

Factors influencing successful buyer–seller relationships

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Abstract

Previous research has identified factors that influence buyer–seller relationships. Despite the importance of understanding how these factors influence buyer–seller relationships, the relative importance of these factors has not been empirically determined. The purpose of this research is to identify what factors are of the greatest overall importance to buyer–seller relationships and to identify what factors are of the greatest importance in each stage of buyer–seller relationships. The results of this research have important implications for managers of both buying and selling firms. By understanding the factors that are most important at each stage, managers can focus their efforts on these elements in order to foster successful buyer–seller relationships.

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1. Introduction

A competitive advantage exists for companies that are engaged in successful long-term buyer–seller relationships (Anderson and Narus, 1990; Badaracco, 1991; Dwyer, Schurr, and Oh, 1987; Jap and Ganesan, 2000; Ganesan, 1994; Noordewier, John, and Nevin, 1990). This makes it important for companies to understand what factors influence their relationships with other firms. An identification of the relative influence of these factors can be used to focus a company's efforts on the areas that are most important, improving the sustainable competitive advantage derived from that relationship (Takala and Uusitalo, 1996). The research reported in this paper was conducted to address the following research questions: What factors are of the greatest importance in buyer–seller relationships? In what stage are these relationship factors of the greatest importance? Given the high costs associated with the dissolution of B2B relationships, it is incumbent upon both sides of a buyer–seller relationship to identify informal and formal

mechanisms to maintain relationships and to continue behaviors leading toward mutual value enhancement.

2. Background

The basis of this research is that partners involved in different stages of a relationship may look to different factors in assessing their satisfaction with that relationship. The research is designed to identify the stage that a specific relationship factor is of the greatest importance compared to other stages. In some cases it is hypothesized that a relationship factor may be of the greatest importance across more than one stage; in these instances the comparison is made between these stages and the remaining stages. In other instances we hypothesize that a relationship factor is of equal importance across all stages of the relationship. The stages of a buyer–seller relationship are reviewed first and are summarized in Table 1. The factors that influence buyer–seller relationships and the stage(s) where they are hypothesized to be of the greatest importance are then discussed. The buying context that is considered in the hypotheses that are developed is a long-term non-contractual buyer–seller relationship. Table 2 illustrates the hypotheses related to relationship factors and stages.

Partner selection is the process by which the firm becomes aware of potential partners and ultimately selects an appropriate

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Table 1
Relationship stages

Partner selection	Identifying an appropriate partner is a critical first step in the relationship development process. During this stage, the process of assessing the quality of a potential partner begins the development of the relationship.
Defining purpose	The defining the purpose stage of relationship development provides organizational sanctioning of the relationship that gives legitimacy between the partners and within each organization. The partners must develop a common understanding of the purpose of the relationship.
Setting relationship boundaries	Boundary definition defines the degree to which each partner penetrates the other’s organization and achieves joint action. A new set of informal rules defining how much each partner may call upon the other develops as the partners begin to adapt processes, products or services to accommodate the other partner. In this stage the level of performance satisfaction is determined by the resources committed to the partnership and by the degree of commitment of those involved.
Creating value	Value creation is the process by which the competitive abilities of the partners are enhanced by being in the relationship. This value is created by the synergy from the partnership whereby each partner gains from the relationship. This value may come in the form of technology, market access, information, lower prices and operating costs, knowledge; often the partners will adapt their processes or products to meet a partner’s specific need.
Relationship maintenance	Relationship maintenance is the stability of the relationship that has developed as the previous stages have been developed and have been positive outcomes. When the relationship has developed to this stage, working with the partner is very much like working within your own company.

