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**Governance Norms in Relational Exchange: What We Do Know and
What We Do Not Know**

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Over the past 15 years, relational exchange theory (RET) has increasingly received attention in the marketing literature. Marketing scholars have particularly contributed to the empirical verification of the norm concept which occupies a central role in RET. However, a vast set of potential norms is discussed in the literature. The author provides a review of more than 30 articles drawing upon RET. Based upon this review he identifies a set of ten governance norms which may be considered as being of particular relevance to relational governance.

INTRODUCTION

RM has been described as the initiation, ongoing maintenance, planned intensification, and timely termination of logically interdependent sets of transactions with customers (Heide 1994; Wilson 1995; Parvatiyar and Sheth 2000). By applying a comprehensive and continuous perspective to exchange processes, it enlarges the traditional, transaction focused understanding of marketing.

Nevertheless, skeptical scholars criticize that RM does not dispose of an idiosyncratic theoretical basis. Rather, it builds upon a certain number of theories, many of which developed outside the field of marketing, such as agency theory, social exchange theory, game theory, resource dependence theory or transaction cost analysis. These theories form the common foundation for alternative research streams within RM, e.g. service relationships, channel relationships or industrial buyer-seller relationships (Homburg 1993).

One theory which has been drawn upon by a considerable number of authors, for conceptual as well as empirical work and across all of RM's research streams, is relational exchange theory (RET). When applying this theory, researchers generally focus on exchange norms (a core concept in RET) serving as variables of relational behavior. However, the norms considered to be relevant to relational governance vary from article to article.

My main purpose in this article is to provide a review of RET application in the field of marketing. In the first section I briefly discuss RET's origin and scope. Following this, I present the concept of exchange norms which occupies a central place in RET. I then show the results of a comprehensive review of papers having drawn, either conceptually or empirically, upon the norm concept. Based upon this review, I identify a set of ten norms which seem to be of particular relevance to the study of long-term business relationships.

CONTRACTS AND FORMS OF EXCHANGE

The genuine concern of RET lies in the examination of the importance of contracts for the governance of exchange transactions. It has been triggered by observations made by legal scholars that (contrary to the dominant classical assumption in the theory of law) contracts are

a framework highly adjustable, a framework which almost never accurately indicates real working relations, but which affords a rough indication around which relations vary, an occasional guide in case of doubt, and a norm of ultimate appeal when relations cease in fact to work (Llewellyn 1931, p.737).

The development of a relational approach to contract law has been significantly affected by a study conducted by Macauley (1963). In his exploratory research on the contractual governance of LTBR he came to the conclusion that (also contrary to the assumption of the dominant legal opinion) *in praxi* contracts have neither complete nor binding character.

Particularly, his interlocutors from senior and middle management answered that in case of conflict between the parties involved in a LTBR, seeking a solution from official courts was rather the exception than the rule. Among other reasons, the loss of time through formal legal disputes as well as the often inevitable dissolution of LTBR induced by a party's recourse to legal sanctions may explain this phenomenon (Macauley 1963).

As Macneil argues, the fundamental reason for the difference between these empirical observations and the "purity and simplicity of the traditional tenet" (1974, p.693) lies in the assumption that one transaction can be seen separately from the one preceding it and the one succeeding it. To this assumption he opposes the "prevalence of relation in the post-industrial socioeconomic world" (1974, p.694). For Macneil, contracts have four roots: society, specialization of labor and exchange, awareness of the future, and choice. The existence of these four roots make a contract more than a simple promise. In RET a contract is considered to be constituted by the future relations among individuals who participate in exchange transactions (Macneil 1980a, p.4), clearly a much more sociological than legal definition of the concept.

