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The changing importance of affective trust and cognitive trust across the relationship lifecycle: A study of business-to-business relationships

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ABSTRACT

The purpose of this paper is to examine affective trust and cognitive trust and their effects on business relationship outcomes. Within a relationship marketing framework, the influence of affective trust and cognitive trust on the success of business relationships at the early and mature phases of the relationship lifecycle is examined. Both affective and cognitive forms of trust are demonstrated to be multidimensional constructs that indirectly influence relationship performance via the mediating variables commitment and liking.

The development and use of five elements of trust to explain relationship performance extends existing understanding of relationship marketing. By combining five elements of trust (three cognitive and two affective) and testing them in two different relationship lifecycle phases, insights are generated into how a relationship can succeed. The model tested in this paper highlights the importance of affective trust in the early phase and cognitive trust in the mature phase of the relationship lifecycle. Further, the mediating roles of commitment and liking between trust and relationship performance are also developed. Hence, the research increases understanding of how relationships evolve, in particular the role of affective trust and cognitive trust in influencing relationship performance.

The context of this research is business-to-business relationships in small and medium enterprises. A survey of 458 businesses people is used to evaluate both the early and mature relationship lifecycle phases. The data are analysed with structural equation modelling where the basic structural model testing is extended with multigroup analysis.

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1. Introduction

Over the past twenty years it has been recognised that trust has both cognitive and affective dimensions (Jones, 1996; Rousseau, Sitkin, Burt, & Camerer, 1998; Young, 2006; Young & Daniel, 2003), yet there has been little research into the relative influence of the these aspects of trust on relationship performance and how this might change across the relationship lifecycle. This is despite the recognition of the importance of trust for the success of supplier relationships (Ganeson, 1994; Morgan & Hunt, 1994; Ring & Van De Ven, 1992), channel relationships (Anderson & Narus, 1990; Weitz & Jap, 1995), end consumer relationships (Berry, 1995; Czepiel, 1990) and lateral relationships (Webster, 1992).

Historically, cognitive forms of trust have been the focus of the marketing literature (Young & Daniel, 2003). Few studies have examined affective trust and most have been qualitative or conceptual (Young,

2006). One study that has identified and quantitatively tested affective trust and cognitive trust was Johnson and Grayson (2005). While the study demonstrated that both forms of trust influence relationship marketing outcomes, they did not separate cognitive or affective trust into their constituent elements and did not differentiate between stages of the lifecycle.

However, other researchers have recognised that cognitive trust has separate elements that can differentially influence relationship performance. Sako (1992) conducted an early qualitative study that not only helped to define, but also establish that trust had three elements that influenced business relationship outcomes, which she called contractual, competence and goodwill trust. These arguably are all cognitively based as they are founded on rational thought processes and empirical evidence such as experience of working with the other trading party (see Sako, 1992, pp.38-39), which according to Rousseau et al. (1998) is what characterises cognitive forms of trust. Also using a qualitative design, Ahmed, Patterson, and Styles (1999) found that competency, integrity and goodwill trust all influenced success in international business partnerships. While most researchers that have examined the cognitive elements of trust and their effect on relationship performance have used qualitative measures, there have only a few

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quantitative studies. For example, Ganeson (1994) examined the effect of two elements of trust – credibility and benevolence – on relationship performance. Similarly, Sirdeshmukh, Singh, & Sabol (2002) used a quantitative methodology to examine the effect of competency and benevolence on relationship performance. However, no previous relationship marketing studies could be identified that examined the effect of all three cognitive elements of trust on relationship performance.

Similar to the majority of studies that have investigated cognitive trust, all previous studies that have examined affective trust have used single measures. McAllister (1995) and Morrow, Hansen, and Pearson (2004) both measured affective trust, but as with Johnson and Grayson (2005), separate elements for affective trust were not identified. Given this lack of development, Young (2006) has argued that more work is needed to understand affective trust and its constituent elements.

Further research is also needed to understand how the importance of the elements of cognitive and affective trust changes over the course of the relationship lifecycle. The development of a relationship is an important phenomenon for researchers and practitioners to understand as it may moderate the effects between relationship constructs and performance outcomes (Jap & Ganesan, 2000). In particular, some have argued that some elements of cognitive trust are likely to be less salient in the early relationship phase (Terawatanavong, Whitwell, & Widing, 2007), while affective trust is likely to be more prominent in the early phase (Jones & George, 1998; McAllister, 1995). However, these contentions have not been quantitatively tested. While the importance of trust is evident (Morgan & Hunt, 1994) and attempts have been made to understand the changing role of trust over time (Dwyer, Scurr, & Oh, 1987; Ford, 1980; Jap & Ganesan, 2000; Terawatanavong et al., 2007), little research has tried to unpack how the nature of these relationships changes over the course of a relationship and which aspects of trust are most salient for influencing relationship performance.