firm (Dwyer et al., 1987). In searching for a potential partner the firm must seek out businesses that have the skills and capabilities that enable them to meet the short and long-term goals of the company seeking the partnership (Badaracco, 1991). *Defining purpose* represents the stage in which both parties communicate their attitudes and feelings toward the development of the relationship (Weiss and Jap, 1995). Defining the

purpose of the relationship helps the parties clarify their mutual goals, and these mutual goals hold the relationship together in times of stress (Wilson, 1995). *Setting relationship boundaries* defines the resources available to create value in the relationship (Wilson, 1995). In this stage, partners become increasingly interdependent on the resources and benefits derived from the partnering firm (Dwyer et al., 1987). *Creating relationship value* in a relationship is the process by which the partners’ competitive abilities are improved by being in the relationship (Wilson, 1995). The capabilities of the partners are combined so that the competitive advantage of either one or more of the partners is improved (Borys and Jemison, 1989). *Relationship maintenance* represents the stage in which the partners have hopefully achieved a level of satisfaction that may exclude all other potential exchange partners (Dwyer et al., 1987). Partners may seek to continue in the relationship because each believes the relationship allows for maximum optimization of their competitive positions.

2.1. Factors influencing buyer–seller relationships

The factors that influence relationships are reputation, performance satisfaction, trust, social bonds, comparison level of the alternative, mutual goals, power/interdependence, technology, non-retrievable investments, adaptation, structural bonds, cooperation, and commitment.

2.1.1. Reputation

Reputation is important to a relationship as it represents a firm’s perception of the capabilities of another organization. A reputation for important criteria is a source of trustworthiness that clients seek in their relationships (Davies and Prince, 2005). In searching for an appropriate partner, reputation for performance and trustworthiness becomes an important measure when the partner is new and untested (Wilson, 1995). Reputation for fairness is built on reliable and consistent behavior over time. A reputation for effective performance is transferable between firms and enhances the credibility of the supplier; whereas suppliers with a reputation for terminating relationships and seeking high profits signal that they are interested solely in their own interests

Table 2
Hypothesized stages of relationship factor importance

Stage of relationship/relationship factor	Partner selection	Defining relationship purpose	Setting relationship boundaries	Creating relationship value	Relationship maintenance
Reputation (H ₁)	■				
Performance satisfaction (H ₂)				■	■
Trust (H ₃)				■	■
Social bonds (H ₄)	■	■	■	■	■
Comparison level of the alternative (H ₅)	■	■			
Mutual goals (H ₆)	■			■	■
Power/interdependence (H ₇)	■	■	■		
Shared technology (H ₈)	■	■	■	■	■
Non-retrievable investments (H ₉)			■	■	
Adaptation (H ₁₀)				■	■
Structural bonds (H ₁₁)			■	■	■
Cooperation (H ₁₂)				■	■
Commitment (H ₁₃)					■

(Ganesan, 1994). Reputation has been viewed as an antecedent of other relationship factors (Bennett and Gabriel, 2001), thus implying that the impact of reputation will be greatest at early stages of the buyer–seller relationship. It also follows that at the outset of a buyer–seller relationship there is not a great deal of direct experiential information available. Therefore the reputation of the potential partner may become a primary source of information. It is hypothesized that *reputation is of the greatest importance in the partner selection stage* (H₁).

2.1.2. Performance satisfaction

Performance satisfaction is the degree to which the business aspect of the relationship delivers fundamental value (Gruen, Summers, and Acito, 2000) and where each partner involved in the exchange relationship should be satisfied with the performance of the other (Han, Wilson, and Dant, 1993). Performance satisfaction leads to the development of trust and commitment, which is key to maintaining a long-term relationship (Anderson and Narus, 1990; Narayandas and Rangan, 2004). When performance is satisfactory, partners are motivated to continue the relationship, whereas unsatisfactory performance may lead to partners modifying or terminating the relationship (Parvatiyar and Sheth, 2001). By definition, a partner's satisfaction with performance can only occur after the relationship has been in existence for a period long enough to create performance results. These results are also necessary for the determination of the value of the relationship. Since the relationship must have had time to create performance results it is hypothesized that *performance satisfaction is of the greatest importance in the creating relationship value and relationship maintenance stages* (H₂).

