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The Impact of Relationship Atmosphere on the Key Supplier's perceived Reputation.

Gammoudi Lotfi

Research Assistant – CREG -IAE de Pau

Domaine universitaire

29-31, Cours du Comte de Cabarrus

64115 Bayonne Cedex

Email: gammoudi_fr2000@yahoo.fr

Tel: +33 (0) 681 434 901

Dr Karim Machat

IUT Bayonne Pays Basque

Université de Pau et des Pays de l'Adour (UPPA)

3, avenue Jean Darrigrand 64100 Bayonne Cedex

Email: karim.machat@iutbayonne.univ-pau.fr

Tel: + 33 (0) 559 574 392

Summary:

In this article we shall study the relationship between, on one hand, the perception of the key supplier's reputation by its customer, and, on the other hand, the different dimensions of the relationship atmosphere (RA). Firstly, our purpose is to demonstrate that the dynamics of the supplier / customer (S/C) interactions over time, and mostly the atmosphere of the relationship, participate directly in the building and strengthening of a supplier's reputation. Secondly, empirical results of an exploratory survey conducted on a sample of French owners of small and medium enterprises (SMEs) will be presented

Key words: Company's reputation, Relationship Atmosphere (AR), Ressources Based View (RBV).

1. Introduction:

Two leaders in their fields lost, in a very short time, their position on the global market after scandals which stained their reputation. The companies such as Anderson Consulting (Enron case) and Paramalat in Italy lost all their tangible assets; the main reason is that they are no longer reliable within a business network. Beyond the anecdotical aspect of these cases, we wish to focus on the role of reputation as a critical condition to conduct business, and especially as a basis for valuing the assets of a company on the market.

The concept in itself is not new. Let us go back to Adam Smith's works about Dutch merchants, to William Shakespeare about the ones of Venice, and more recently to Avner Greif (1989) about the merchants of North Africa in the middle Ages (cited by Milgrom and Roberts 1997). Their reputation played the role of a cheap guarantee in case of repeated transactions, as well as an incentive to build and develop exchange relationships. It represented mostly one of the devices which allowed ensuring that commitments were met.

Beyond this, some recent British academic research showed that the organisational reputation, depending on whether it is « good » or « bad », has an impact on the company's performances (on the financial, business, organisational and social levels) and its key partners' behaviour (trust and loyalty) (Fombrun 1996). The author considers organisational reputation as being an asset the company shall appreciate, promote and protect (Bromley, 2001, 2002; Fombrun et al. 2000; Fombrun, Gardberg and Sever, 2000). All these works remind that the company is a whole and is evaluated as such by some key audiences. But all these works, however interesting they may be, do not cover the whole topic. Indeed, a review of the literature about the concept of reputation allows us to underline the lack of a genrally accepted definition of the concept of reputation (Anca and Roderick, 2005). It is defined as an aspect in some cases, and as behaviour in other cases (Morris, 1997).

In the B to B field, many researches enabled to outline the role of reputation in creating and developing exchange relationships (Dollinger et al. 1997, Fombrun and Shanley 1990, Podolny 1993, Weigelt and Camerer, 1988). However, most works do not give any information about the relationships between the reputation and the quality of the exchange relationship.

Our present work tries then to show that reputation is an intangible resource which expresses the quality of an exchange relationship between a client and its supplier, and which partly results directly from their interactions over time (Turnbull and Wilson 1989), within the atmosphere of the relationship.

With that goal in mind, our present research develops a review of literature on reputation and RA (2). The next part (3) will present the adopted methodology to check the relevance of our theoretical framework as well as the main proposition we have developed. It particularly, highlights the impact of the latter on the former. Finally, we present the empirical results based on a survey of 125 SME's owner (4.) which partly confirm our framework and literature review.

2. Literature addressed

Our research is firstly aimed at explaining the place and role of reputation along with the S/C interaction approach adopted by the IMP group. Hence, the first part of our literature review will present this point (2.1.). Secondly, as academics do not come up with a common definition of the organisational reputation, we will propose our own point of view (2.2.).