The introduction of another key concept, promise, allows the distinguishing between different forms of exchange. Promise is defined as the “present communication of a commitment to engage in a reciprocal measured exchange” (Macneil 1980a, p.7). RET posits that promissory exchange is but one case, and empirically rather the exception than the rule. A great range of “nonpromissory exchange-projectors” such as custom, status or habit may be found. A second factor limiting the role of promise in exchange is that the promises the actors engaged in exchange transactions make to one another are generally not perfectly identical which often leads to gaps in the interpretation of the promises. Reducing the gap when it appears also necessitates nonpromissory mechanisms (Macneil 1980a). If transactions are exclusively or predominantly based upon promissory projection of exchange into the future they are considered to be of the discrete type. On the other hand, whenever transactions are based upon nonpromissory projection of exchange into the future, RET classifies them as relational exchange transactions. Long-term business relationships between buyers and sellers fall into the latter category.

Returning to the notion of contract, RET postulates that depending upon the type of exchange transaction to be conducted, different forms of contracts are appropriate for their governance. A distinction is drawn between those contracts which are adequate for the governance of discrete transactions and those which may be applied to the governance of LTBR (Macneil 1978a). The first category comprises classical and neoclassical contract law. On the other side, relational contract law explicitly focuses on problems caused by the continuity of business relationships as well as by changing environmental factors. While the (neo-) classical school holds that in exchange economic actors project all aspects of a transaction into the future by establishing formal written contracts (principle of promise), relational contract law is based upon the principle of norms. This signifies that agreements between the parties involved comprise an explicit (written) part as well as an implicit (norms) part (Palay 1984),

allowing for a more flexible adaptation to changes in environmental conditions²: „When a contract is embedded within an identifiable relationship, (...) contractual obligations are often modified, supplemented or completely supplanted by the norms of the ongoing relation“ (Hadfield 1990, p.929).

NORMS AS ALTERNATIVE GOVERNANCE MECHANISMS

The Norm Concept

As discussed above, in RET the possibility to capture the content of exchange transactions and to assure their respect by writing comprehensive explicit contracts is believed to be a theoretical fiction. As Macneil formulates in a slightly exaggerated manner: „Contract remedies are generally among the weakest of those the legal system can deliver“ (1974, p.730). Rather, contracts are seen as agreements which are intentionally left incomplete, the aim being to leave the actors enough flexibility to adapt to changes in environmental conditions (Macneil 1978a). In fact, it is assumed that the actors intentionally limit their written agreements to „incomplete contracts“ because rather than to establish comprehensive plans for joint action they prefer to formulate common goals. However, these relationship goals are equally formulated in a rather rough and open manner in order to permit an easy and quick adaptation to changing circumstances (Milgrom and Roberts 1992). Accordingly, Macneil postulates the overwhelming importance of norms as alternative governance mechanisms in LTBR and he deploys a considerable effort to further develop the norm concept (1980a, 1981, 1983). Clearly, the norm concept plays a key role in relational exchange theory, leading certain authors (e.g. Campbell 2001) to subdivide RET into two

² An empirical study recently published provides support for the assumption that the governance of cooperative LTBR depends less on written contracts than the governance of non-cooperative LTBR (Werani 2001). Jeffries and Reed (2000) note that relational contracts are to be found under conditions of moderate environmental uncertainty whereas **under** low or no uncertainty they would be inefficient. In situations of high uncertainty market governance is substituted by hierarchical solutions. In an empirical test, Cannon, Achrol, and Gundlach (2000) found “increasing the relational content of a governance structure (...) enhances performance when transactional uncertainty is high, but not when it is low” (p.180).

complementary theories, the relational theory of law (concerned with the development of the concept of relational contracts) on the one hand and, on the other, the relational theory of exchange (concerned with governance of exchange through norms).

The concept of social norms is being applied to the analysis of interactions between individuals or groups in different disciplines (Thibaut and Kelley 1959; Axelrod 1986; Bendor and Mookherjee 1990). In the extant literature, a predominant interpretation has emerged: „norms are expectations about behavior that are at least partially shared by a group of decision makers“ (Heide and John 1992, p.34). This implies that norms are not unequivocal *per se*. Rather, their acceptance by both contractually linked parties and, in addition, their harmonization with the fundamental values of the society are required to render them effective (Cannon, Achrol, and Gundlach 2000).