2.1.3. Trust

Trust is a willingness to rely on an exchange partner in which the firm has confidence (Moorman, Zaltman, and Deshpande, 1992). Trust is an expectation about an exchange partner that results from the partner's expertise, reliability, and intentionality (Ganesan, 1994). Trust entails the assumption of risk and some form of trust is inherent to all relationships (Sheppard and Sherman, 1998). An interesting perspective on trust is that long-term relationships may not require trust; rather the relationship may be based on the necessity of having a supplier or distributor (Kumar, 2005). Although trust can be important at all stages of the relationship, the measurement of trust can only occur after a partner has been in a relationship long enough to evaluate this dimension. Similar to performance satisfaction, trust becomes of greater and measurable importance in the last two stages of relationship development. It is hypothesized that *trust is of the greatest importance in the creating relationship value and relationship maintenance stages* (H₃).

2.1.4. Social bonds

Social bonds link and hold a buyer and seller closely together (Han, 1991), and represent the degree of mutual friendship and liking shared by the buyer and seller (Wilson, 1995). Social bonding represents the norms and standards of conduct that are required for relationships, and these occur in the defining phase of relationship development as well as continuing to develop in

the setting boundaries phase (Dwyer et al., 1987). Social bonds also serve as a motivation to continue a relationship (Lawler and Yoon, 1993). Social bonding represents a greater bond than friendship or benevolence. It represents a marketing activity where the outcomes of exchange may depend on bargaining, negotiation, power, conflict, and shared meaning between buyer and seller (Bagozzi, 1978). Some aspects of social bonding such as bargaining and negotiation may occur at the beginning of a relationship, while other aspects such as shared meaning may occur later. Social bonding may positively influence the initial stages of a relationship and at the same time it may be a result of successful interactions throughout the relationship. It is hypothesized that *social bonds are equally important across the stages of relationship development* (H₄).

2.1.5. Comparison level of the alternative

Comparison level of the alternative is defined as the minimum level of outcomes a partner will accept in light of available alternative relationship opportunities (Thibaut and Kelly, 1959). The comparison level of the alternative acts as a standard that represents the overall quality of outcomes (economic, social, and technical) available to the firm from an alternative relationship (Anderson and Narus, 1990). The choice of one firm over another is the outcome of comparing levels of the alternative (Dwyer et al., 1987). The process of selecting a partnering firm by definition comes at the partner selection stage, however, it may continue as the partnership matures and as the purposes of the partnership are identified. Given that the comparison level of alternative relationships occurs as the relationship begins, it is hypothesized that *comparison level of the alternative is of the greatest importance in the partner selection and defining purpose stages* (H₅).

2.1.6. Mutual goals

Mutual goals are the degree to which partners share goals that can be accomplished through joint action and the maintenance of the relationship (Wilson, 1995). This process identifies the beliefs the partners have in common about what each consider right or wrong, important or unimportant, and appropriate or inappropriate (Morgan and Hunt, 1994). The identification of mutual goals involves both a determination of what those goals are and the degree to which a partner can help the firm achieve them. It also involves the achievement of those goals through the maintenance of the relationship. It follows that the importance of mutual goals is high in the initial stage of a relationship as partners identify beneficial relationships and also at the later stages as they assess the results of the partnership against these mutual goals. It is hypothesized that *mutual goals are of the greatest importance in the partner selection, creating relationship value, and relationship maintenance stages* (H₆).

2.1.7. Power/interdependence

Power is the ability of one partner to have an advantage over the other and it can allow one partner to coerce the other into doing something they otherwise may not do (Wilson, 1995). Power can be detrimental to a relationship in that a coerced

party is not likely to remain in the relationship for the long term (Morgan and Hunt, 1994). Equal power produces more mutual concessions than unequal power, and this in turn results in more frequent agreements (Lawler and Yoon, 1993). Power can create a dependence upon a partner and as this dependence increases, the other partner becomes more powerful in the relationship (Wilson, 1995). The dependent partner may be willing to honor a request made by its partner and the superior partner may make requests of the dependent partner that solely benefits the superior partner (Anderson and Narus, 1990). These types of relationships may hold together for the short-term, but as soon as either partner feels the situation is unfair, or that it is uneven, it will begin to come apart (Ohmae, 1989). It follows that the determination of power relationships occurs at the initial stage of a buyer–seller relationship and continues through the point in the relationship that its structure and boundaries are determined. It is hypothesized that *power and interdependence are of the greatest importance in the partner selection, defining purpose, and setting relationship boundaries stage of relationship development* (H₇).