2.1. The relationship between the supplier's reputation and the AR as an indicator of the quality of the exchange relationship.

Since Ford (1980) and Hakansson (1982), the IMP Group sticks out for considering the network relationships involving customers and suppliers as, being composed of dyads in interaction and not as a succession of short term transactions between anonymous actors. Each relationship is based on a structure and a process (Hakansson and Snehota 1995).

Therefore, the dyadic relationship between suppliers and customers becomes a set of dynamic interactions in which companies exchange, share, and value resources. These latters gradually constitute, along with interactions, specific investments. The repetition of these two-way interactions produces social mechanisms helping actors getting coordinated, adapting and extending their relationship exchange. In the meantime, exchange creates complex links that allow the management of negotiations and conflicts characterising any long-lasting relationship. All these elements and mechanisms establish the atmosphere of the relationship, that is to say, the environment or the climate existing between both organisations. Hence, this atmosphere determines the nature of the S/C interaction and it is, to a certain extent, determined by it.

Young and Wilkinson (1997) define the atmosphere of a relationship as being a system of perceptions, emotions, beliefs and attitudes that are specific to the committed parties. These crossed elements evolve depending on circumstances, and the RA can be considered as stable when these elements are reproduced over time following actions and reactions. Should conditions change, the existing atmosphere may become unstable and new kinds will emerge through various balancing mechanisms (Roehrich and Spencer 2004). Hakansson and Snehota (1995) highlight that past relationships and reputation influence a company's ability to integrate or create a business network. The results of Môller and Wilson's study (1995) also illustrate the important role of these dimensions in relations between organizations in various industrial fields. Macneil's works (1983) also deal with the actors' reputation. More specifically, the analysis of the dyadic relationship within the template of the IMP Group outlines its multidimensional aspect. Several previous studies analyze the intangible nature of RA in conceptualisation and mesurement (Sutton-Brady, 2000, 2001). A few researches on the aspects of the exchange relationship and their applications were based on a measurement scale of the atmosphere of the relationship. Therefore, we study the reason why the atmosphere of the relationship has an impact on the perceived reputation of the supplier. With that purpose in mind, we will evaluate to what extent the quality of the exchange relationship between clients and suppliers influences the supplier's reputation.

On the one hand, our research approach is mostly based on two conclusions found in our review of the literature about the company's reputation. The first one deals with the analysis of the causes and consequences of the company's reputation. Research showed that companies that have a good reputation (compared to others in the same field), are also very effective and are able to make higher profits and improve their growth rate over time (Caspar and Steen 2004). If the outcomes of most of these works enabled to highlight the consequences of a « good » or « bad » reputation on the company's competitivity within the current economical context, these attempts of conceptualizing remain associated with the specific field of each reputation research (Thevissen 2002, Padayani and Rainer 2003). The second remark concerns the formation process of reputation itself. Indeed, even though the studies show a consensus about the strategic aspect of the reputation and its tangible nature, they neglect however the process by which a reputation is built and developed. We will show, within this study, that organizational reputation is an asset specific to each company and related to its environment, and that mastering its building process is essential for a company (Weight and Camerer 1988).

On the other hand, studies about the business relations in the B-to-B field have been focusing for a long time on the importance of the quality of the exchange relationship as a factor of development and maintaining lasting and viable business relations. In the literature about relational marketing, many works have conceptualized the quality of the relationship as a multi-dimensional element made of distinct and interconnected dimensions (Crosby et al. 1990, Dwyer and Oh 1987). Because of the absence of consensus about the dimensions that define this element, a substantial overlapping exists between the

various conceptualizations adopted in literature. However, the best representation of the relationship comes from the IMP's works through the RA.

