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Relationship value and relationship quality: Broadening the nomological network of business-to-business relationships
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Abstract

Purpose – Established models of buyer-seller relationships do not reflect managerial emphasis on supplier performance evaluation when modelling business relationships. Proposes that relationship value should be included as a key constituent in such models. Aims to explore the construct’s links with key constituents of relationship quality, i.e. commitment, satisfaction, and trust.

Design/methodology/approach – A two-stage research design was used. First, depth-interviews were conducted with ten senior-level purchasing managers in US manufacturing companies. Second, data were gathered in a nation-wide mail survey among 400 purchasing professionals.

Findings – The findings suggest that relationship value is an antecedent to relationship quality and behavioural outcomes in the nomological network of relationship marketing. Value displays a stronger impact on satisfaction than on commitment and trust. Value also directly impacts a customer’s intention to expand business with a supplier. In turn, its impact on the propensity to leave a relationship is mediated by relationship quality. Contrary to previous research, trust does not appear in this study as an antecedent of behavioural outcomes, but as a mediator of the satisfaction-commitment link.

Research limitations/implications – Confirms the role of value as a key relationship building-block. Researchers should integrate this cognitive performance-based construct in models of business relationships. Limitations and research directions refer to the sampling procedure, the need to include the supplier’s value perceptions, the possibility of conducting longitudinal research, and the opportunity to assess additional moderating variables.

Practical implications – When the goal is to increase business with an existing customer, managers should focus on relationship value. In turn, when managers are concerned with the risk of customers leaving a relationship, they should focus on relationship quality. Trust appears as an important ingredient in stabilising existing business relationships.

Originality/value – Stresses the pivotal role of relationship value in marketing. Contributes to a better fit between relationship marketing models and managerial practice in business markets.

Keywords Relationship marketing, Buyer-seller relationships, Customer satisfaction, Trust

Paper type Research paper

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Introduction
Over the last few decades, business-to-business relationships have emerged as a significant area of managerial practice and academic inquiry. From a managerial perspective, manufacturers in many business markets witness a strong trend towards closer relationships with selected key suppliers. In many industries, customers have significantly reduced their supply base recently. Especially for key components, sole supplier or dual supplier relationships have become the norm rather than an exception. Along with this trend, customers have invested in supplier performance evaluation tools and supplier development programs. Indeed, customers need to understand how to build and manage a portfolio of supplier relationships to increase overall return on relationships (Gummesson, 2002; Johnson and Selnes, 2004).

Many suppliers, in turn, face a growing trend towards commoditisation of products (Rangan and Bowman, 1992) and search for new ways of differentiating themselves through improved customer interactions (Vandenbosch and Dawar, 2002). As a consequence, suppliers also need to understand how they can create and deliver value in business-to-business relationships beyond merely selling products. Given the strong overall trend towards reduced supply bases, the challenge of moving into a main supplier position – and to defend this top position against alternative suppliers – becomes a question of utmost relevance to industrial vendors.

From an academic perspective, there is a rich and growing body of research focusing on buyer-supplier relationships in business markets (Ulaga, 2001). Researchers have provided many insights into the nature and mechanisms of buyer-supplier relationships and developed conceptual frameworks and integrated models of business-to-business interactions (Dwyer et al., 1987; Wilson, 1995). Scholars have also investigated a wide variety of relationship-relevant characteristics (Cannon and Perreault, 1999; Hewett et al., 2002). Across multiple studies, commitment and trust are consistently identified as focal constructs of relationship marketing (Anderson and Weitz, 1992; Doney and Cannon, 1997; Moorman et al., 1993; Morgan and Hunt, 1994). More broadly, researchers have coined the term “relationship quality” to describe business relationships. Although definitions vary slightly across study contexts, relationship quality is typically assessed through some combination of commitment, satisfaction and trust (Crosby et al., 1990; Dorsch et al., 1998; Hewett et al., 2002).

