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RELATIONSHIP ORIENTATION:
TOWARDS AN ANTECEDENT MODEL OF TRUST IN MARKETING RELATIONSHIPS

Michael Callaghan and Robin N. Shaw
Deakin University

Abstract

With the advent and the increasing use of the concept of Relationship Marketing as a basis for marketing strategy, it has become evident that a lack of empirical knowledge exists as to the operational basis of the concept. Information regarding the conceptual basis of Relationship Marketing and a possible new orientation toward the concept may be of substantial value to both practitioners and scholars of relationship marketing. This paper considers the emergence of a Relationship Orientation within the marketing literature and proposes an antecedent model of Trust as a basis. The role of Ethics as a possible antecedent to Trust is emphasised and identified as a gap within the relationship marketing literature. Based on previous exploratory work and a review of the literature of relationship marketing, exchange theory, general marketing theory, marketing ethics and sales management, four key antecedent dimensions of Trust are identified: Ethics, Bonding, Empathy and Reciprocity. Additional possible antecedents are suggested. Future empirical research is proposed in order to validate the model.

Introduction

The need for further research into the fundamental constructs of Relationship Marketing has been apparent since its inception (Berry 1983; Gronroos 1994a; Gummesson 1994; Houston, Gassenheimer and Maskulka 1992; Sheth and Parvatiyar 1995). The increasing amount of literature related to Relationship Marketing, both in theory and practice, is problematic as authors continue to build theory upon a basis that is not yet fully understood nor defined. The absence of any empirical research into a change in (or emergence of a new) orientation is testimony to this (Lehtinen 1996; Sheth and Parvatiyar 1995). If Relationship Marketing is to hold any credibility within the marketing literature, academics may need to concentrate more effort on theory basing as opposed to theory building.

The fundamental basis of Relationship Marketing must be established prior to any discussion of an emerging or shifting paradigm (Lehtinen 1996), and as yet this has not occurred. Moreover, Lehtinen (1996, p 44) states: "The extent to which Relationship Marketing can be applied in practice will determine whether it has any chance to develop as an independent paradigm". It is the practical nature of the proposed Relationship Orientation that may contribute to further clarification of the emerging paradigm issue.

As an aside from the lofty thoughts of the paradigm issue, the core concepts of Relationship Marketing are still to be established with opinions differing in many regards (Berry 1983; Gronroos 1994b; Gummesson 1994). Few empirical models of relationships (Doney and Cannon 1997;

Gundlach, Achrol and Mentzer 1995; Morgan and Hunt 1994; Wilson 1995) within the marketing framework exist. Lehtinen (1996, p 45) is of the same opinion stating: "Theoretical and especially empirical research concerning the core phenomena of Relationship Marketing is far too rare". Debate over the core concepts, and indeed dimensions, of Relationship Marketing may be a result of the ambitious attempt to build Relationship Marketing theory before a sound conceptual base has been established. It is this possible gap in our understanding that this study is intended to supplement.

Marketing, Exchange and Relationship Orientation

Exchange theory has provided a substantive basis upon which the core concept of marketing can and does operate (Houston *et al.* 1992; Kotler 1984; Hunt 1976; Bagozzi 1975; Alderson 1957). However, the application of exchange theory to marketing is deficient in explaining incidences where the exchange offers no, little or less value to one, the other, or both parties than is available from a third party. Houston *et al.* (1992) acknowledge this and relate it to the importance of developing a study of exchange relationships: "If we limit our attention to the study of single, isolated exchanges we ignore much of the heart of what we call marketing, and good marketing management focuses on the building of long-term relationships" (Houston *et al.* 1992, p 3).

By establishing the fundamental basis of a Relationship Orientation in marketing, the apparent failures of compliance of exchange theory to marketing theory may be explained.

The Evolution of Relationship Orientation

The concept of Relationship Marketing began to emerge in the literature in the mid 1980's (Rosenburg and Czepiel 1984), and over a relatively short period of time the application of Relationship Marketing has been so rapid that a change in the orientation of marketing practice has been largely overlooked.