2.1.8. Shared technology

Shared technology is the degree partners value the technology contributed by the relationship leading to a stronger relationship if both parties benefit (Wilson, 1995). Shared technology contributes to increasing commitment to a relationship and represents interdependence on the resources and benefits derived from a partnering firm (Dwyer et al., 1987). By definition the importance of shared technology must exist as the firm selects a partner, defines the purpose of the relationship, determines boundaries, assesses the value of the relationship, and as it chooses to maintain the relationship. It is hypothesized that *shared technology is equally important across the stages of relationship development* (H₈).

2.1.9. Non-retrievable investments

Non-retrievable investments are costs associated with terminating one relationship and beginning an alternative relationship, and can lead to dependence on a particular partner (Jackson, 1985). Idiosyncratic, or transaction specific investments, are assets specific to a relationship, and they cannot be easily converted to another relationship; therefore, the value of the asset decreases if the relationship is terminated (Weiss and Jap, 1995). When suppliers make transactions specific investments, the buyer perceives these investments as a commitment to the relationship (Jap and Ganesan, 2000). Non-retrievable investments reflect an investment made in a relationship, therefore the relationship has to have been in existence for a period of time for these investments to already be made. In order to determine the costs of walking away from these investments, an assessment of their value must be made as well. As non-retrievable investments are a reflection of investment over time in a relationship, and they represent a measure of value of the relationship, it is hypothesized that *non-retrievable investments are of the greatest importance in the setting relationship boundaries and creating relationship value stages* (H₉).

2.1.10. Adaptation

Adaptation is when one of the partners in a relationship changes or adapts its processes or the item exchanged to accommodate the other party and has been reported to positively influence value creation in a relationship (Walter and Ritter, 2003). It is expected that adaptations will continue throughout the life of the relationship and that adaptation will strengthen the relationship and create barriers of entry to competing suppliers (Wilson, 1995). The focus on adapting the product or service to meet a customer's needs will also focus on improving the quality of the product or service, and improved quality means more satisfied customers, and this will lead to more interaction between the companies (Gronroos, 1983). Adaptation requires time and resources, consequently adaptation cannot occur in the earliest stage of a relationship. Over time, however, a partner may expect changes to be made to conform to some way of doing business unique to its firm. It is hypothesized that *adaptation is of the greatest importance in the creating relationship value and relationship maintenance stages* (H₁₀).

2.1.11. Structural bonds

Structural bonds are created because each party needs their partner in order to accomplish something; these bonds bring the members together, keep them together, and cause them to interact in a relationship (Han, 1998). Structural bonds are made because the partners need each other in order to accomplish some end result, whereas social bonds are made on the basis of social interaction and are much more subjective. It follows that structural bonds exist only after the relationship has been in existence for some time and that they bond and tie partners together from that point forward through the maintenance of the relationship. It is hypothesized that *structural bonds are of the greatest importance in the setting relationship boundaries, creating relationship value, and relationship maintenance stages* (H₁₁).

2.1.12. Cooperation

Anderson and Narus (1990) describe cooperation as coordinated actions taken by firms in interdependent relationships to achieve mutual goals, and in this manner, both parties cooperate in order to benefit from the relationship. Cooperation requires input from both sides and both sides working to achieve the best solution with coordinated efforts producing outcomes better than one firm will achieve alone (Anderson and Narus, 1990). Cooperation implies an ongoing relationship where the structure or boundaries of that relationship have already been established and where this cooperation must take place in order for that relationship to continue. Given that cooperation enables the achievement of mutual goals that are necessary to a continued relationship, it is hypothesized that *cooperation is of the greatest importance in the creating relationship value and relationship maintenance stages* (H₁₂).