A comparison of standard business practices and relationship marketing frameworks suggests that established models of buyer-seller relationships might insufficiently reflect managerial emphasis on supplier performance evaluation. Indeed, business customers monitor supplier relationships periodically to track supplier performance over time. Supplier performance evaluation tools are well discussed in the business marketing literature (see, for example, Hutt and Speh, 2001) and the purchasing and supply chain literature (Monczka et al., 2002). Typically, these widely used tools trade-off the benefits and costs incurred in a purchasing relationship. In other words, they attempt to measure the customer-perceived value of the relationship.

Relationship marketing models, however, predominantly focus on the “soft” factors of buyer-seller relationships to the detriment of performance-based measures. For example, Morgan and Hunt (1994) identify commitment and trust as key mediating variables of relationship marketing. In their model, the authors include only a single
performance-based measure, i.e. “relationship benefits”, and hypothesise a positive relationship between “relationship benefits” and “relationship commitment”. However, their empirical study did not support a significant relationship between both constructs, and “relationship benefits” were not found to be a key driver of successful business relationships.

Similarly, in their research on the nature of trust in buyer-seller relationships, Doney and Cannon (1997) found that, contrary to their predictions, trust was not related to supplier choice. As a potential explanation, the authors suggested that professional buyers focus on the superiority of the supplier’s offering, rather than on subjective assessments of trust, and called for further research in this area.

Furthermore, satisfaction is widely accepted among researchers as a strong predictor for behavioural outcomes such as repurchase intentions, word-of-mouth, or loyalty (Liljander and Strandvik, 1995; Ravald and Grönroos, 1996). However, scholars have repeatedly witnessed conflicting survey results of high satisfaction scores correlating with declining market shares (see, for example, Gale, 1994; Jones and Sasser, 1995) and some researchers have called for a replacement of the satisfaction construct by the value construct as a better predictor of outcome variables in business-to-business studies (Gross, 1997).

In the present research, we suggest that the above-mentioned ambiguities and contradictory results in previous studies may partly be explained by the fact that researchers need to add performance-based constructs to the affective and conative variables in existing relationship marketing models. To close this gap, our research suggests that “relationship value” should be included as a key constituent when modelling business relationships. Indeed, “value creation and value sharing can be regarded as the raison d’être of collaborative customer-supplier relationships” (Anderson, 1995, p. 349).

Building on the established literature on customer value in the marketing discipline (Anderson and Narus, 2004; Gale, 1994; Woodruff and Gardial, 1996; Zeithaml, 1988), scholars have advanced our understanding of relationship value in recent years – both conceptually and empirically (Eggert and Ulaga, 2002; Hogan, 2001; Möller and Törroén, 2003; Ulaga, 2003; Walter et al., 2003; Wilson and Jantrania, 1995). However, a careful review of the emerging body of research on relationship value reveals that a number of research issues still remain unresolved. In particular, it still is unclear how value interacts with other key variables in the broader nomological network of relationship marketing. Is relationship value an antecedent of relationship quality? To what extent does relationship value drive behavioural outcomes, such as a customer’s propensity to maintain a relationship or intention to expand purchasing volumes with a supplier?

To address the above-mentioned challenges, the present research is structured as follows: we first contrast relationship value with commitment, satisfaction and trust, as all three concepts have emerged from the literature as key constituents of relationship quality. Next, we describe our research methodology. A nationwide survey among senior purchasing managers in US manufacturing industries was conducted to investigate how relationship value interacts with relationship quality and behavioural outcome variables. In the next section, we discuss major findings of our research for modelling business relationships as well as their managerial and theoretical implications. We conclude by providing directions for further research.
Relationship value
Although it did not attract much explicit attention until it became a watchword in the 1990s, value has always been “the fundamental basis for all marketing activity” (Holbrook, 1994, p. 22). The exchange view of marketing is based on the concept of value (Bagozzi, 1975; Hunt, 1991). Though it did not remain unchallenged (e.g. Parvatiyar and Sheth, 1994), the exchange view of marketing has a long tradition of acceptance among leading marketing scholars (e.g. Alderson, 1957; Kotler, 1972). Market exchanges take place because all parties involved expect to be better off after the exchange. The higher the net-value expected or received, the stronger the motivation to commence and to sustain an exchange process respectively.