For that purpose, we will focus on the characteristics of the exchange relationship as they are identified by the IMG Group authors, through the different atmosphere's dimensions: Power / Dependency; Cooperation / Competitiveness; Trust / Opportunism; Understanding / misunderstanding; Closeness/distance. In our research, the atmosphere is studied throughout its nature and its capacity to capture all the crossed perceptions, emotions, beliefs and attitudes between a supplier and a customer. It mostly represents a fundamental component in the analysis of necessary conditions to maintain and develop S/C relationships. Exploring the links between the different dimensions of the RA and the supplier's perceived reputation will allow:

- To understand how the different dimensions of the RA influence the key supplier's perceived reputation.
- To examine the various ways in which interactions inside the dyad contribute to the building of the reputation, and its strengthening on the market.

In this section, we have outlined that the forming process of the reputation could be better understood through the various aspects of the RA between the exchange partners. But establishing such an hypothesis remains difficult because there are no theoretical founding elements. For that purpose, we will have to provide a theory framework in order to understand this process and define the reputation concept.

2.2. Defining Companies' Reputation

While various theoretical approaches focused on the analysis of the role both economical and strategic of the concept, the Ressource Based View's (RBV) stream seems to be a particularly appropriate theoretical frame to define reputation and understand it's forming process. We will then establish in the next section that reputation is a resource that depends mainly on some characteristics specific to the company, on the production processes of products or services, and on the nature of the relationships with its environment. We will also show that while reputation can be managed by the company, this is done so only partially.

a. Reputation as a resource: the RBV's (and other) contribution(s).

The economic and management literature indicates that "reputation" may have very different meanings, depending on whether it is considered as a strategic element in a context of competitivity among companies or as the expected quality of a good or service in a reflection confronting both sides of a market: buyers versus sellers (Kreps and Wilson 1982, Milgrom and Roberts 1982). Although these two meanings have direct consequences on the company's positioning, our study focuses more on the analysis of the reputation position in the relationship between the buyer and the seller, particularly in the B-to-B field.

Within the relationship between a buyer and a seller, the organizational reputation is largely studied in a context of exchange, characterized by skew information and opportunism threats among agents on a given market (Shapiro 1983). The games theory, for instance, suggests that reputation has an informational content that allows distinguishing "typical" companies and can explain their strategic behaviour on the market (Weight and Camerer 1988). We could also mention theories of transaction costs and the agency's theory. Within these approaches, the analysis of reputation is based on the hypothesis that economic agents never start any exchange relationship "from scratch", that is to say without knowing beforehand the other partner of the exchange. Transactions are actually, for most of them, established according to pre-existing personal or organizational relationships. Therefore, considering there is no relation between the agents involved in the exchange, they get in touch in a

particular context based on references or signals that allow reducing or eliminating, if possible, the skew information and the opportunist threats in the exchange relationships. But these signals have to come from reliable companies as well. Theories about signals suggest reputation is considered as being a set of reliable and efficient signals, resulting from a process of getting acquainted with the behaviour observed by the agents (Kreps and Wilson 1982).

A review of the literature on this topic indicates that the new interest and enthusiasm aroused by the works of the last decade on the concept of reputation is often related the theory of RBV (Penrose 1959, Barney 1991, Grant 1991). Indeed, the approach of the RBV indicates that the performance differences among companies are explained by their resources, which are various and specific to each of them. Then the conception of a company as a product portfolio moves to a more traditional conception of the company, based on collective skills efficiently combined and kept secret. These basic skills (or *core competencies*) protect the company from imitation and ensure its performances on the long run. Therefore, reputation depends mainly on characteristics specific to the company i.e. its resources. They are also conditioned by the nature of the relations they have with members of its network. It is then possible to consider reputation as a resource produced by the company. Reputation is an asset, a resource the company can partly manage.

Some works within the resource-based stream have shown that a direct and the positive relationship exists between immaterial resources of companies and the level of their performances (Hall 1992; Grant 1996). In this perspective, the organizational reputation appears as a development factor that checks the various properties, and can be considered as a resource (Grant 1991). Indeed, reputation is valuable (Hall 1992), rare, difficult to imitate (Mahoney and Pandian 1992) and non-replaceable. In these conditions, it can provide the company with a viable competitive benefit, and a cost-effective and profitable source (Barney 1991). It also represents a sustainable, competitive and strategic lever to establish lasting and profitable relationships with the company's various partners. However, the reputation of a company, its products or services, cannot be owned, since it depends on the perception of the various key partners. This does not prevent the companies from trying to monitor this resource, with communication and word-of-mouth advertising strategies, for instance, supported by all its dyadic relations on the market.

