

**Analyzing the influence of social interactions on buyers trust toward salesereps :
A relational approach applied to the electrical equipment sector**

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Abstract :

Salespeople play a key role in the formation of long-term buyer-seller relationships. One important mean by which the salesrep build the customer's commitment to the seller is through cultivating customer's trust in the salesrep. Although trust is recognized as a social process and develops progressively, our comprehension of the dynamics of trust is still limited. The purpose of this research is to advance the understanding of how social interactions between salesperson and customer influence trust formation over time. A survey conducted on 184 customers from a French electrical equipment distributor shows that the impact of social interactions on trust toward the salesperson varies across the relationship lifecycle. It also confirms that the influence of trust toward the salesperson and trust toward the supplier's firm is not identical trough the relationship stages.

Keywords : *trust, relationship lifecycle, salesperson, social interactions*

Introduction

Salespeople play a key role in the formation of long-term buyer-seller relationships. As the primary link between the buyer and selling firms, they have considerable influence on the buyer's interest in continuing the relationship. It has been suggested that the role of a salesrep, like marketing, has evolved through four eras – production, sales, marketing and partnering (Wortruba, 1991; Weitz and Bradford, 1998). The salesrep's task is not only to understand customer needs and convince customers to buy the seller's products, but also build the customer's commitment to the seller. One important means by which the salesrep accomplishes this is through cultivating customer's trust in the salesrep.

Trust has received a great deal of attention in social psychology (e.g., Deutsch, 1960; Lewicki and Bunker, 1996), sociology (e.g., Lewis and Weigert, 1985), as well as marketing (e.g., Anderson and Weitz, 1989; Ganesa, 1994; Moorman, Zaltman and Desphandé, 1992; Doney and Cannon, 1997).

Although trust is recognized as a social process and develops progressively (Hakansson, 1982), our comprehension of the dynamics of trust is still limited. Furthermore, research dealing with industrial context often lack of interest in means used by companies to build, develop and maintain the buyers trust.

One of the manager practices widely used by companies consists in inciting buyers and salesreps to meet. These meetings can take the shape of commercial visits but also meetings with social character such as participation in sportive events or in diners. If this practice is widely spread in companies, few academics examined the influence of social interactions in trust creation of buyers toward the salesreps (Crosby, Evans et Cowles, 1990 ; Lagace et al., 1991 ; Doney et Cannon, 1997). Moreover, studies which integrated this trust antecedent only investigated the effects of this concept in a transactional perspective without taking into account the relationship lifecycle.

The purpose of this research is to advance the understanding of how social interactions influence buyers trust over time and whether the processes that foster trust at the outset of a relationship are the same as those that maintain it in later stages. This study focuses on the trust development process, using quantitative method, by hypothesizing that the relative importance of social interactions on buyers trust may differ over time, across the various phases of a relationship lifecycle.

The methodological approach of this research is based on Anderson's suggestion (1995) and consists in collecting data at one point in time, classifying the relationships by stage (creation, development, maintaining) (Ford, 1980; Dwyer, Schurr and Oh, 1987), and then using a multi-sample modelling approach to empirically assess different construct relationships. As the process of building, developing and maintaining customer trust is expensive, time-consuming, and complex, it is important for salesperson to understand what factors and behaviors may be used across the relationship lifecycle. The method presented in this paper is designed to assess the difficulties in collecting data for understanding trust as a process. It may facilitate the use of quantitative methods in order to operate a relational classification of trust antecedents and consequences.

The article is structured as follows: After presenting the conceptual framework of this work, the methodology used in the empirical research will be described. In the following section, the results will be presented. The article ends with a brief sketch of the limitations and future lines of research.

Theoretical framework

Drawing on a literature review, we define trust as the perceived credibility, reliability and benevolence of a target of trust (Doney and Cannon, 1997; Crosby, Evans and Cowles, 1990; Ganesan, 1994). The first dimension of trust focuses on the objective credibility of an exchange partner and its capability and willingness to perform the exchange as promised. The second phase of the trust development process is based on knowledge. It is grounded on the accumulation of experiences that provides information to assess the reliability of the other party. Finally, the third dimension is grounded on the empathy and common values shared between the partners.

According to Strub and Priest (1976), trust is transferred from the better known party to a closely associated but less well-known group or individual. This suggests that the customer’s trust in the salesperson, that can be seen, in the customer’s point of view, as the better known party, will transfer to the supplier firm.

According to Doney and Cannon (1997), trust can be engendered by frequent social interactions salespersons and customers for two main reasons. First, the information flow between the actors can be enhanced with the informal environment inherent to those meetings. Second, customers tend to trust salespersons with whom they share common professional as well as social bonds.

Prior research in marketing (Crosby, Evans and Cowles, 1990; Lagace and al., 1991; Doney and Cannon, 1997) found a positive relationship between social interactions and communication on one hand, and social interactions and trust on the other hand.