2.1.13. Commitment

Commitment refers to a pledge of relational continuity between exchange partners. Lawler and Yoon (1993) describe commitment as an emotional attachment to a group in which members will tend to remain in the relationship and do things

not necessary to maintain the relational exchange. Relationship commitment exists when each partner believes that an ongoing relationship is so important as to warrant maximum efforts to maintain it to ensure it endures indefinitely (Morgan and Hunt, 1994). Commitment to the relationship exists as an enduring desire to maintain a valued relationship (Moorman et al., 1992). Commitment occurs after a relationship has been well established and is specifically an issue that is related to importance placed on maintaining that relationship. As commitment relates to maintenance and continuity of a relationship, it is hypothesized that *commitment is of the greatest importance in the relationship maintenance stage* (H₁₃).

3. Method

A survey was mailed to a random sample of purchasing managers within the United States based on a mailing list obtained from the *Institute for Supply Management*. Purchasing managers were selected as they are often the main point of interaction with their firm's suppliers and they are knowledgeable about the company's relationship with those suppliers. Each respondent was requested to complete the questionnaire with respect to the characteristics of one particular relationship the purchasing manager was knowledgeable about. This approach is consistent with other studies in which the respondent selects the focal relationship (Knemeyer and Murphy, 2005; Lusch and Brown, 1996). The purchasing managers were asked to respond to questions referencing a particular supplier which whom they either had an existing relationship or with whom they were planning on entering into relationship. The buying context is important and has been found to impact the importance of relationship factors (Claycomb and Frankwick, 2004). The context of the study was long-term buyer–supplier relationships, focusing on the relationship between the two, and not on contractual obligations.

The measures used for this study were adapted from previous research. Reputation, performance satisfaction, comparison level of the alternative, power/interdependence, and non-retrievable investments were measured by scales adapted from Ganesan (1994). Trust and commitment were measured by scales adapted from Morgan and Hunt (1994). Social bonds and structural bonds were measured by scales adapted from Han (1991). Shared technology was measured by a scale adapted from Han and Wilson (1993). Mutual goals, adaptation, and cooperation were measured by scales adapted from Lusch and Brown (1996). The respondents identified the stage of the relationship that they were in with their selected supplier based on definitions based on Wilson (1995) as seen in Table 2.

4. Results and findings

Of 2000 surveys mailed, 290 surveys were returned of which 26 were not usable. A follow-up letter was sent resulting in an additional 36 surveys being returned for a total of 300 usable surveys. This resulted in a response rate of 15.2%. A comparison of the follow-up surveys with the initial surveys was performed to test for non-response bias. Each of the variables was tested along

with the stage of relationship development. There were no significant differences between the two groups. The relationship factors used in this study were examined for reliability using Cronbach alpha. Cronbach alphas for each relationship factor exceeded the suggested level of .70 (Nunnally and Bernstein, 1994), with only the Cronbach alpha for reputation falling slightly below the suggested level (.68). The relationship factors and reliability measures are seen in Table 3. Construct validity was examined based on factor analysis. This procedure revealed that the factors matched the constructs used in the study, however, adaptation and mutual goals grouped together. Adaptation and mutual goals were analyzed individually in each stage of relationship development to be consistent with the literature, however, the results must be considered in view of the fact that they did load together and is covered further in the Discussion and managerial implications section.

In order to answer the first research question regarding the overall importance of the relationship factors, mean values of each relationship factor across all stages were calculated. In rank order of importance, the relationship factors are mutual goals, adaptation, trust, performance satisfaction, cooperation, reputation, shared technology, commitment structural bonds, comparison level of the alternative, power/interdependence, non-retrievable investments, and social bonds. To determine if a statistical difference existed between relationship factors, paired-sample *t*-tests were performed between each relationship factor and the next lowest ranked relationship factor. The relationship factor mean values, relative rank, and tests of means are seen in Table 4. The results revealed that there were significant differences between them, with the exception of performance satisfaction and cooperation, cooperation and reputation, shared technology and commitment, and non-retrievable investments and social bonds.