Value has been conceptualised under different assumptions. Some authors research value from a network perspective (e.g. Walter et al., 2003). Others focus on its dyadic function (e.g. Blois, 2002). In this paper, we adopt the latter perspective. While the literature contains a variety of definitions stressing different aspects of the value concept, four recurring characteristics can be identified:

1. Value is a subjective concept.
2. It is conceptualised as a trade-off between benefits and sacrifices.
3. Benefits and sacrifices can be multi-faceted.
4. Value perceptions are relative to competition.

Value is a subjectively perceived construct (Kortge and Okonkwo, 1993). Different customer segments perceive different values within the same product. In addition, the various members in the customer organisation involved in the purchasing process can have different perceptions of a supplier’s value delivery (Perkins, 1993). This is of particular importance in business markets where the buying centre consists of several persons sharing different roles and responsibilities (Robinson et al., 1967; Webster and Wind, 1972).

Most definitions present customer-perceived value as a trade-off between benefits and sacrifices perceived by the customer in a supplier’s offering (Zeithaml, 1988; Monroe, 1990). Among other conceptualisations, benefits are conceived as a combination of economic, technical, service, and social benefits (Anderson et al., 1993) or economic, strategic, and behavioural benefits (Wilson and Jantrania, 1995). Sacrifices are sometimes described in monetary terms (Anderson et al., 1993). Other definitions describe sacrifices more broadly as a combination of price and relationship related costs (Grönroos, 1997).

Finally, value is relative to competition. The value of a market offering is always assessed in relation to a competing offer. This resembles the notion of the comparison level (CL Alt) that is fundamental to social exchange theory (Thibault and Kelley, 1959). On a high level of abstraction, customer-perceived value is defined as the trade-off between the benefits (“what you get”) and the sacrifices (“what you give”) in a market exchange (Zeithaml, 1988, p. 14).

Relationship quality
Although the indicators vary depending on each study’s specific context, researchers typically conceptualise relationship quality as a higher-order construct composed of commitment, satisfaction, and trust. For example, Dorsch et al. (1998) conceptualise
relationship quality as being indicated by trust, commitment, and satisfaction on the part of the buyers. Similarly, Crosby et al. (1990) identify satisfaction and trust as key constituents of relationship quality. Finally, more recently, relationship quality has been described as a higher-order construct with trust and commitment as first-order constructs (Hewett et al., 2002; Hibbard et al., 2001). In line with these previous studies, our present research focuses on trust, commitment, and satisfaction as key characteristics of relationship quality.

**Trust**

Trust is one of the most widely examined and accepted concepts in relationship marketing (e.g. Dwyer et al., 1987; Ganesan, 1994; Mohr and Spekman, 1994). According to Wilson (1995, p. 337) “trust is a fundamental relationship model building block and as such is included in most relationship models”. In their commitment-trust theory of relationship marketing, Morgan and Hunt (1994) establish trust as a key-mediating variable that is central to relational exchanges. The inherent belief that trust transforms a business relationship into a successful endeavour is best summarised by Sullivan and Peterson (1982):

> When the parties have trust in one another, then there will be ways by which the two parties can work out difficulties such as power conflict, low profitability, and so forth.

The literature on marketing channels has provided numerous definitions of trust. Most definitions involve a belief that the exchange partner will act in the best interest of the other partner. For example, Anderson and Weitz (1992) define trust as “one party’s belief that its needs will be fulfilled in the future by actions taken by the other party.” According to Moorman et al. (1993, p. 82), trust is “a willingness to rely on an exchange partner in whom it has confidence.” Finally, Morgan and Hunt (1994, p. 23) conceptualise trust as existing “when one party has confidence in an exchange partner’s reliability and integrity.”