As a conclusion, we found that with the resource-based stream, a company's reputation is an element depends on the company's characteristics, and allows measuring the efficiency and performance on the market over time. It can then be a function of financial performances, of the quality of goods/services, of the efficiency of management or of any combination of factors used by the company's various partners. She can be so a function of the financial performance, the quality of products / services (Fombrun and Shanley 1990). The organizational reputation is then forming within the company's activities: organizational culture, identity, image, quality of its management, economic and social performances, financial transparency, human resources management, business strategy.

b. The company's reputation: a distinct and distinctive concept

At this stage, we have defined the concept of reputation as revealing some particular characteristics. Indeed, reputation does not have any physical property, as it is intangible, it remains quite difficult to measure given its nature and its proximity with similar concepts as identity and image. Despite the enthusiasm of works about the differences between the reputation, identity and image of a company, we see that there are more general statements than empirical studies on the topic (Nguyen and Leblanc 2001). For instance, Porter (1985) suggests that a « good reputation » helps pioneer companies to build an image of innovative company. On the contrary, Franklin (1984) defines a company's reputation as the general and final result of the process of building the image. However, for both authors, it seems that image and reputation form a set of external perceptions of the company. The image refers to the company's representation in the various partners' mind, whereas the reputation indicates the level of trust (or mistrust) in the company's ability to meet the clients' expectations on a specific aspect.

From a managerial point of view, the concepts of identity, image and reputation appears to be related to some strategic goals that are quite complementary. Depending on his goals, the manager tries to analyze the environment and design his company's strategy. In this perspective, it is obvious that identity, image and reputation will be considered as strategic resources essential to the company. However, this statement is limited and does not give any information about the nature of the relation between the three concepts. Reviewing the literature enables us to provide a few answers.

Firstly, the company's identity seems to be linked to the image of the various communication channels and mechanisms (Christensen and Askegaard 2001). The company projects its image in order to communicate its identity to the various partners and groups of interest. Image can make the company recognizable thanks not only to the advertising actions and public relations, but also to all the other ways of formal communication (annual reports and leaders' speeches) et as well as informal communication (word-of-mouth advertising for instance). Secondly, the partners watch, interpret these images and create their perceptions depending on their values and beliefs. Therefore, the aspects of reputation progressively emerge depending on the past and present behaviour of the company in its environment. Except for the identity that describes the way an organization sees itself, it seems to us that the two other concepts try to describe the same phenomenon: what the public thinks about an organization. However, we think an image can be created more quickly and more easily than a reputation. Indeed, an image can be built by a company by implementing a formal communication system: name, logo, the trademark and advertising. But a favorable reputation demands more efforts of efficient communication. It depends on whether it is transformed by the company's partners in beliefs and standards. These beliefs and standards with regard to a company gives it credibility and legitimacy (Rao 1994). In this perspective, reputation appears to be a social construct resulting from a social process of legitimization. It is reinforced by the symbolism and the efficient communication (formal) and the word-of-mouth advertising (informal, see Meyer and Rowan 1977). Similarly, a company could have a good reputation without having a visible image compared to its competitors. Let's take for instance the small craftsman who enjoys an outstanding reputation thanks to the quality of his work and thanks to the word-of-mouth advertising. His main competitor, as well as others in the network, will be very likely to implement a professional communication program. The small businessman can control a part of the market, but if he wants to get a higher growth rate, he needs a stronger image. Therefore, both a strong image and a good reputation can be positive for the company.