A number of authors (Cravens 1997; McCarthy and Perreault 1993) expose differing descriptions (semantics) of the evolution of marketing over time, all of which fit into a time continuum spanning from the 1900s to the 1990s. Kotler (1988) conceptualised the changing orientation of marketing over time spanning from Product Orientation to Consumer Orientation. Gronroos (1989a) developed Kotler's (1988) conceptualisation further by focusing the marketing effort on the relationship between the organisation and the customer, in what could be described as a Relationship Orientation (see Figure 1).

Figure 1: The Evolution towards a Relationship Orientation
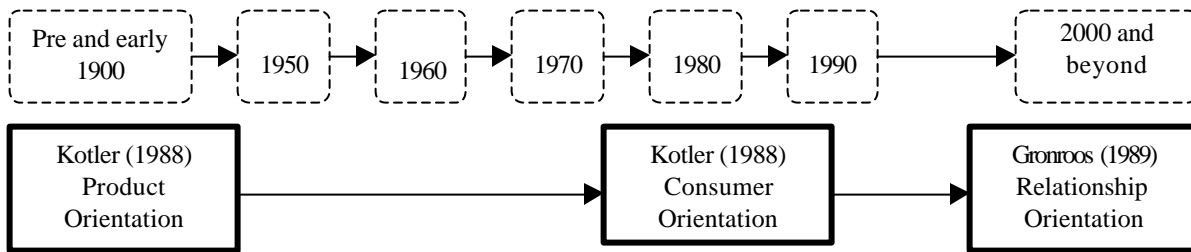
Previous discussions of marketing orientation (Cravens 1997; Gronroos 1989a; Kotler 1988; McCarthy and Perreault 1993; Steinman and Deshpande 2000) have focused on the Industrial and Post-industrial eras. Sheth and Parvatiyar (1995) acknowledge the existence of a Relationship Orientation and have taken the concept further by demonstrating that the evolution towards relationships has actually been cyclical when we consider the activities of marketers in the Pre-industrial era. Given Sheth and Parvatiyar's discussion of Relationship Orientation, it would seem that empirical investigation is appropriate.

The Development of an Antecedent Model of Trust

To date, empirical models of Relationship Marketing have centred on Trust as their central dimension (Doney and Cannon 1997; Gundlach *et al.* 1995; Morgan and Hunt 1994). Previous models have also been criticised due to their abstract nature (Lehtinen 1996). Trust, is widely accepted as a basis of relationships (Andaleeb 1992; Cowles 1996; Crosby *et al.* 1990; Gronroos 1990; Houston *et al.* 1992; Moorman *et al.* 1993; Rich 2000; Wicks *et al.* 1999). Work by Morgan and Hunt (1994) identified trust as a key construct in their KMV model of relationship marketing. In the context of this study, the dimension of trust is defined as the dimension of a business relationship that determines the level to which each party feels it can rely on the integrity of the promise offered by the other person (Callaghan *et al.* 1995). It is essentially the belief that an individual will provide what is promised.

Whilst many complementary dimensions to trust have been suggested, the role of ethics as an antecedent to trust has largely been overlooked.

Brennan (1991, p 255) defines marketing ethics in a retail sense as "good business practices" that aim to deliver to the consumer high quality merchandise, high-value prices and high standard customer service supported by "honest advertising and an unwavering policy of standing behind the merchandise." It is enacting such an approach that results in repeat business (customer loyalty) and increased profitability (Brennan 1991). If the primary purpose of relationship marketing is also to engender customer loyalty, thus resulting in increased profitability, it would seem that the two concepts may be linked. By undertaking an ethical approach of honesty and good business practices, the consumer's trust may be inspired, maintained and enhanced. If we accept that the operative effect of relationship marketing is to initiate, maintain and enhance the relationship with the consumer (Gronroos 1989b), then it would appear that ethics might play an antecedent role to the development of trust within a Relationship Orientation.