Commitment is recognized as an essential ingredient for successful relationships (Dwyer, Schurr and Oh, 1987; Morgan and Hunt, 1994). It encourages the parties to resist apparently attractive short-term alternatives in favor of the expected long-term benefits of staying with existing partners (Anderson and al., 1994; Morgan and Hunt, 1994). Affective commitment refers to the psychological attachment of an exchange partner to the other and is based on feelings of identification, loyalty, and affiliation (Gundlach and al. 1995). Evidences indicate that trust positively affects commitment (Anderson and Weitz, 1989; Morgan and Hunt, 1994)

Several researchers have indicated that relationships go through phases characterized by distinct behaviors, processes, and orientations (Dwyer, Schurr and Oh, 1987; Ring and Van de Ven, 1994; Thibault and Kelley, 1959, Frazier, 1983). There is a consensus to recognize that trust evolves over time (Blomqvist and Ståhle, 2000). As postulated by Lewicki and Bunker (1996), over time, parties become well acquainted with each other, which allows them to predict each other’s reactions. We focus on three distinct phases of a relationship : exploration, buildup and maturity.

Dwyer and al. (1987) describe the exploration stage as the search and trial phase in relational exchange. Potential exchange partners first consider obligations, benefits and burdens, and the possibility of exchange. According to the authors, trial purchases may take place. It may be brief or may include an extended period of testing and evaluation.

In the buildup phase, firms are receiving continual increase in benefits obtained by exchange partners and to their increasing interdependence and motivation to maintain relationship.

In the maturity stage, both partners have an ongoing, long-term relationship in which both are receiving acceptable levels of satisfaction and benefits from the relationship.

Based on the proposed link between the selected concepts of this research and taken into account the relationship lifecycle and a qualitative study conducted on salesperson dealing with their relationships with their customers, we argue that the links between all those concepts are more complex than revealed by previous research.

Indeed, Whereas those works consider that antecedents that foster trust at the beginning of a relationship are the same that maintain it in the long term, we hypothesize that the relationship stages influence links between concepts.

These assumptions lead to the hypotheses and the model of this research presented bellow in table 1 and figure 1.

Code	Hypotheses
H1	Social Interaction Frequency is positively related to the buyer’s trust toward the salesperson

H2	Social Interaction Frequency is positively related to Communication
H3	Communication is positively related to the buyer’s trust toward the salesperson
H4	Trust in the salesperson is positively related to trust in the supplier
H5	Trust in the salesperson is positively related to affective commitment
H6	Trust toward the firm is positively related to affective commitment
H7	Relationship stages impacts the relative importance of Social Interaction Frequency on trust in the salesperson
H8	Relationship stages impacts the relative importance of Communication on trust in the salesperson
H9	Relationship stages impacts the relative importance of trust in the salesperson on trust in the supplier firm
H10	Relationship stages impacts the relative importance of trust in the supplier firm on affective commitment
H11	Relationship stages impacts the relative importance of trust in the salesperson on affective commitment

Table 1 – Hypotheses of the research

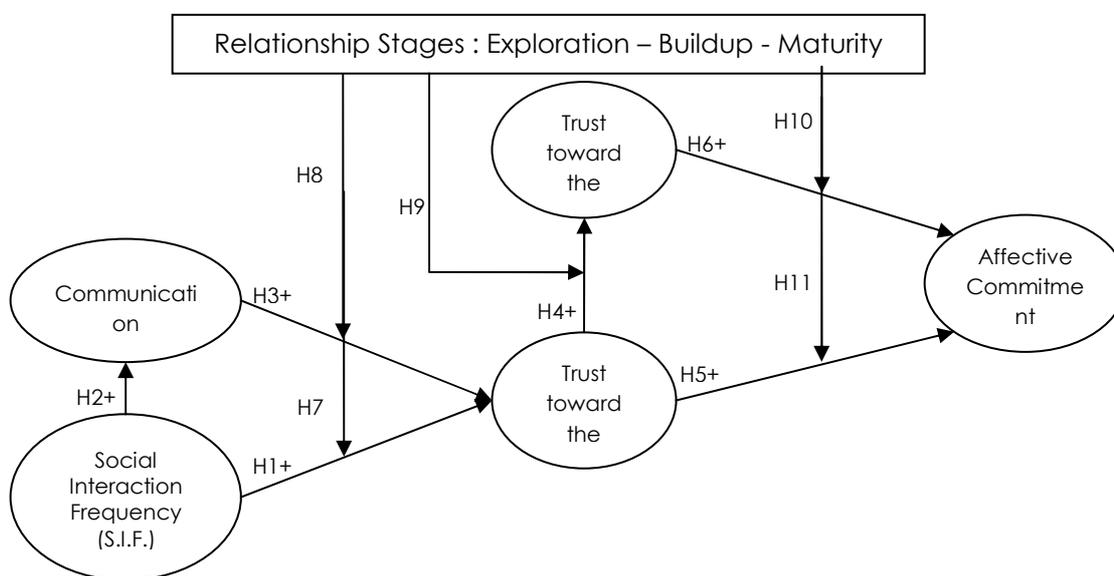


Figure 1 – The model of this research

Methodology

The selected supplier is a French electrical equipment distributor. The supplier’s salesperson has an objective of developing closer relationships with their customers in order to achieve a higher degree of customer loyalty. The technological complexity of the selected type of relationship is quite low as compared to what is usually studied in buyer-seller relationships.