In an industrial buying context, Doney and Cannon (1997) define trust as the perceived credibility and benevolence of a target of trust. The first dimension of trust focuses on the objective credibility of an exchange partner, an expectancy that the partner’s word or written statement can be relied on (Lindskold, 1978). The second dimension of trust, benevolence, represents the extent to which one partner is genuinely interested in the other partner’s welfare and motivated to seek joint gains. This definition of trust is relevant in an industrial buying context. In a business-to-business relationship, the customer will attempt to reduce its perceived risk by selecting a supplier seen as capable of performing reliably (credibility) and demonstrate its interest in the buyer’s well being (benevolence).

**Commitment**

In addition to trust, Morgan and Hunt (1994) identified commitment as another key-mediating variable of relationship marketing. The importance of the commitment construct has been widely acknowledged in the relationship marketing literature. For example, in a service marketing context, Berry and Parasuraman (1991, p. 139) state that “relationships are built on the foundation of mutual commitment.”

Commitment has been defined “as an enduring desire to maintain a valued relationship” (Moorman et al., 1993, p. 316). It is based on the belief that a relationship
is worth the effort to be maintained. Committed relationship partners are unlikely to
switch even if a competing supplier outperforms the incumbent’s value offer. Consequently, a high level of commitment helps to stabilise the relationship. Morgan
and Hunt (1994, p. 23) summarise their literature review on the commitment construct
as follows:

A common theme emerges from the various literatures on relationships: parties identify
commitment among exchange partners as key to achieving valuable outcomes for
themselves, and they endeavour to develop and maintain this precious attribute in their
relationships.

**Satisfaction**
Customer satisfaction is widely accepted among researchers as a strong predictor for
behavioural variables such as repurchase intentions, word-of-mouth, or loyalty
(Ravald and Gröndroos, 1996; Liljander and Strandvik, 1995). Satisfaction research is
mainly influenced by the disconfirmation paradigm (Parasuraman et al., 1988). This
paradigm states that the customer’s feeling of satisfaction is a result of a comparison
process between perceived performance and one or more comparison standards, such
as expectations. The customer is satisfied when he/she feels that the product’s
performance is equal to what was expected (confirming). If the product’s performance
exceeds expectations, the customer is very satisfied (positively disconfirming), if it
remains below expectations, the customer will be dissatisfied (negatively
disconfirming).

Though most scholars agree on the disconfirmation paradigm, the nature of
satisfaction remains ambiguous. On the one hand, satisfaction clearly arises from a
cognitive process comparing perceived performance against some comparison
standards. On the other hand, the feeling of satisfaction essentially represents an
affective state of mind. Consequently some satisfaction scales tap the cognitive
dimension of satisfaction, while others capture its affective nature. The extent to which
a satisfaction scale focuses on the cognitive or the affective dimension, however, should
have an impact in terms of both the antecedents that affect satisfaction and the
consequences fostered by satisfaction.

A clear decision on the fundamental nature of the satisfaction construct is needed. In
accordance with the majority of research being done on the satisfaction construct, we
opt for the latter view and define a purchasing manager’s satisfaction with a supplier
as an affective state of mind resulting from the appraisal of all relevant aspects of the
business relationship (Geyskens et al., 1999, p. 223).

**Relationship value and relationship quality**
Despite a widespread consensus that value represents the *raison d’être* of
customer-supplier relationships (Anderson, 1995), its position within the nomological
network of relationship marketing is still unclear. Morgan and Hunt (1994)
conceptualise relationship benefits as an antecedent to commitment in their
KMV-model of relationship marketing. Contrary to their expectation, however, they
could not find a significant link between both constructs. Morgan and Hunt (1994)
point to measurement problems as a possible explanation for their counter-intuitive
finding. A more compelling explanation may be that relationship benefits only form part of the overall value construct.

In their theory of reasoned action, Fishbein and Ajzen (1975) suggest that cognitive variables are mediated by affective constructs to result in conative outcomes. For the purpose of our research, this would suggest that the cognitive, performance-based construct “relationship value” should be considered as an antecedent to commitment, satisfaction and trust in business relationships.