The size of the group sharing specific relational values may vary. Norms may apply to industry sectors, firms, to an individual business relationship or to each separate transaction (Scherer 1980). Nevertheless, „in a truly relational approach the reference point is the entire relation as it had developed“ (Macneil 1978a, p.890). Regardless of the size of the reference group, norms are contingent upon the social environment, they are embedded in society.

“Contract without the common needs and tastes created by society is inconceivable ... contract without language is impossible; and contract without social structure is – quite literally – rationally unthinkable” (Macneil 1980 b, p.159)

Macneil develops a comprehensive set of common norms for the governance of exchange processes between individuals or groups. He interprets them as principles of right action with binding character for the members of a group, e.g. buyer and seller in a dyadic business relationship. In this perspective, their function then is to guide and control human behavior (1980a). According to Ouchi the existence of relational norms in a dyad is an indicator for the harmony of both parties' interests which, in turn, reduces the risk of opportunistic behavior

(1980a; see also Nohria and Ghoshal 1990).³ It is also characteristic for norms to be of relative stability over time (Opp 1979).

A third characteristic of norms, in addition to their *ex ante* role as expectations (Heide and John 1992; Lipset 1975) or guidelines for appropriate behavior (Scanzoni 1979), is their *ex post* function as reference points for the evaluation of the behavior an individual has actually shown in a given situation. They permit the judging of the conformity of a party's actions with the established standards. It is in this sense that - according to RET - norms complete written agreements in the case a conflict arises between two parties. The clauses of explicit contracts together with the norms established in a LTBR should form the basis for conflict resolution.

On the other hand, the fact that norms are in general not discussed explicitly, and even less specified in detail but rather developed on a relatively general level, leaves room for an individual interpretation of a norm's content by the parties involved in exchange transactions. An ineffective coordination of the LTBR may be the consequence if a gap opens up between the two parties' respective interpretations of the same norm. The question how large this gap may become without threatening the continuation of the LTBR is yet unanswered in the literature. On the other side, a differentiation in economic actors' relational behavior *in praxi* and the resulting variance in norms form an interesting basis for further research on buyers' and sellers' relational styles. Such a perspective would allow further developing RET's basic dichotomy (discrete vs. relational exchange) by showing that alternative interpretations of relational behavior may exist.

According to the relationship life cycle model provided by Dwyer, Schurr and Oh (1987) in a dyadic LTBR norms start to develop in the exploration phase. By developing norms which

³ RET theorists are aware of the fact that conflict of interest lies in the nature of economic transactions. They postulate, though, that the existence of relational exchange norms leads to cooperative conflict resolution strategies (Thomas 1976).

guide their actions in the exchange process the parties define their relational playing field. Whereas certain norms are being brought into the relationship others are defined by the parties concerned. It is in the expansion and commitment phases where norms completely deploy their positive effect. Based upon satisfaction with the outcomes of earlier transactions with their partner in the respective LTBR, the actors show high levels of trust. Trust in the other's willingness to behave in conformance to one's own expectations leads to the assumption of the existence of relational norms (Dwyer, Schurr, and Oh 1987). Although not mentioned by the authors, norms may also play a critical role in the dissolution phase. Discordant interpretations of one or more norms by the two parties may be at the origin of disputes. If the gap between the interpretations becomes unacceptable for one party it may decide to withdraw from the LTBR.

The Norms Governing Exchange

After over 20 years of theory development and empirical research in the field of RET the number of norms scholars discuss as potentially relevant to the study of LTBR remains large. In fact, the determination of a generally accepted set of relational norms remains an unaccomplished task.