Discussion of the impact of ethics on relationship marketing has been occasional, and empirical investigation limited. Empirical investigation has tended toward the impact of unethical behaviour in a generalised sense and has been outside of the concept of relationship marketing (Bellizzi and Hite 1989; Dubinsky *et al.* 1986; Wotruba 1990). Boedecker, Morgan and Stalman (1991) discussed the effect of unethical behaviour on reciprocal commitments. Lagace, Dahlstom and Gassenhiemer (1991) identified ethical behaviour as an indicator of relationship quality in their extension of Crosby, Evans and Cowles' (1990) model of relationship quality. Kavali, Tzokas and Saren (1999) and Takala and Outi (1996) examined relationship marketing as an approach to ethical management practices. Whilst the literature is limited, empirical investigation in regard to the link between ethics as an antecedent to trust in a Relationship Orientation seems essential.

Within the context of this proposed study, ethics will be considered from two perspectives (see Figure 2). The first, Formalised Ethics, consists of the formal ethical policy of the organisation as promoted through company policy, codes of ethics and codes of conduct. Lagace, Dahlstom and Gassenhiemer (1991) touched on this perspective, though only nominally, in their study of the Pharmaceutical Industry. The second perspective, Individual Ethical Structure, consists of the moral and ethical values and beliefs of the organisation's representative. This second perspective is similar to the "Ethical Behaviour" dimension utilised by Lagace, Dahlstom and Gassenhiemer (1991).

**Figure 2: Ethics as an Antecedent to Trust**
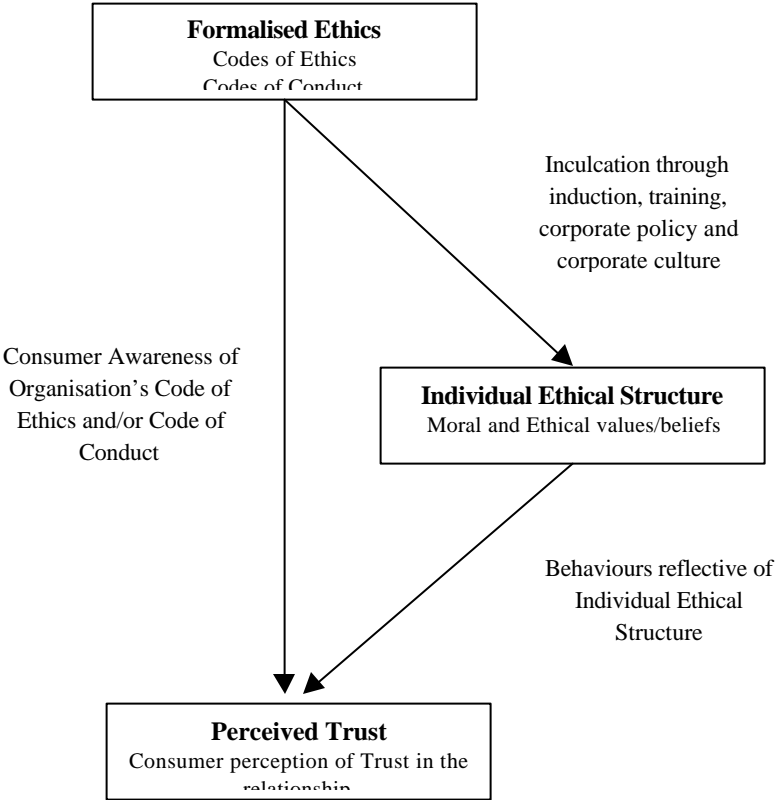
Previous exploratory work (Callaghan *et al.* 1995; Yau *et al.* 2000) has supported the existence of four additional dimensions of a Relationship Orientation: Trust, Empathy, Reciprocity and Bonding. At face value, the results could be described as simplistic. As an initial investigative study, the results are nonetheless encouraging. Further qualitative research should be undertaken to increase and expand on the initial dimensions.

Bonding (Garbarino and Johnson 1999; Hocutt 1998) is similar to Morgan and Hunt's (1994) commitment variable. It is based on Gronroos's (1989b) reference to customer relationships and the process described by Shani and Chalasani (1992, p 34) as "...interactive, individualised and value-added contacts over a long period of time." Bonding has been defined as the dimension of a business relationship that results in the two parties (customer and supplier) acting in a unified manner toward a desired goal (Callaghan *et al.* 1995). In its optimum sense, it results in feelings of friendship and comradeship.