Despite the general agreement on the importance of relationship quality constructs, there does not seem to be consensus on the way in which these constructs relate to each other (Hewett et al., 2002). For example, in some studies, trust is conceptualised as directly influencing commitment (Gabarino and Johnson, 1999; Morgan and Hunt, 1994; Siguaw et al., 1998), while some researchers describe commitment as a precursor to trust in exchange relationships (Gundlach et al., 1995). Finally, trust and commitment are sometimes described as essentially equal components without a causal relationship between them (Baker et al., 1999; Crosby et al., 1990; Dorsch et al., 1998; Lewin and Johnston, 1997).

In their study on the nature of trust in buyer-seller relationships, Doney and Cannon (1997) found that supplier selection was not influenced by trust. In discussing their findings, the authors suggest that in an industrial buying context, the key criteria for supplier selection are delivery performance and relative price/cost. In light of our own research, these cognitive elements may be considered as constituents of the relationship value construct. In their study, however, Doney and Cannon (1997) found that trust increased the likelihood that buyers anticipate doing business with the supplier firm in the future, a conative outcome from the perspective of Fishbein and Ajzen’s (1975) theory of reasoned action.

In summary, it may be hypothesised that value represents an antecedent of commitment, satisfaction and trust in buyer-seller relationships. Given the contradictory results of previous studies, our empirical research is investigating how value relates to relationship quality and behavioural outcomes such as anticipated expansion or intention to leave a business relationship. The following section describes the design of our empirical study among purchasing professionals in US manufacturing companies.

### Methodology

**Sampling procedure**

Several steps were taken in developing our survey instrument. In a first step, depth-interviews were conducted with ten senior-level purchasing managers in nine manufacturing companies in the Midwest of the US over a period of three months. The interviews explored collaborative manufacturer-supplier relationships and served as a basis for exploring the meaning and interrelationships among each of the focal constructs in our study.

In a second step, construct definitions and a list of items tapping each constructs’ underlying dimensions were developed based on the analysis of previous interviews and a review of existing literature. Both definitions and items were then submitted to a group of 27 purchasing managers during a workshop in order to gather managerial feedback. Subsequently, definitions and items were submitted to 14 experts in an
item-sorting exercise, a procedure recommended by Anderson and Gerbing (1991, p. 734) to further enhance content validity of our measures.

In a third step, a questionnaire prototype was developed. The survey instrument was composed of three parts. In the first part, participants were asked to select and describe a specific product they sourced from at least two suppliers. The second part contained our final list of items tapping the relationship constructs. All items used seven-point rating-scales (1 = “strongly disagree”; 7 = “strongly agree”). In the third part, participants were invited to respond to a set of questions describing themselves, their company, and the supplier relationship. Finally, the prototype was submitted to six purchasing professionals to ensure that respondents correctly understood the directions and questions provided in the survey instrument.

Empirical data were gathered in a cross-sectional survey among purchasing managers in manufacturing companies. The study was conducted in cooperation with the Institute for Supply Management (ISM, formerly National Association of Purchasing Managers – NAPM), the country’s national association of purchasing professionals. A total of 1,950 members of ISM were randomly selected from the association’s database. We selected only senior-level managers indicated by job titles, such as VP procurement, director of global sourcing, director of supply chain management, purchasing manager, or senior buyer. In addition, only manufacturing companies (Standard Industrial Classification codes 28-30 and 33-39) were selected.

All managers received a cover letter, the survey instrument, and a business reply envelope by mail. Subsequently a reminder letter was mailed two weeks after the first contact. Because the empirical study relied completely on the perceptions of key informants, it was important that respondents were competent to report on the supplier relationship. Therefore, the survey contained a number of questions related to the respondent personal background, position, tenure with the company, as well as the length of the relationship with the supplier. After completing the questionnaire, respondents were asked to respond to several questions related to their ability to portray the supplier relationship accurately. Specifically, they were asked to indicate how confident they felt about answering the questionnaire, how involved with and knowledgeable they were about the supplier, and to which extent they could influence purchasing decisions in the relationship with the main supplier.

Overall, 421 questionnaires were returned. A total of 21 were dropped due to low respondent competency or excessive missing data yielding a net response rate of 20.5 per cent.