In a fundamental contribution Macneil enumerates 28 dimensions along which the governance of transactions may vary (Macneil 1978a, pp. 14-16; Noordewier, John, and Nevin 1990). In other writings (1974, 1983), some of these dimensions (along with other constructs not figuring among his dimensions of exchange) are presented by Macneil as those norms which allow distinguishing whether exchange is of discrete or relational character. Thus, unfortunately for researchers interested in RET for its contribution to the study of relational behavior, it does not provide a sharp systematization of the construct's relevant categories, nor have the norms discussed been operationalized in the form of formal measures. Macneil himself states about his efforts to structure the norms governing exchange: "This cake can undoubtedly be sliced in many ways" (1980a, p.40).

In their efforts to make RET operational, researchers have nevertheless drawn upon Macneil's dimensions of relationalism. Not astoundingly, the incomplete state of RET work in the field of norms has led to an irregular and often selective integration of individual norms into researchers' theoretical models. One reason probably resides in the fact that Macneil's norms appear to be at least partially overlapping (Heide and John 1992; Achrol 1997; Cannon, Achrol, and Gundlach 2000). A second reason may be that, for the purpose of empirical research, Macneil's norms are too numerous.⁴ Thus, a core question for marketing scholars remains unanswered: which norms govern LTBR and what interdependencies exist between them. In other words we still ignore the dimensionality or factor structure of the norm concept.

Table 1 presents the results from a review of 34 papers drawing upon RET.⁵ The aim of the review was to see which norms have been discussed and applied in marketing research, the assumption being that norms which have received a considerable amount of attention and whose relevance has been confirmed in empirical studies may be considered as part of the core set of norms future research should build upon. This core set of relational norms comprises the following norms: long-term orientation, role integrity, planning behavior, mutuality, solidarity, flexibility, information exchange, conflict resolution, restraint in the use of power, monitoring.

⁴ For example, Dwyer, Schurr und Oh (1987) discuss 12 dimensions of LTBR. Nevertheless they observe: "Within marketing, our eventual *needs for theory and practice may require fewer than 12 dimensions*, but clearly the limited focus of past research (on power, personal relations) reflects less than full consideration of the properties of exchange. Thus, the characterization of polar transactional archetypes on 12 dimensions prompts us to consider sweeping arrays of diverse transactional forms." (1987, pp.12-13). Whitford, too, in a critical review of Macneil's work notes: "The question is whether Macneil's numerous categories for describing features of relational contracts are useful or needed in terms of some end in view." He adds though: "If they are, the messenger (Macneil) should not be blamed for the bad news" (1985, p.556).

⁵ Articles included in this review have been identified using indices of key marketing journals (e.g. Journal of Marketing, Journal of Marketing Research, Journal of the Academy of Marketing Science), electronic databases, and bibliographies. As Rindfleisch and Heide (1997) state we believe this selection provides "a representative, though not exhaustive, selection" of work employing RET.

Light gray boxes in table 1 indicate that the respective norm has been treated conceptually. Dark gray boxes indicate that the norm has also been subject to empirical testing. Our analysis shows that many authors concentrate on certain norms suitable for their purposes. Whereas, for the reasons mentioned above, this approach appears justifiable, the sometimes lacking discussion of the actual choice of the specific variables used in their study (e.g. Kim 2000; Johnson 1999; Gassenheimer, Calantone, and Scully 1995) is more questionable. Table 1 also shows that other authors integrate RET norms into higher order constructs. Once again, an explicit justification is not always granted. Summarizing, a large number of norms has been discussed (and often examined empirically). The approach may be classified as selective, fragmentary, and sometimes arbitrary.

Obviously, publications building upon Macneil's fundamental work have not yet been able to clarify the dimensionality of the norm concept. However, based upon our review of the 34 papers forming the basis for table 1 we have been able to identify those norms which have received a considerable amount of attention from marketing scholars. Adding to the somewhat confusing picture, these ten norms are not identical with the list Macneil describes in his last formulation (1983, p.347). In the next section we provide a short overview of empirical research on the ten norms which emerge from our review as being central to the study of LTBR.