Studies in the area of supplier-customer relationships (Andaleeb 1992; Arrow 1974; Brunner *et al.* 1989; Hwang 1987; Moorman *et al.* 1993; Palmer 2000; Whitener *et al.* 1998) and service quality (Gronroos 1990; Zeithaml *et al.* 1990) led to the exposition of the dimensions of empathy and reciprocity. Empathy is the dimension of a business relationship that enables the two parties to see the situation from the other person's perspective (Callaghan *et al.* 1995). Reciprocity is the dimension of a business relationship that causes either party to provide favours or make allowances for the other in return for similar favours or allowances to be received at a later date (Callaghan *et al.* 1995).

Additional antecedent dimensions may include: commonality (Callaghan *et al.* 1995; Doney and Cannon 1997; Gundlach *et al.* 1995; Morgan and Hunt 1994), likeability (Doney and Cannon 1997), social contact, business contact (Doney and Cannon 1997), the time of contact in terms of frequency, aggregate time and length of relationship (Doney and Cannon 1997; Mohr *et al.* 1996), reciprocal actions (Callaghan *et al.* 1995; Cowles 1996; Morgan and Hunt 1994) and empathetic behaviours (Callaghan *et al.* 1995; Houston *et al.* 1992; Zeithaml *et al.* 1990). By focusing on these possible antecedents to trust, it may be possible to develop a more actionable model of Relationship Marketing (see Figure 3) and empirically demonstrate the existence of a Relationship Orientation. It is toward this goal that the proposed study is directed.

Figure3: Relationship Orientation - An Antecedent Model of Trust

Multiple Transaction Based Relationships
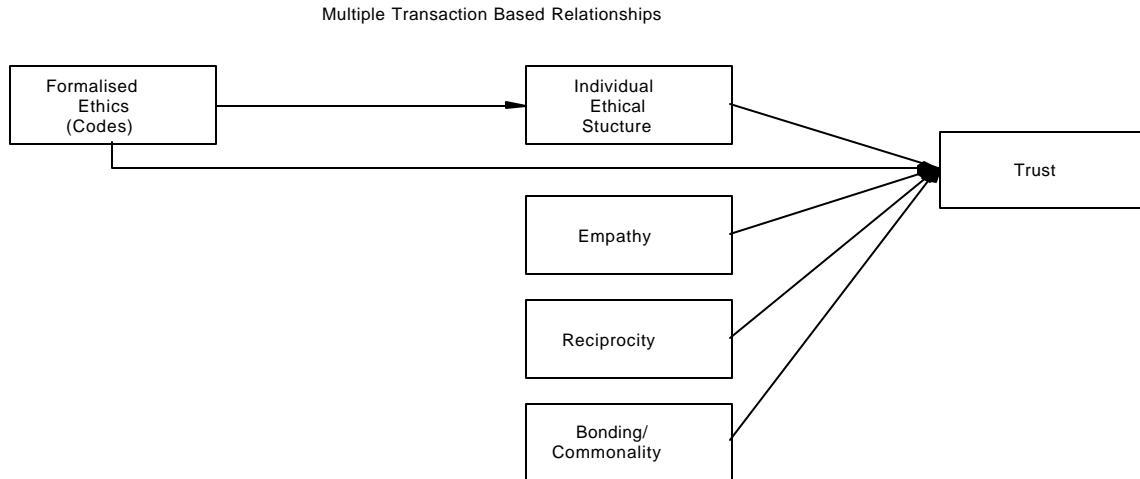
Implications: Theory and Practice

The implications of the proposed model for both theorists and practitioners are important. Marketing Academics will benefit from a greater understanding of the core concepts of marketing relationships and their links to a Relationship Orientation enabling future research to benefit from a stronger and more congruent basis. A more actionable antecedent model of Relationship Marketing will enable practitioners to undertake a more deliberate Relationship Orientation in future marketing activity if desired.

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