Sample characteristics
Although we limited our sample frame to manufacturers in chemical, mechanical, and electrical industries (US Standard Industrial Classification codes 28, 30, 32-38), respondents purchased a broad variety of components for multiple applications. Customer organisations ranged from small enterprises to multi-billion dollar companies. On average, manufacturers had been buying from the main supplier for 13 years, with a standard deviation of nine years.
Respondent characteristics
Respondents held senior positions in their firms. They averaged 17 years of experience in their area and had been with their companies 10.4 years, on average. Responses regarding confidence about answering the survey and knowledge of the supplier relationship were uniformly high, as suggested by mean ratings of 6.0 (confidence in answering the survey), 6.01 (involvement in the supplier relationship), 6.15 (knowledge about the supplier), and 5.89 (influence of purchase decisions) on a seven-point scale.

Non-response bias
We assessed potential non-response bias using procedures recommended by Armstrong and Overton (1977). Companies were contacted in three waves of mailings. Therefore, responses from the first mailing were compared with those from the second and third mailings by testing for mean differences on all variables included in the study (see Hewett et al., 2002, for a similar procedure). Using multivariate analysis of variance (MANOVA), each mailing wave was used as an independent variable, and construct items were used as dependent variables. The p-values showed no statistically significant differences for these comparisons.

Results
We employed partial least square analysis (see Lohmöller, 1989, for a detailed discussion of the PLS algorithm) to explore the links between relationship value, relationship quality, and behavioural outcomes. Using the bootstrap procedure packaged in the PLS-Graph software, one can calculate the standard deviation and generate an approximate t-statistic (Chin, 1998). This overcomes non-parametric methods’ disadvantage of having no formal significance tests for the estimated parameters.

Key properties of the measurement model are presented in Table I. Factor loadings, t-values, factor reliability, and average variance extracted confirm convergent validity of the scales. Discriminant validity was assessed using the Fornell and Larcker (1981) criterion (see Table II). The square root of the average variance extracted reached or exceeded the correlation between every pair of latent variables. This indicates a satisfactory level of discriminant validity.

Figure 1 shows the parameter estimates for the structural model. An overall goodness-of-fit index cannot be reported because the objective of PLS is prediction versus fit. Our conceptual model has satisfactory predictive power. The variance explained \( R^2 \) in endogenous constructs is 33 per cent for satisfaction, 76 per cent for trust, 47 per cent for commitment, 63 per cent for expansion and 35 per cent for propensity to leave, respectively.