EMPIRICAL RESEARCH ON NORMS

Macneil's writings cover over 40 years and around 30 articles and books.⁶ The overwhelming majority of his contributions are of the conceptual kind. It was not until 1984 that scholars have begun to gather empirical evidence on Macneil's theoretical construction. In our sample of 34 articles, 23 include empirical results (see table 3). In this section we seek to answer two

⁶ For a comprehensive review of this lifetime achievement see Campbell (2001).

questions: (1) What empirical evidence exists on relational norms? (2) Has marketing literature produced valid and reliable instruments for the measurement of norms?

Empirical results

Three distinct questions related to governance norms have been empirically studied: (1) the dimensionality of the norm concept, (2) outcomes of the existence of relational norms, and (3) antecedents to the existence of norms.

1. Dimensionality. The first aspect has only been addressed by one empirical study. Kaufmann and Dant (1992) explicitly examine the dimensions of relational governance using confirmatory factor analysis. Empirical testing confirmed six (relational focus, solidarity, mutuality, flexibility, role integrity and restraint in the use of power) out of seven original dimensions which the authors qualify as “context-free” (p.179).

2. Outcomes. The second question concerning the outcomes of relational behavior has received considerably more attention. More specifically, three groups of outcome variables have been studied. The first group concerns the *perceptions* actors in dyads develop as a consequence of the existence of relational norms. Such perceptions comprise perceived unfairness of the other party’s behavior (Kaufmann and Stern 1988), trust (Doney and Cannon 1997) and the other party’s perceived commitment (Jap and Ganesan 2000). Both variables are positively influenced by relational norms. The second set of outcome variables comprises actual *behaviors*. For example, Dant and Schul (1992) study the impact of role integrity on four potential conflict resolution strategies (problem solving, persuasion, bargaining, and politics). Gundlach, Achrol, and Mentzer (1995) show that relational norms positively influence behaviors expressing commitment. Dwyer (1993) found that the existence of relational norms have low influence on communication in industrial dyads.

Finally, the link between relationalism and *relationship or firm level variables* such as relationship duration (Haugland 1996), relationship performance (Noordewier, John, and Nevin 1990, Lusch and Brown 1996, Bello and Gilliland 1997, Cannon, Achrol, and

Gundlach 2000), relationship quality (Gassenheimer, Calantone, and Scully 1995, Johnson 1999), or acquisition and operating costs (Cannon and Homburg 2001) has been examined. Interestingly, the results of these studies show either no impact of relational behavior on the focal variables or the findings of different scholars on the same hypothesized link are contradictory. For example, whereas Lusch and Brown (1996) find no impact of norms on wholesaler performance, Bello and Gilliland (1997) speak of a positive impact in an export channel setting, a result equally stated by Cannon, Achrol, and Gundlach (2000) for industrial buyer-seller dyads. Noordewier, John, and Nevin (2000) only find such a link under conditions of high uncertainty. In addition, in some settings an impact of governance norms on outcome variables could only be confirmed in the interaction with other variables. For example, Heide and John (1992) show that a buyer's vertical control only increases when relational norms and relationship specific assets interact.

3. *Antecedents*. The third set of studies deals with antecedents to relational norms. These antecedents may be classified into environmental variables, variables on the relationship level, and variables characterizing an actor's attitude or behavior. In the first category fall studies examining the impact of *environmental uncertainty* on norms such as flexibility or long-term orientation. In these studies, different aspects of uncertainty have been tested. For example, Heide and John (1990) find that technological unpredictability decreases expectations of continuity whereas Bello and Gilliland (1997) state the negative influence of market volatility on flexibility. Variables on the *relationship level* comprise relationship duration (Lusch and Brown 1996), dependence structure (Dwyer 1993, Heide 1994, Lusch and Brown 1996), transaction costs (Pilling, Crosby, and Jackson 1994), or the extent of normative vs. explicit contracting (Lusch and Brown 1996). Finally, aspects of actors' *behaviors* such as actual commitments (Gundlach, Achrol, and Mentzer 1995), the use of non-coercive influence strategies (Kim 2000), specific human investments (Bello and Gilliland 1997), and manifest opportunism have proven to positively or negatively influence the development and intensity

of a number of relational norms. Key relationship marketing variables, such as trust and satisfaction with past outcomes, equally have a positive impact on the norm of long-term orientation (Ganesan 1994).