In order to identify in what stage each of the relationship factors were most important in, ANOVA was used to test for significant differences in relationship factor means across relationship stages. Mean scores by relationship stage are seen in Table 5 and the ANOVA results are seen in Table 6. Post hoc tests allowed the researchers to identify what stages were significantly different than the hypothesized stages. This also enabled the

Table 3
Reliability scores

Relationship factor	Cronbach alpha
Reputation	0.6835
Performance satisfaction	0.9355
Trust	0.7965
Social bonds	0.7365
Comparison level of alternative	0.7463
Mutual goals	0.8806
Power/interdependence	0.8559
Shared technology	0.7178
Non-retrievable investments	0.8077
Adaptation	0.7068
Structural bonds	0.7778
Cooperation	0.7741
Commitment	0.7341

Table 4
Relationship factor means, rank, and significance between ranks

Relationship factor	Mean	Rank	Significance level to next ranked factor
Mutual goals	6.0233	1	.000 *
Adaptation	5.8378	2	.017 *
Trust	5.7167	3	.022 *
Performance satisfaction	5.6117	4	.993
Cooperation	5.6111	5	.714
Reputation	5.5892	6	.000 *
Shared technology	5.3220	7	.797
Commitment	5.3056	8	.000 *
Structural bonds	4.8178	9	.000 *
Comparison level	4.3940	10	.190
Power/interdependence	4.2714	11	.000 *
Non-retrievable investments	3.7958	12	.308
Social bonds	3.7040	13	n.a.

* Significant at the .05 level.

researchers to address the hypotheses where more than one stage was hypothesized to be the most important. Nine of the thirteen hypotheses were supported and are discussed first followed by a summary of the hypotheses that were not supported. The analysis was designed to see which stage was most important for each factor; however, the relative importance of the factors within each stage is also discussed at the end of the results.

Performance satisfaction (H_2). Hypothesis 2 was supported with differences in performance satisfaction found between the relationship stages ($F=2.912$, $p=0.022$). Performance satisfaction was found to be greatest in the relationship maintenance stage and the post hoc test indicated that this level was significantly greater than for the defining relationship purpose stage. It was also found that the importance of performance satisfaction in the creating relationship value stage was significantly greater than for the defining relationship purpose stage. *Trust* (H_3). Hypothesis 3 was supported with significant differences found between the relationship stages ($F=3.841$, $p=0.005$). Trust was found to be highest at the relationship maintenance stage and the post hoc test indicated that trust was significantly more important at the relationship maintenance and creating relationship value stages than for the defining relationship purpose stage. *Social bonds* (H_4). Hypothesis 4

was supported ($F=0.575$, $p=0.681$) with the results indicating that there were no differences across stages. *Mutual goals* (H_6). Hypothesis 6 was supported with significant differences found between the relationship stages ($F=6.399$, $p=0.000$). The importance of mutual goals was found to be greatest in the relationship maintenance stage and the post hoc test indicated that this level was significantly greater than the mean score for the defining relationship purpose stage. The mean score for the creating relationship value stage was significantly higher than for the defining relationship purpose stage. The mean score for the partner selection stage was also found to be significantly higher than for the defining relationship purpose stage.

Shared technology (H_8). Hypothesis 8 was supported with the results indicating that shared technology did not vary across stages ($F=2.346$, $p=0.055$). *Adaptation* (H_{10}). Hypothesis 10 was supported with significant differences for adaptation found between the relationship stages ($F=4.805$, $p=0.001$). The level of adaptation was found to be highest in the relationship maintenance stage and the post hoc test indicated that this level was significantly higher than that for the defining relationship purpose and setting relationship boundaries stages. It was also found that the creating relationship value stage was also significantly greater than for these two stages. *Structural bonds* (H_{11}). Hypothesis 11 was supported with significant differences for structural bonds between the relationship stages ($F=4.363$, $p=0.002$). Structural bonds was found to be greatest in the setting relationship boundaries stage and the post hoc test indicated that this stage was significantly higher than the partner selection and defining relationship purpose stages. It was also found that the creating relationship value and relationship maintenance stages were significantly greater for structural bonds than the partner selection stage. *Cooperation* (H_{12}). Hypothesis 12 was supported with significant differences found between relationship stages ($F=4.549$, $p=0.001$). Cooperation was found to be greatest in the relationship maintenance stage and the post hoc test indicated that this level was significantly greater than for the preceding two stages, creating relationship value and setting relationship boundaries as well as for the partner selection stage. *Commitment* (H_{13}). Hypothesis 13 was supported with significant differences in commitment between