Actually, we believe that for order to use reputation as a competitive asset, an organization should beforehand implement a series of action plans that would be relayed by the partners' network in which the paradigm of interaction represents the lever of its forming process. In this perspective, image and identity will be necessary to emphasize the organization's distinctive characteristics such as: its know-how, its behaviour and the quality of its products/services. All this seems necessary for the key partners to be able to assess the company positively in terms of reputation compared to the competing companies as far as staff (high skilled), the products /services and the developing potential are concerned. A company's reputation is built and managed within the network of relations. At this stage of the analysis, we retain the concept of the organizational reputation in the most general meaning of the word compared to all the definitions suggested in the literature so far reviewed (Fombrun and Shanley 1990, Shapiro 1983). Therefore, we consider that reputation can be described as an evaluation or a judgement of a series of characteristics about knowing someone or something. It is based on the analysis of the past and present behaviour with the hypothesis that this behaviour will be maintained in the future. The reputation that builds up in a company cannot come from an isolated sequence in time. Reputation appears to be the result of timing interdependencies between various isolated situations in the past. These links give a company's reputation a strategic aspect. Reputation then emerges from the progressive knowledge of some of the company's caractristics, based upon observable behaviours. However, as we highlighted earlier, reputation is not limited to the current beliefs and to what characterizes a company's behaviour. It mostly involves that each individual or company's partner's expectations are based on the hypothesis that this behaviour will be maintained in the future. These beliefs differ from one individual or group to another (Thevissen 2002).

c. Conclusion

In this stage of our study, we have recalled the theoretical bases of the RA within the IMP framework and also considered reputation as an intangible asset, drawn from the RBV's approach. The fit between Reputation and RA has been firstly made to underline the social dimension of the construction process of reputation. Secondly, we assure the assumption according to which there is a positive association between the perceived supplier's reputation and the various dimensions of RA involving the partners, in particular customers.

3. The objective of the study, the basic hypotheses and the methodology of the research

In order to investigate this association between RA (as an indicator of the relationship quality) and the perceived key supplier's reputation, we will firstly present our research proposition and methodology, including our survey development and sample selection. Secondly, we will report our empirical findings subsequently to the data collection. Finally, we will discuss the findings and present managerial and research implications.

3.1. Main proposition and methodology of research

Recalling our theoretical framework established previously, we argue a main proposition, as follows:

Research proposition:

> ***There is a significant impact of the RA (between a supplier and its customer) on the perceived supplier's reputation.***

The statistical link between two variables can be analyzed according two perspectives: either as association as an causality. Association's means that the values of the variables for a number of observations tend to vary together. In fact, the association between two variables does not mean that there is a causality relationship between them. Causality implies indeed that the variations of one affect the variations of the other. Following our research's object, we will analyze if there is a positive relationship between the perceived supplier's reputation (dependant variable) and the various dimensions of RA (independent variable).

For that reason, we chose an analysis of variance (ANOVA). The RA variable will be translated into a binary variable (0 and 1), distributed according two groups: a low level (value 0, for any value of each RA's dimensions lower than the average) and a strong level (value 1, for any value of each RA's dimensions higher than the average). The methodology we have adopted, based on the variance's decomposition allows to conclude objectively if a difference exists within population and between the various groups elaborated (Giannelloni and Vernette 2001).

a. Data collection

On the contrary of the growing number of research on the key accounts (Pardo, Salle and Spencer 1995), we have adopted the key suppliers' point of view. In this case, it is difficult to define the key supplier on the basis of qualitative or quantitative criterion. For that reason, small business' owners were asked to determine the amount of the sales turnover of each supplier they referred to as a key account (average of 30%).

A sample of 1200 firms in the south-west of France are concerned our questionnaire. We have make it sure that respondents were SME's owners or one of their direct collaboratorsworking with the key supplier. With a return's rate equaling to more than 10%, we have received 144 questionnaires. We finally retain 125 of them because of some non-completed items. Our empirical sample is characterized by an average payroll of 143 employees, an average sales turnover of 336 million euros and an average purchase from the key supplier equaling to 30% of the total purchases.