It is worthwhile mentioning that, contrary to the outcome and antecedent variables discussed, interrelationships between different norms have received very little attention in empirical research (for an exception see e.g. Johnson 1999 who studies the influence of continuity expectations on flexibility). In the light of the fact that Macneil (1978a, 1980a) himself acknowledges that the norms he defines are not independent of each other this lack of interest from the part of scholars is surprising.

Summarizing, one can retain that RET has been drawn upon in a number of empirical studies on LTBR. The extant applications have provided some fundamental insights into the importance of exchange norms for the management of business transactions as well as into the antecedents to their development. Nevertheless, due to the selectivity in the use of relational norms in empirical research, the knowledge generated by these studies must be qualified as fragmentary.

The measurement of governance norms

As can be seen from table 1, operationalizations exist for all of the ten norms which emerge from our review as being central to RET, although to a different extent. Among those norms for which a larger number of scales are documented in the literature are: flexibility (8), solidarity (8), information exchange (7), and long-term orientation (6). The items of these scales often show similarities. Variations are mainly caused by their adaptation to the specific type of relationships examined (e.g. industrial LTBR, channel relationships). As a general observation, efficiency in the operationalization of constructs is a common concern for many scholars. They attempt to refine an existing scale rather than build a new measurement instrument. This approach appears to be justified given the validity and reliability of the large majority of scales documented in the RET literature. On the other hand, for the norms of

planning (Heide and John 1990), harmonization of conflict (Haugland 1996, Kaufmann and Dant 1992), and restraint in the use of power (Kaufmann and Dant 1992) only few operationalizations exist. Irrespective of the number of operationalizations, all extant measurement instruments for norms are multiple-item five or seven point Likert-type scales. This fact reflects the overwhelming agreement among scholars in the interpretation of relational norms as continuous as opposed to discrete phenomena (Heide and John 1992).

RESEARCH DIRECTIONS

Our review has provided some insight into the current state-of-the-art in RET research. Overall, it appears that scholars have input considerable effort to the development and empirical verification of the fundamental ideas developed in the writings of Ian Macneil. On the other hand, we have also seen that to date not all questions that arise from early conceptual work in RET have been answered. Hence, we suggest a number of directions for future research in the field of relational governance.

Our first observation concerns the dimensionality of the norm concept. Obviously, since Macneil (1980a) has stated that the norm cake may be sliced in different ways, neither he nor researchers in the field of marketing have managed to define the number and content of governance norms definitely. The only empirical attempt in the field of marketing (Kaufmann and Dant 1992) has confirmed six out of seven norms studied. Our own review of 34 articles and papers, on the other hand, shows that a set of ten governance norms are in the center of the discussion on LTBR. These ten norms are not identical with the last list of exchange norms provided by Macneil (1983). In the various studies, these norms are used in a selective manner, most authors stressing that they test the most relevant norms. Accordingly, we feel further research is needed in order to achieve agreement over which norms complete explicit contracts in the governance of business relationships.

Second, Macneil (e.g. 1978a and b, 1981) stresses that the norms he discusses are mutually interdependent. We observe that whereas there has been considerable effort attributed to the

test of relationships between norms and their antecedents and/or norms and their outcomes, relatively little attention has been given to the connections between the governance norms. Hence, it would be helpful to study how for example how flexibility influences restraint in the use of power, how mutuality influences solidarity or other potential links. Norms appear to form a network of constructs. Particularly, a dynamic analysis of this network might prove to be a fascinating aspect to develop.