Discussion
This paper explored how to integrate performance-based measures such as relationship value into the nomological network of relationship marketing. Based on a quantitative study among purchasing managers in the manufacturing industry, our results show that relationship value is positively correlated with relationship quality. With a standardised path coefficient of 0.57, relationship value has the strongest impact on satisfaction. Though significant, its direct impact on trust (standardised
<table>
<thead>
<tr>
<th>Item</th>
<th>Item formulation</th>
<th>Factor loading</th>
<th>t-value</th>
<th>Construct reliability</th>
<th>Average variance extracted</th>
</tr>
</thead>
<tbody>
<tr>
<td>value1</td>
<td>Compared with the second supplier the main supplier adds more value to the relationship overall</td>
<td>0.93</td>
<td>83.76</td>
<td>0.95</td>
<td>0.82</td>
</tr>
<tr>
<td>value2</td>
<td>Compared with the second supplier we gain more in our relationship with the main supplier</td>
<td>0.93</td>
<td>104.41</td>
<td></td>
<td></td>
</tr>
<tr>
<td>value3</td>
<td>Compared with the second supplier the relationship with the main supplier is more valuable</td>
<td>0.83</td>
<td>34.51</td>
<td></td>
<td></td>
</tr>
<tr>
<td>value4</td>
<td>Compared with the second supplier the main supplier creates more value for us when comparing all costs and benefits in the relationship</td>
<td>0.92</td>
<td>119.73</td>
<td></td>
<td></td>
</tr>
<tr>
<td>satisfaction1</td>
<td>Our firm regrets the decision to do business with the main supplier</td>
<td>−0.83</td>
<td>45.32</td>
<td>0.94</td>
<td>0.76</td>
</tr>
<tr>
<td>satisfaction2</td>
<td>Our firm is very satisfied with our main supplier</td>
<td>0.92</td>
<td>101.83</td>
<td></td>
<td></td>
</tr>
<tr>
<td>satisfaction3</td>
<td>Our firm is very pleased with what the main supplier does for us</td>
<td>0.93</td>
<td>109.32</td>
<td></td>
<td></td>
</tr>
<tr>
<td>satisfaction4</td>
<td>Our firm is not completely happy with the main supplier</td>
<td>−0.84</td>
<td>41.40</td>
<td></td>
<td></td>
</tr>
<tr>
<td>satisfaction5</td>
<td>Our firm would still choose to use the main supplier if we had to do it all over again</td>
<td>0.85</td>
<td>44.10</td>
<td></td>
<td></td>
</tr>
<tr>
<td>trust1</td>
<td>The main supplier keeps promises it makes to our firm</td>
<td>0.81</td>
<td>34.88</td>
<td>0.93</td>
<td>0.72</td>
</tr>
<tr>
<td>trust4</td>
<td>The main supplier is genuinely concerned that our business succeeds</td>
<td>0.88</td>
<td>60.58</td>
<td></td>
<td></td>
</tr>
<tr>
<td>trust5</td>
<td>The main supplier considers our welfare as well as its own when making important decisions</td>
<td>0.87</td>
<td>60.05</td>
<td></td>
<td></td>
</tr>
<tr>
<td>trust6</td>
<td>Our firm trusts that the main supplier keeps our best interests in mind</td>
<td>0.79</td>
<td>29.51</td>
<td></td>
<td></td>
</tr>
<tr>
<td>trust7</td>
<td>The main supplier is trustworthy</td>
<td>0.89</td>
<td>77.43</td>
<td></td>
<td></td>
</tr>
<tr>
<td>commitment1</td>
<td>The relationship with our main supplier is something to which we are very committed</td>
<td>0.87</td>
<td>81.20</td>
<td>0.92</td>
<td>0.66</td>
</tr>
<tr>
<td>commitment2</td>
<td>The relationship with our main supplier is very important to our business</td>
<td>0.80</td>
<td>32.43</td>
<td></td>
<td></td>
</tr>
<tr>
<td>commitment4</td>
<td>The relationship with our main supplier is something our business intends to maintain indefinitely</td>
<td>0.82</td>
<td>50.92</td>
<td></td>
<td></td>
</tr>
<tr>
<td>commitment5</td>
<td>The relationship with our main supplier is very much like being family</td>
<td>0.76</td>
<td>29.42</td>
<td></td>
<td></td>
</tr>
<tr>
<td>commitment6</td>
<td>The relationship with our main supplier is something our business really cares about</td>
<td>0.85</td>
<td>44.54</td>
<td></td>
<td></td>
</tr>
<tr>
<td>commitment7</td>
<td>The relationship with our main supplier deserves our business’ maximum effort to maintain</td>
<td>0.76</td>
<td>23.43</td>
<td></td>
<td></td>
</tr>
<tr>
<td>expansion1</td>
<td>Our firm expects to expand its business with the main supplier</td>
<td>0.95</td>
<td>174.54</td>
<td>0.95</td>
<td>0.84</td>
</tr>
</tbody>
</table>

Table I. Properties of the measurement model
path coefficient = 0.06) and commitment (standardised path coefficient = 0.15) are rather weak.

Satisfaction and commitment both have a direct impact on the researched behavioural intentions. Satisfaction increases the intention to expand business with the incumbent supplier (standardised path coefficient = 0.40) and decreases the propensity to leave (standardised path coefficient = −0.43). Commitment also positively impacts the intention to expand business (standardised path coefficient = 0.23) and reduces the propensity to leave (standardised path coefficient = −0.26). Trust, however, does not directly impact either of the researched behavioural intentions.

