R\&DRS}) + 0.185\,(\mathit{ROP\&G}) \end{aligned}$$

According to these results *relationship with commercial partners* is the most strongest indicator among the others and we can rank the indicators as *relationship with commercial partners, trust, R&D resource sharing, customer loyalty, direct distribution channel, transparency, relationship with other partners and groups, basic marketing capability, market intensity, internal collaboration, personal knowledge* (Figure 3).

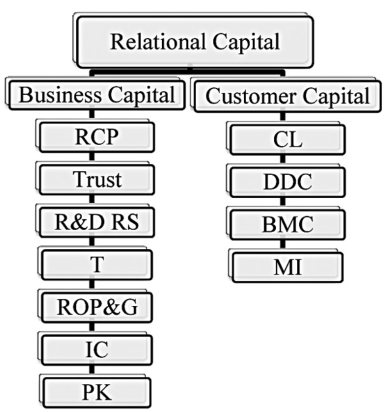

Figure 3.
Classification and prioritizaton of indicators of relational capital

5. Discussion and conclusion

We want to highlight the contribution of our research to the field of intellectual capital, where empirical work on determining the degree of importance for each indicator of relational capital is very scarce. Although several proposals about intellectual capital classification, identification and measurement can be found in the literature, this work provides a classification, prioritization and configuration of relational assets.

One of the most appealing findings of this research has been the importance of alliances (and their time duration) in the configuration of relational capital. Trust and R&DRS are the next priorities. The research shows that partner relationship management and certain collaboration agreements are very important for business so that they have more and better relational capital in comparison to competitors. When a firm holds a strong position in this area and has good relations with its partners and suppliers, it is time to execute loyalty programs, reduce complaints and gain the most customer satisfaction. This component helps a firm to have a better presence in the market in comparison to its competitors.

Although we have considered firms from different industries, and even from different sectors, there are common patterns regarding the possible interactions with key partners. Thus, firms that are in a certain industry can learn to operate in another one with the help of an appropriate partner or simply form alliance networks (Kogut, 2000) to improve their competitive position.

After reinforcing the competitive position, developing DDCs to customers using internet and information systems helps make better relationships with them and develops product/services based on their needs. Customer satisfaction is a very important factor that influences market share and the image of a firm. Thus, it is important to have investment plans in this aspect to attract more customers.

We must highlight that the empirically driven model for classifying relational capital that has been obtained in this research (Figure 1) is different from previous studies. Most of the studies have focused on relations with customers or with businesses. Although, some of them have considered indicators from both types of relations, they have not indicated which ones have more importance and the managers should pay more attention in their plans. In this model, we have divided relational capital into customer capital and business capital. Here, customer capital refers to each relation that the firm should have with its end-customers and business capital represents the knowledge which is embedded in the relations of an organization with its partners, government and local community.

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