Table 5
Relationship factor means by relationship stage

Stage of relationship/relationship factor	Partner selection	Defining relationship purpose	Setting relationship boundaries	Creating relationship value	Relationship maintenance
Reputation (H_1)	5.5511	5.3906	5.3583	5.5847	5.7228
Performance satisfaction (H_2)	5.5341	4.9688	5.4000	5.6907	5.7283
Trust (H_3)	5.5909	5.0206	5.4112	5.7656	5.9239
Social bonds (H_4)	3.5455	3.6250	3.5933	3.7831	3.7326
Comparison level of the alternative (H_5)	4.3864	4.3000	4.3733	4.4034	4.3435
Mutual goals (H_6)	5.9394	5.3542	5.8667	6.0339	6.2174
Power/interdependence (H_7)	4.1104	4.0268	4.3048	4.2409	4.4177
Shared technology (H_8)	5.1682	5.0000	5.0400	5.3898	5.4565
Non-retrievable investments (H_9)	3.6193	3.4688	3.8833	3.8559	3.8315
Adaptation (H_{10})	5.8258	5.3542	5.4000	5.8644	6.0507
Structural bonds (H_{11})	4.4433	4.3021	5.0589	4.9217	4.9311
Cooperation (H_{12})	5.4318	5.4792	5.3222	5.5169	5.9348
Commitment (H_{13})	5.0833	4.8126	5.2000	5.3447	5.4819

Table 6
Analysis of variance of relationship variable means

Relationship factor		Sum of squares	Df	Mean square	F	Significance
Reputation(H ₁)	Between groups	3.939	4	0.985	1.324	0.261
	Within groups	219.364	295	0.744		
	Total	223.302	299			
Performance satisfaction (H ₂)	Between groups	10.210	4	2.552	2.912	0.022 *
	Within groups	258.550	295	0.876		
	Total	268.759	299			
Trust (H ₃)	Between groups	15.479	4	3.870	3.841	0.005 *
	Within groups	297.197	295	1.007		
	Total	312.677	299			
Social bonds (H ₄)	Between groups	2.385	4	0.596	0.575	0.681
	Within groups	306.206	295	1.038		
	Total	308.591	299			
Comparison level of the alternative (H ₅)	Between groups	.228	4	5.688E-02	0.055	0.994
	Within groups	304.393	295	1.035		
	Total	304.621	299			
Mutual goals (H ₆)	Between groups	11.689	4	2.922	6.399	0.000 *
	Within groups	134.713	295	0.457		
	Total	146.401	299			
Power/interdependence (H ₇)	Between groups	4.211	4	1.053	0.856	0.491
	Within groups	362.648	295	1.229		
	Total	366.859	299			
Shared technology (H ₈)	Between groups	7.293	4	1.823	2.346	0.055
	Within groups	229.241	295	0.777		
	Total	236.535	299			
Non-retrievable investments (H ₉)	Between groups	3.856	4	0.964	0.592	0.669
	Within groups	480.452	295	1.629		
	Total	484.307	299			
Adaptation (H ₁₀)	Between groups	13.748	4	3.437	4.805	0.001 *
	Within groups	211.007	295	0.715		
	Total	224.755	299			
Structural bonds (H ₁₁)	Between groups	14.536	4	3.634	4.363	0.002 *
	Within groups	245.706	295	0.833		
	Total	206.242	299			
Cooperation (H ₁₂)	Between groups	14.882	4	3.721	4.549	0.001 *
	Within groups	241.287	295	0.818		
	Total	256.170	299			
Commitment (H ₁₃)	Between groups	9.437	4	2.359	2.659	0.033 *
	Within groups	261.781	295	0.887		
	Total	271.218	299			

* Significant at the .05 level.

the relationship stages ($F=2.659$, $p=0.033$). The level of commitment was found to be greatest in the relationship maintenance stage. In addition, the post hoc test indicated that this was significantly greater than the defining relationship purpose stage. The results indicated that reputation (H₁), comparison level of the alternative (H₅), power/interdependence (H₇), and non-retrievable investments (H₉) did not vary across relationship stage. In each of these cases the hypothesis was not supported as it was hypothesized that these relationship factors would be found to be significantly greatest in a specific stage.