The size and the characteristics of the sample used for our study can thus be considered as non representative, which is extensively used for any exploratory research.

Table n°1 : Employees/Turnover distribution of a our sample

		Turnover (T)			Total
		T < 5 E+ 6	5 E+6<T < 7.5 E+6	7.5 E+6<CA	
Employees (E)	**E < 100**	15	40	0	55
	100<E< 200	6	22	3	31
	200<Employees	2	12	6	20
Total		23	74	9	106

* All the SMEs of our sample are financially and legally independant

b. Measuring variables

The questionnaire is made up of two parties:

The first part contains a direct measurement scale of the reputation, based upon the literature review (Fombrun and Shanley 1990, Yoon et al. 1993, Brown 1995, Saxton and Dollinger 2004). Several reasons justify this choice of a direct measurement of the reputation. Initially, the framework used by last studies needs asking some individual's groups composed by senior executive, managers and financial analysts to evaluate firms. Their evaluation is based on a number of criteria which are supposed to explain the concept of reputation. It is about quality of the products/services, innovation, value of the long-term share, capacity to be attracted and to be faithful to a customer, quality of management (Fombrun et al. 2000). These approaches forward many imperfections in their achievements, which are likely to prevent any systematic analysis. Indeed, some studies are carried out arbitrarily starting from private panels, which cannot thus be reproduced.

Besides, from a methodological point of view, these evaluations suffer from a main limit considering their field of research and their conceptual framework (Fryxell and Wang 1994, Fombrun et al. 2000). Indeed, prior reputation measurement scales were unidimensional. Hence, Thevissen (2002) report that these limits are likely to create problems of validity and reliability. In the same vein, the evaluation reflects only the view of a specific group among the various partners of the firm. However, the same authors point out that a one dimension measurement of reputation can not reflect a shared belief to a set of many partners. Lastly, the proximity of the reputation compared to the image and the identity are likely to generate some problems and interpretation from the people interviewed. Thus, to minimize this limit from the bias's sources, several authors suggest a direct measurement of the reputation concept, in particular in absence of a reliable valid scale (Nguyen and LeBlanc, 2001).

The second part of our questionnaire relates to the scale measurement of the RA, already studied by some researchers of the IMP Group. It should be stressed that the various attempts of test and validation

of this scale were carried out, up to now in an international context, but the majority of them were led exclusively from suppliers (Roherich and Spencer, 2004). We carried out the translation of the scale of the IMP2 made up of 50 items. The six various dimensions of RA were the subject of a translation in French (and a retro-translation). Our objective was to obtain a scale's version adapted to the French context. Thus, we have implemented an English-French translation. In our case, the translations were carried out by two bilingual people (French, English), two specialists in marketing as well as by the authors.

3.2 Results analysis and research findings

Before proceeding to the analysis relating to our main research proposition, we have conducted an analysis of principal component (APC) for the reputation's scale measurement and reliability. Given the size of our empirical sample, no confirmatory factorial analysis were carried out on the set of 50 items for the AR the scale (Evrard et al. 2003, p 307). Instead, we had recourse to *alpha of Cronbach'*s, for measuring the reliability of various concepts mobilized within the framework of our study

Concerning the RA measurement scale, we have proceeded to the re-codification of the reversed items. In case of a exploratory study, Evrard et al. (2003, p 305) suggest that alpha is acceptable if it's included between ,60 and ,80. The results indicate that the factors retained in this study have a good reliability since the coefficients alpha *Cronbach* are higher than .60. Consequently, the items for various dimensions were retained.

Table n°2 : Cronbach's Alpha for RA's dimensions

Dimensions	Cronbach's Alpha	Cronbach's Alpha Based on Standardized Items	Nb of Items
Proximity	,660	,667	12
Understanding	,814	,817	9
Trust	,715	,719	7
Cooperation	,70	,707	6
Investment	,667	,67	6
Dependence	,635	,626	9

Concerning the reputation's measurement scale, the analysis of principal component enabled us to retain two factorial axes with an exploratory capacity of more than 63%. Only item n° 6[1], the others have significant contributions on one of both axes. After elimination of the sixth item, we obtained an improvement of *Cronbach's* alpha that increase from .61 to .64. This rate is considered to be acceptable considering the exploratory nature of our study.