The respondents were selected from the supplier’s customer database. The supplier provided a list of 4000 customers in France in return for a report of overall results. The final sample was the result of random sampling of electrical installators. The size of the final sample is 184 customers.

Key informant were selected (Campbell, 1955) considering their ability to provide the type of information needed for this research. In most of the cases, the respondents were customer’s firm managers.

The supplier’s customers were contacted by telephone. All respondents were be guaranteed anonymity and offered a summary report of the results in exchange for their participation. Respondents were instructed to answer the entire questionnaire in reference to their relationship with the supplier’s salesperson. Therefore, the unit of analysis was the individual customer’s relationship with the supplier’s representative. The exceptions were the items involving the supplier as a firm. The respondents were told that the questionnaire was a survey of customer relations and that the supplier was committed to responding to the results of the research.

A variance-based partial least squares (PLS) method was chosen over covariance-based methods such as LISREL. According to Gefen et al. (2000), when exploratory studies are carried out and a relatively small sample is used, this multivariate statistical technique is more suitable than others, such as LISREL, based on covariance analysis. PLS can be used when the problems explored are complex and the theoretical knowledge about them is limited (Wold, 1985; Chin, 1998b). Bootstrapping was performed to test statistical significance of each path coefficient using *t*-tests (Chin, 1998a).

The measure of relationship phase developed by Jap and Ganesan (2000) will be used, a categorical measure based on the framework of Dwyer, Schurr and Oh (1987) and Ring and Van de Ven (1994). This measure contains brief descriptions of the key characteristics of the various phases. Respondents are asked to identify the phase that typified their current relationship with the seller.

Communication, Social Interaction Frequency, trust in the salesperson, trust in the supplier’s firm and affective commitment were assessed by the mean of scales adapted from the literature using respectively 1 item, 3 items, 5 items, 1 item and 4 items scales. Table 2 presents the main quality measurement indices. Considering this work as an exploratory research, the scales show acceptable reliability.

Constructs	AVE	Composite Reliability	Cronbachs Alpha	Communality
S.F.I.	-	-	-	0,869081
Communication	-	-	-	1,000000
Trust in the salesperson	0,431407	0,771415	0,653625	0,843717
Trust in the firm	-	-	-	1,000000
Affective Commitment	0,535091	0,798316	0,721546	0,865947

Table 2 – Quality measurement indices

Results

Several analyses were conducted upon the collected data. First, the analysis deals with the entire sample. Then, the model was tested depending on the relationship stage the respondent declared its relationship with the salesrep was (creation, development, maintaining).

This table 3 reports an acceptable R² for each studied variable across the relationship lifecycle.

Variables	Total Sample	Exploration phase	Buildup phase	Maturity phase
	R²	R²	R²	R²
Trust toward the salesperson	0,243	0,435	0,329	0,269
Trust toward the supplier firm	0,111	0,606	0,111	0,036
Affective commitment	0,413	0,551	0,500	0,394

Table 3 - Variances explained

The results of the empirical study are presented in the figures bellow (green boxes highlight significant links ; red boxes indicate non-significant links).

