



## An investigation into commitment in non-Western industrial marketing relationships

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### Abstract

This paper reports an investigation into the antecedents of commitment in non-Western industrial marketing relationships. The authors draw the antecedents from extant literature and posit that commitment is related to trust (integrity and reliability), communication quality, conflict, and similarity (social, ethnic, and economic). It is further argued that trust mediates the effects of communication, conflict, and similarity on commitment. As an extension, the authors examine the moderating effects of normative contracts (an implicit understanding of roles and responsibilities) on the construct interrelationships. The hypotheses are tested using data collected from approximately 150 industrial marketing relationships sampled from overseas Chinese firms. The results generally support the authors' framework; however, the mediating hypotheses are not supported. There is evidence of systematic differences in the effects of the studied antecedents on commitment and trust. Furthermore, a multigroup analysis provides evidence of significant moderating effects due to contracting mode. The study provides new insights into the theory and practice of industrial marketing.

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### 1. Introduction

Relationship commitment is a fundamental prerequisite for successful industrial marketing relationships (Dwyer, Schurr, & Oh, 1987; Gundlach & Murphy, 1993). Commitment enhances the effectiveness, productivity, and efficiency of relational exchanges (Morgan & Hunt, 1994). Commitment impacts on channel partner satisfaction and the financial performance of channel relationships (Mohr & Spekman, 1994). Committed parties focus on long-term outcomes and attempt to maximize profits over a series of transactions (Ganesan, 1994). A long-term outlook and focus on future goals is central to the concept of commitment (Gundlach & Murphy, 1993; Moorman, Zaltman, & Deshpande, 1992). It

is this focus on longer-term outcomes that makes investments in specialized assets possible (Rindfleisch & Heide, 1997; Williamson, 1985). It is clear that commitment is an important construct. Several recent industrial marketing studies have examined its antecedents in North American and European settings (de Ruyter, Moorman, & Lemmink, 2001; Goodman & Dion, 2001). However, few systematic attempts to model the antecedents of commitment in non-Western industrial marketing contexts are reported in the literature.

To address this important gap, this paper presents a model of the potential antecedents of commitment using a sample of buyer–supplier relationships from a non-Western setting. Trust (integrity and reliability), communication quality, conflict, and similarity (social, ethnic, and economic) are posited as predictors of commitment. It is further argued that trust mediates the effects of trust, communication, and similarity on commitment. As an extension of the basic model, the moderating affects of normative contracts on the construct interrelationships are examined. Normative contracts exist when the parties to a relationship have an implicit understanding of their roles and responsibilities (Lusch & Brown, 1996). The model is tested using data sourced from 152

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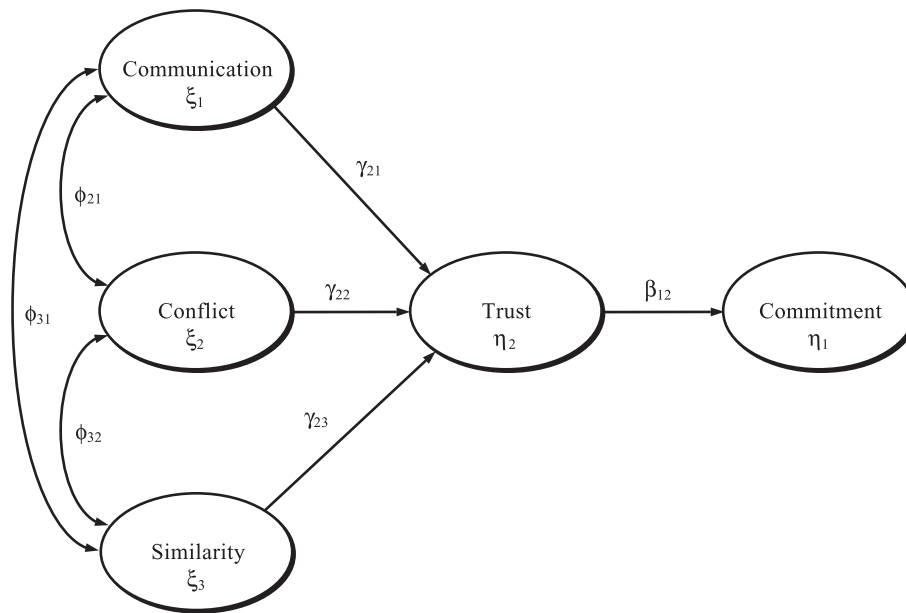


Fig. 1. Hypothesized model.

buyer–supplier relationships sampled from overseas Chinese businesses. This is an appropriate context for study because a substantial proportion of economic activity occurs within the overseas Chinese business environment (Xin & Pearce, 1996). A rationale for the constructs and their hypothesized interrelationships are presented next (see Fig. 1). This is followed by a description of the research methodology and presentation of the results. The paper concludes with a discussion of the findings and their implications for the theory and practice of industrial marketing.

## 2. Conceptual framework

### 2.1. Commitment

Relationship commitment is defined as an exchange partner's enduring desire to maintain a valued relationship (de Ruyter et al., 2001; Moorman et al., 1992). Commitment exists when one party believes a relationship is important and warrants maximum efforts to maintain or enhance the relationship (Morgan & Hunt, 1994). Absent from this affective definition of commitment are instrumental and temporal dimensions (Goodman & Dion, 2001; Gundlach & Murphy, 1993). Instrumental commitment exists when an exchange partner lacks alternatives, has made investments in specialized assets, or both. Temporal commitment exists when the parties form expectations of relationship continuity. The affective definition of commitment adopted for this study is more closely related to the notion of long-term orientation (Ganesan, 1994). A long-term orientation exists when the parties focus on long-term goals and believe the relationship will be mutually profitable in the future. Essentially, the belief that a relationship

will achieve desired outcomes creates commitment among the parties.

Commitment is an important goal for channel and relationship managers (Dwyer et al., 1987). It is essential to developing and maintaining successful relational exchange (Gundlach, Achrol, & Mentzer, 1995). For example, manufacturers require commitment from distributors and retailers in order to carry out coordinated marketing programs (Goodman & Dion, 2001). More generally, commitment enhances the efficiency and effectiveness of marketing relationships (Morgan & Hunt, 1994). Commitment increases the efficiency of exchange relationships by establishing relational norms that include flexibility and solidarity (Gundlach & Murphy, 1993). Commitment enhances effectiveness because the parties can maximize their returns over a series of transactions (Mohr & Spekman, 1994). Empirical research indicates that commitment predicts willingness to cooperate, propensity to leave, and acquiescence and compliance (Morgan & Hunt, 1994). It is clear that commitment is an important construct both theoretically and for practicing managers.

### 2.2. Trust

Trust has become a focal point of explanation in the industrial marketing literature in recent years (de Ruyter et al., 2001; Doney & Cannon, 1997; Smith & Barclay, 1997). A rationale for the increasing focus on trust is the widespread acceptance of its importance to building relational exchanges (Goodman & Dion, 2001; Morgan & Hunt, 1994). Indeed, trust is the most fundamental of the relational social norms that have been described in the relational contracting literature (Macneil, 1978). Industrial marketing relationships can involve long time horizons, investments in specialized assets, and overlapping roles and responsibilities. Trust is crucial to

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