These findings confirm and extend previous studies. They confirm Morgan and Hunt’s (1994) fundamental assumption that trust leads to commitment. Contrary to their KMV model, however, trust appears not to be an antecedent of behavioural outcomes but a mediator of the satisfaction-commitment link. This hypothesis is supported by Doney and Cannon (1997) who found that trust was not related to supplier choice. As a potential explanation, the authors suggest that professional buyers focus on the superiority of the supplier’s offering rather than on subjective assessments of trust (p. 46). Our study shows that relationship value has a direct impact on the intention to expand business with the incumbent supplier (standardised
path coefficient = 0.22) as well as an indirect impact that is mediated by the relationship quality construct. Its impact on the propensity to leave is perfectly mediated by the latent variables forming the relationship quality construct.

**Implications**

From a managerial point-of-view, there are three major implications. First, our research shows that relationship quality is crucial in managing the propensity to leave a purchasing relationship. Relationship value does not have a favourable impact unless it translates into higher relationship quality that in turn reduces the propensity to leave. Offering superior value to the customer is a necessary but not sufficient condition to stabilise purchasing relationships. With respect to the intention to expand business with the supplier, however, relationship value appears to be a sufficient condition. Relationship value has a positive impact even if it does not translate into relationship quality. Finally, our research underlines the importance of trust building activities within a relationship marketing approach. Satisfaction with the supplier will only translate into commitment if the purchasing relationship is characterised by trust. Though it does not have a direct impact on either of the researched behavioural outcomes, trust is a pivotal constituent of relationship quality.

From a theoretical point-of-view, this study establishes the law like the generalisation that relationship value is an antecedent of relationship quality and behavioural outcomes in the nomological network of relationship marketing. Law like generalisations enjoy a prominent position within Hunt’s (1991) conception of theory building and testing. According to Hunt (1991, p. 164):
All purportedly theoretical constructions must contain law like generalisations because a major purpose of theory is to explain phenomena, and all scientific explanations of phenomena contain law like generalisations.

Law like generalisations are nomological statements with empirical content that are integrated into a body of scientific knowledge. They serve an important role within the context of discovery and the process of theory building that is central to the further development of the marketing discipline (Deshpandé, 1983).

Limitations and research directions
As in any empirical research, the results of the present study cannot be interpreted without taking into account the study’s limitations. Furthermore, this research generates a set of researchable questions that need to be addressed in future research projects.

First, the sample of purchasing managers of manufacturing companies selected from the directory of an association of purchasing managers is not representative of the population of manufacturing companies. A randomised sample using other sources such as large industry databases could be used. In addition, a replication of the study in other countries would allow for a cross-border validation of our results.

Second, the primary objective of our study was to integrate relationship value into the nomological network of relationship marketing. In doing so, we adopted a dyadic perspective that did not account for possible network effects. However, scholars have called for more research directed to the embedded context within which dyadic business relationships take place. For example, Anderson et al. (1994, p. 2) suggested:

Network constructs that can be incorporated within dyadic business relationship models.

Hence, drawing on the value conceptualisation proposed by Walter et al. (2003), one could replicate our study in a network setting.

Third, the present study assumes that Fishbein and Ajzen’s (1975) model can be transferred to our research context. We attempt to explain how purchasing manager’s cognitive perceptions of value interact with their affective feelings of satisfaction, trust, and commitment to finally lead to their behavioural intentions to maintain and intensify a purchasing relationship. Fishbein’s framework provides theoretical guidance with respect to the interplay between cognition, affection and behavioural intentions. This is of particular importance because we cannot identify the direction of causal relationships based on cross sectional studies. Therefore, a longitudinal study focusing on the causal direction between value, satisfaction, trust, and commitment represents a major research opportunity.

Finally, various variables may moderate the links between relationship value, relationship quality, and behavioural outcomes. Future studies may consider multiple-group-analysis to identify the impact of moderating variables on the nomological network.

We hope that this study stimulates further research that broadens the nomological network of relationship marketing to include performance-based measure such as relationship value. This may contribute to a better fit between relationship marketing models and managerial practice in business markets.
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