5. Discussion and managerial implications

The results provide a clear picture of what relationship factors are most important to consider by managers involved in buyer–seller relationships. It was found that there was a distinct difference in the overall importance of the relationship factors, with mutual goals being the most important factor and social bonds being the least important. Of the relationship factors that were

found to have a significant difference across relationship stages (mutual goals, adaptation, trust, performance satisfaction, cooperation, commitment, and structural bonds), an interesting pattern emerges with the majority of the factors having the greatest importance in the later stages of the relationship. Performance satisfaction was found to be greatest in the last two stages of the buyer–seller relationship and lowest in the defining relationship purpose stage. This finding is not surprising given that by performance satisfaction should occur after a buyer–seller relationship has been in existence. Trust was found to also be highest at the later stages of the buyer–seller relationship maintenance stage. Trust is developed over the course of the relationship and may lead to increased levels of commitment (Ryssel et al., 2004).

The importance of mutual goals was found to be greater at the very beginning of the buyer–seller relationship and also at later stages. The importance of adaptation was found to be significantly greater at the later stages of the buyer–seller relationship. Adaptation serves to strengthen a relationship and the research findings are consistent with this notion as creating

relationship value and relationship maintenance may be enhanced by adaptation. Structural bonds were also found to be greatest in the later stages of the buyer–seller relationship. Structural bonds develop over a period of time as the level of investments, adaptations, and shared technology grows until it becomes very difficult to terminate a relationship (Wilson, 1995). Cooperation was found to be greatest in the relationship maintenance stage. Similar to other relationship factors, commitment was found to be greatest in the relationship maintenance stage. Social bonds and shared technology did not vary across relationship stage indicating that managers should emphasize these factors in every stage. It must be noted that social bonds had little importance relative to the other relationship factors, indicating that relatively little emphasis should be placed on this element.

This study provides important empirical evidence for managers that most of the relationship factors identified in the literature do vary in importance in different stages of relationship development. Relationship partners should focus more on those factors that are most important during the stage of relationship development they are currently in with a partnering firm. This is an important implication of the research as managers may place too much importance on certain things at the wrong time. The study found mutual goals to be very important with it being the most important factor in three of the five relationship stages. In addition to mutual goals, cooperation is also a key in the early stages of a relationship. Looking at the results by stage, as opposed to the previous discussion examining the factors first, it was found that in stage one (partner selection), mutual goals and adaptation were the most important factors; in stage two (defining relationship purpose), cooperation was most important. Stage three (setting relationship boundaries) found mutual goals and trust to be the most important factors. In stage four (creating relationship value), adaptation was the most important factor and stage five (relationship maintenance) had mutual goals and adaptation as the most important relationship factors.

6. Summary and conclusions

The results of this research provide important information to managers engaged in the process of maintaining long-term buyer–seller relationships. Previous research in the area identified specific factors important to the success of long-term buyer–seller relationships and suggested that these factors may not be equally important in the various stages of relationship development. This research found that there was a significant difference in the importance of the factors across stages for the majority of the relationship factors investigated. The findings presented in this paper can also be used as a basis for additional research. This study was based on input from buyers evaluating a particular supplier. Future research is suggested to reverse this process by examining suppliers evaluating buyers. In addition, direct comparisons between the perspectives of the two groups can also be examined. In this study, the respondent identified the stage of the buyer–seller relationship based on a definition of that stage. Future work

could use multiple item scales to further explore and verify the stages that have been suggested in the literature. Future research is suggested to link the factors that influence buyer–seller relationships to a broader construct such as relationship quality (Huntley, 2006) as well as relationship dissolution in various stages. In addition, the relationship factors could be investigated to determine how they relate to the actual performance of the relationship partners. Various buying contexts could be investigated in conjunction with the relationship factors to determine their impact. The role of communication as it relates to relationship factors could also be examined. A final research direction could be based on business relationships that have ended and the identification of the relative importance of the factors that might contribute to restoring those relationships (Tahtinen and Vaaland, 2006).

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