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[1] In genaral, I believe that ...always fulfills the promises that it makes to its customers

Table n°3 : The reputation's measurement scale, APC

	Component	
	1	2
Reput1 : This supplier has a very good reputation for its quality of products/services	,680	,207
Reput2 : This supplier has a very bad reputation for not being innovative	,789	,123
Reput3 : This supplier has a very bad reputation for lacking financial soundness	,787	,015
Reput4 : This supplier has very good reputation for its social and environmental responsibility	,233	,786
Reput5 : This supplier has a better reputation than his competitors	,022	,862

Extraction Method: Principal Component Analysis. Rotation Method: Varimax with Kaiser Normalization.

We have implemented an ANOVA analysis in order to check the relevance of our main proposition. This statistical method is based on two mains assumptions. Our main proposition supposes the equality of the averages between the given groups. In this perspective, the question asked is if the differences observed between the averages are quite due to a systematic cause, or randomly and uncontrolled factors.

Empirical results (table 3) we have obtained indicate that four RA's dimensions (Understanding proximity, investment and co-operation), follow our main research proposition. In other words, there are significant differences between the evaluation of these RA's dimensions by the customers and their own perceptions of the small supplier's reputation. Hence, there is a positive relation between the perceived reputation and the evaluation of these four dimensions of RA.

Table n°4: ANOVA, reputation mean and RA's first four dimensions

RA's dimensions		Sum of Squares	Df	Mean Square	F	Sig.	F (5% ; 1 ; 124)
Understanding	Between Groups	5,836	1	5,836	31,067	,000	3, 84
	Within Groups	23,294	124	,188			
	Total	29,130	125				
Closeness	Between Groups	5,398	1	5,398	28,205	,000	3,84
	Within Groups	23,732	124	,191			
	Total	29,130	125				
Cooperation	Between Groups	1,478	1	1,478	6,627	,011	3,84
	Within Groups	27,652	124	,223			
	Total	29,130	125				
Investment	Between Groups	1,346	1	1,346	6,006	,016	3,84
	Within Groups	27,785	124	,224			
	Total	29,130	125				

Theses results appear to be coherent with our definition of the reputation, which is a judgment of attributes relating to the knowledge of someone or something. This judgment determines the capacity of the company to give "signals of value" that the various recipients use to inform their decisions of purchase (Porter 1985). Beyond the informational character of the reputation, this one is based on the observation of past and present behaviors (in the network) with the assumption that this behavior will be maintained in the future (in a given business relation). The mechanism of reputation is of no value without any reference to an observable phenomenon, even indirectly. Its effectiveness disappears when information collected proves to be ambiguous (Kreps et Wilson 1982).

Moreover, the fit between RA and reputation, when considering the intangible nature of the latter, recalls the way a company maintains its relationships within the business network (Dyer and Singh 1998, Rindova and Fombrun 1999). This fit highlights the importance of the intangible resources, particularly the set of relational competencies, when a company seeks to obtain a competitive advantage. Theses relational competencies have something to do with Understanding, closeness, investment and cooperation. Hence, the suppliers' customer portfolio as well as the quality of its relationships (given partly by its reputation) would be an integral component of the capital of the company (Gulati 1999), and even determining with its survival and development (Hall 1992). The reputation thus appears as the result of the mobilization a set of resources within a wallet of customer-suppliers relationship which generates external perceptions.

Concerning RA's trust and dependence dimensions, our main research proposition is not confirmed. Otherwise, empirical results indicate (table 4) that there are no significant differences between perception of the reputation and these two dimensions of RA between the two groups of suppliers (good and bad reputation).