Third, as we have also seen from our review, the focus of the articles building on RET is almost exclusively on business-to-business relationships in the industrial goods sector or in marketing channels. Relationships with final customers (business-to-consumer) have not yet been examined. The same applies to relationships with organizations governed by idiosyncratic rules as for example the public administration sector or not-for-profit organizations. Although Kaufmann and Dant (1992) consider norms to be context-free concepts, an empirical test of this hypothesis for different types of relationships (e.g. B2C, B2A, B2N) has not yet been conducted. The same observation is valid for service relationships where empirical evidence is equally lacking.

Fourth, the international validity of empirical results on norms has not yet been established. It is well known that the importance of legal contracts as a basis for LTBR differs considerably between cultures (e.g. Björkman and Kock 1995, Ivens 1999). Whereas in Asian countries, the extent of formal contracting is often limited, in Northern-Europe the respect of written agreements is considered to be important. In the light of this observation, the question which factors determine the relative importance of explicit and normative contracts in LTBR in different cultures merits increased attention. Closely related to this aspect is the structure of the norm concept across cultures. Whereas, on the one hand, Kaufmann and Dant (1992) posit that norms are context-free concepts, studies on the dimensions of culture (Hofstede and Bond 1988) and on the influence of national culture on the development of trust (Doney, Cannon, and Mullen 1998), on the other hand, raise doubts. We do not yet know whether all norms are

valid in all cultures, whether additional norms exist in some countries etc. Clearly, in the field of international business relationships, many questions remain unanswered.

Fifth, RET has been developed from a legal and sociological perspective. Its primary concern is to describe governance structures in LTBR. Nevertheless, it has been drawn upon in order to characterize relational marketing behavior. Undoubtedly, key constructs such as flexibility, solidarity or mutuality are important aspects of relational marketing behavior. Still, in the marketing literature other constructs have been discussed which allow description of the facets of behavior marketers show in LTBR. For example, creativity is such an aspect. It needs to be addressed when interpreting norms as facets of relational behavior to what extent an empirical study can exclusively rely upon governance norms when attempting to cease marketing behavior. Also, many of the norms in RET overlap with other typical marketing constructs, such as fairness. It would have to be clarified whether an integration of RET and concurrent theories would advance our conceptual knowledge.

Sixth, LTBR are often dependent upon personnel relationships between individuals representing organizations. Personnel relationships are also referred to as social capital (Coleman 1990). The increasing reliance of companies on electronic media to conduct transactions modifies the characteristics of LTBR. Certain authors posit that virtuality erodes social capital (Prusak and Cohen 2001). An unanswered question in this context is what impact virtuality exerts on relational norms. Do the same norms apply as in traditional exchange? Do people respect these norms in increasingly virtual relationships? Do additional norms emerge?

Finally, in different empirical studies we have reviewed, identical concepts (e.g. relationship performance or relationship quality) have been used as outcome variables linked to RET norms. Yet, the operationalizations of these same constructs vary between these studies, leading to sometimes contradictory results. Clearly, there is a need to define these variables precisely and draw clear distinctions between distinct outcomes.

TABLE 1

Conceptual Discussion and Empirical Testing of Norms⁷

Norms in Relational Contracting Theory																																					
Norm		Studies in which the respective norm has been discussed or empirically tested																																			
		1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30	31	32	33	34		
Role integrity																																					
Planning																																					
Effectuation of consent																																					
Flexibility																																					
Solidarity																																					
Mutuality																																					
Harmonization of conflict																																					
Restraint in the use of power																																					
Information exchange																																					
Long-term orientation																																					
Monitoring behavior	output control																																				
	process control																																				

Integration of norms into higher order constructs by the authors: 1 = relational focus, 2 = relational social norms, 3 = cooperative norms, 4 = social norms, 5 = participation

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⁷ Light gray boxes = norm discussed theoretically, dark gray boxes = norm tested empirically.

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