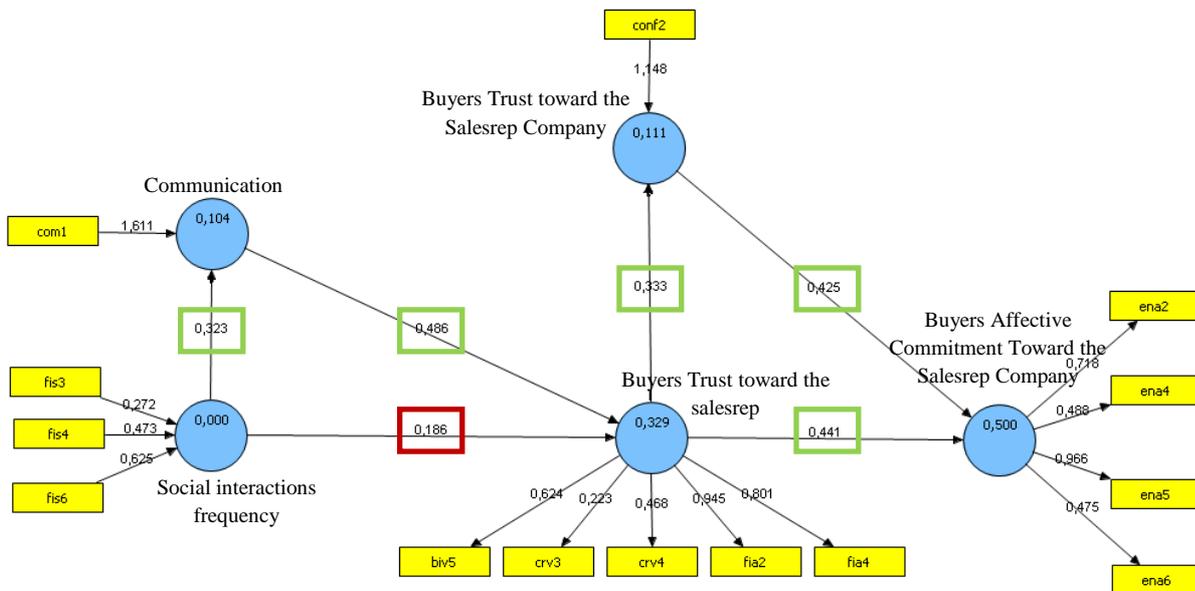


Figure 4 – Buildup stage results (n=56)

In the buildup stage (figure 4), the model presents the same significant links, with different coefficients, as in the exploration stage.

The results in the maturity stage (figure 5) show that link between communication and trust toward the salesperson is not significant. Also, customer trust toward the salesperson do not influence trust toward its company. On the other hand, buyer trust strongly impact customer commitment toward the company.

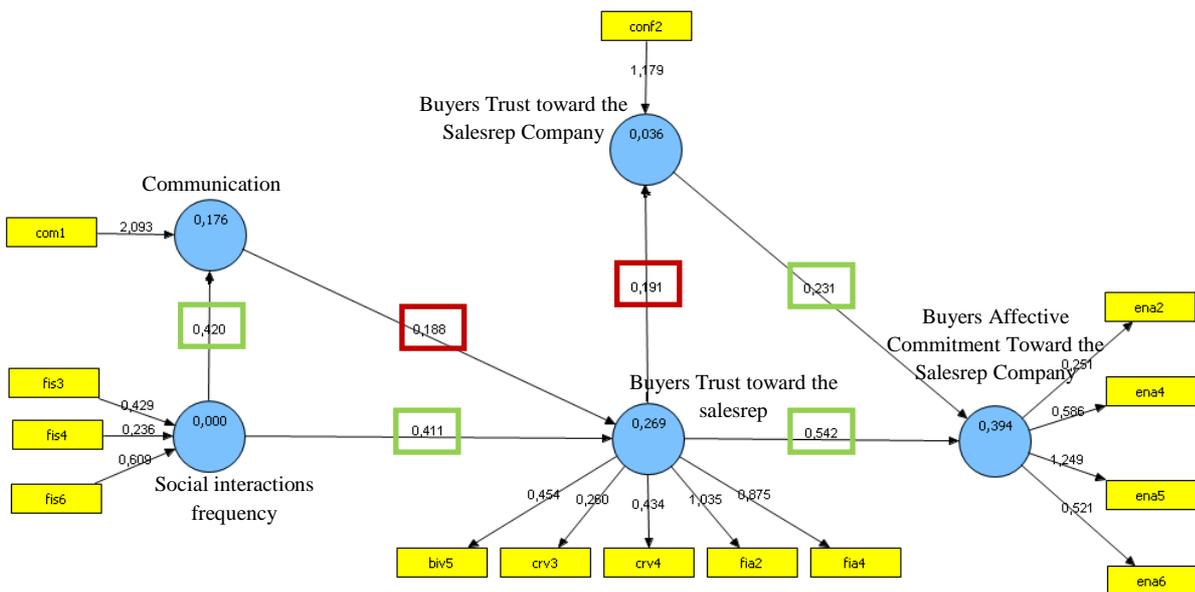


Figure 5 – Maturity stage results (n=90)

Discussion and Further research

This research shows that the impacts of social interactions on buyers trust toward the salesperson vary across the relationship lifecycle. It also confirms that the influence of buyers trust toward the salesperson and the supplier’s firm is not identical trough the relationship stages.

Although, this work presents some limitations. First, the lack of theoretical background concerning relationship lifecycle does not allow hypothesizing the way relative importance in variables links will change across each stage. Second, the sample size of this research that does not allow performing multi-group analysis based on Lisrel or EQS structural equation modeling.

Future research should address the limitations of the present research starting with giving stronger attention to the assessment of relative importance changes in constructs links through each stage of the relationship.

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