Table n°5: ANOVA, reputation mean and RA's trust, dependence dimension

Trust		Sum of Squares	df	Mean Square	F	Sig.
	Between Groups	,703	1	,703	3,064	,083
	Within Groups	28,428	124	,229		
	Total	29,130	125			
Dependence		Sum of Squares	df	Mean Square	F	Sig.
	Between Groups	,256	1	,256	1,098	,297
	Within Groups	28,875	124	,233		
	Total	29,130	125			

At this stage of this exploratory research, we only found an explanation regarding the trust dimension of RA, which appeared not to have a significant effect on reputation. Trust corresponds on a long-term attitude with regard to a partner based on the customer's beliefs that its supplier will act in an honest and benevolent way (Ganesean, 1004; Morgan and Hunt, 1994; Roehrich and Spencer 2004). There are not only forms but also distinct degrees of trust, depending on the perceived risks and the importance of the interactions between the partners (Dwyer et al. 1987, Ring and Van de Ven, 1994). Besides, trust may imply either honesty, or benevolence (Fenneteau 1998). This distinction is fundamental to us to understand that trust has no impact on the reputation in this study.

This absence of association could be explained because benevolence is known to have no effect on the perceived reputation. This benevolence that the supplier expresses with regard to his partner cannot be the subject of a reputation because it is reserved to him and is not granted to the other companies (Gansean 1994).Indeed, benevolence is a function of the experience between the partners. The more a customer experiences a business with its key customer, the less reputation is used as an overall evaluation of its partner. Reputation of the supplier is progressively substituted by direct experience, that is to say, the importance of the reputation would be inversely proportional to the level of experiment of the customer with his supplier (Anderson and Sorensen 1999). On the contrary, perceived reputation, as 'honesty' plays a great part in the first days of the business relationships, appearing to be a network, rather than a dyadic feature. Indeed, honesty corresponds to the supplier's attitude towards all its business partners, indistinctly.

Unfortunately, items in the measurement scale of trust we used expresses the benevolence toward a dedicated partner rather than honesty towards all its business partners.

4. General finding and managerial implications

Given the restricted number of empirical studies on intangible resources, the purpose of this exploratory study was to demonstrate that there is a positive association between RA and the key supplier's perceived reputation. The main result of our study suggests that various RA's dimensions, that is to say Understanding, closeness, investment and co-operation could contribute to reinforce the supplier's reputation on the market.

This result enriches our understanding of the construction's process of the organizational reputation. As we argued, reputation has an intangible, non economic significant dimension which corresponds to a great extent for a supplier, to the nature of its network relationships corresponding to the atmosphere.

The contribution of this research gains an insight into the way a customer evaluates the atmosphere. Past researches were all conducted from the supplier's point of view. Moreover, our study of the relationship atmosphere (RA) is the first one in a French context that offers an empirical validation of the RA's measurement scale (Roehrich et al. 2002). According to theses authors' research, we also adopted, in this study, an update of a 9 points unipolar scale instead of 6 point bipolar scale, as first introduced by the IMP group. Hence, it would be interesting to validate the new structure of the RA's measurement scale in a later confirmatory study.

Besides, scales used in the literature in marketing (Anderson and Weitz 1989, Smith and Barclay 1997) or in strategy (Fryxell and Wang 1994, Fombrun et al. 2000) do not take into account its social dimensions as a shared belief in the networks of personal bonds and connections. The same goes for the conditions of its appropriation by the actors involved in the business network, often underlined by some sociologists (Podolny 1993, Rao 1994). As such, reputation helps the firm in accepting the first transaction with a salesperson whom nobody knows personally. Nevertheless, if the mechanism of the reputation functions to support the transactions, it is particularly within a framework of social arrangement (Plociniczak and Guennif 2002). Unfortunately, the data related in our study hasn't allowed us to retain this approach.

Subsequently, it will be of a great interest to seek to develop an empirical evaluation of the organizational reputation which could take into account its social dimension and the importance of the social bonds in the process of its construction. This empirical evaluation should be drawn from a qualitative as well as from a quantitative methodology, which would be a particularly profitable approach in our future research.

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