This paper therefore seeks to systematically identify the elements of cognitive trust and affective trust and their effects on relationship performance. To better understand how the importance of the various elements of trust across the relationship lifecycle, the effect of trust on relationship performance is examined at both the early and mature phases. Cognitive trust is found to include three elements, competency, integrity and goodwill trust. While affective trust is found to have two elements, relational trust and intuitive trust. The influence of the cognitive elements of trust on relationship performance is found to be mediated by commitment, while the affective elements of trust are mediated by liking. In the early relationship, the influence of the affective elements of trust was relatively more important, but overall still less important than cognitive trust. In the mature relationship phase, the influence of the affective elements of trust was found to decline in importance while the cognitive elements, especially competency trust, increased in relative importance.

2. The cognitive and affective elements of trust

According to Rotter (1967, p651) trust is "a generalised expectancy held by an individual that the word, promise, oral or written statement of a group can be relied upon". Within this definition there are several aspects, including an expectancy, a promise and an ability to rely on the other party (Schurr & Ozanne, 1985). While definitions such as this are common in the marketing literature, what is lacking is recognition of the affective component of trust (Young & Daniel, 2003). Not all exchanges can be accounted for by rational choices (Lawler & Thye, 1999) and some researchers have highlighted the benefits of affective trust for promoting long-term relationship development (McAllister, 1995). Young and Albaum (2002, p255) therefore have suggested that a more inclusive definition of trust is "an evolving, affective state including both cognitive and affective elements and emerges from the perceptions of competence and a positive, caring motivation in the relationship partner to be trusted".

In contrast to cognitive trust, affective trust is a trusting attitude or motivation focused on another person which is not causally driven (Becker, 1996). Affective trust is based upon interpersonal reciprocity, care and concern displayed (McAllister, 1995). Essentially, affective trust is the confidence placed in another generated through the feelings, care and the concern that the partner demonstrates (Johnson-George & Swap, 1982). It is based upon experiences developed through interactions with a partner and alters over time, depending partly on the frequency of contact (Johnson & Grayson, 2005). Affective trust can be summarised as an emotional bond, feelings related to welfare and concern (Lewis & Weigert, 1985).

From conceptualisations of trust used in business research, a number of cognitive elements can be identified (see Table 1). The first of these is integrity trust, which is also referred to as contractual trust (e.g. Sako, 1992), commitment trust (e.g. Newell & Swan, 2000) and promise trust (e.g. Dasgupta, 1988). Integrity trust refers to a partner keeping their word or promises as well as fulfilling contracts (Sako, 1992) and is considered to be one of the most important of the cognitive elements of trust (Ahmed et al., 1999; Sako, 1992). Essentially, integrity trust is based upon the moral norm of honesty (Sako, 1997). The second element of cognitive trust is competency trust, which is also known as ability trust (e.g. Mayer, Davis, & Schoorman, 1995) and expertise trust (e.g. Maathuis, Rodenburg, & Sikkel, 2004). This refers to the ability of the partner to carry out tasks or activities which are relevant to their role within the partnership to a certain standard of competency (Roy, Sivakumar, & Wilkinson, 2004; Sako, 1992). Part of competency trust is an expectation that the partner has the relevant skills, qualifications and experience to complete the task (Braeshear, Boles, Bellenger, & Brooks, 2003). Goodwill or benevolence trust is the third cognitive element of trust, and is the degree to which one partner believes another will look after their interests without a formal request (Roy et al., 2004). Goodwill trust includes an expectation that the partner will be willing to complete additional and discretionary tasks within the partnership; and that the partner will be accommodating and act with equity when new conditions relating to the relationship arise (Ganeson, 1994). Goodwill trust therefore emerges from additional actions that have been undertaken by one of the partners in a relationship and are observable. It is thus based on a rational assessment and knowledge of the other party's past behaviours and hence propensities (Morrow et al., 2004).

Affective based trust is related to emotions and the social skills including both care and concern (Dayan & Di Benedetto, 2010). It involves emotional bonds related to care and concern for the other party (Massey & Dawes, 2007), thus suggesting that affective trust has two components. This indicates both an emotional intuition and some type of faith in the partner. Therefore, for affective trust, we identify the two elements: relational and intuitive. Relational trust is related to the norm of reciprocity and the 'leap of faith' aspect of affective trust. Relational trust is almost quasi-religious, with faith placed in the other partner that they will act as they should, in a trustworthy way (Mollering, 2001). The concept includes a belief that others will treat you as you treat them (McAllister, 1995). This is a non-rational approach to the assessment of trustworthiness, based on the norm of reciprocity and not on knowledge or an actual assessment of past behaviours (Mollering, 2001). The emotions of a relationship can be seen here, as the importance in the initial phases of a relationship will rely heavily on the faith in the norm of reciprocity. The second element of affective trust is intuitive trust, which relates to a subjective judgement based on moods and feelings about another person's character (Hansen, Morrow, & Batista, 2002; Newell & Swan, 2000). For example, a buyer may simply trust or not trust a supplier and without a sound evidence-based reason, making it an affective judgement.

Prior to testing the influence of the elements of cognitive trust and affective trust on relationship performance, a conceptual model is proposed (see Fig. 1). In addition to the elements of trust, two other constructs are included in the model: liking and commitment.

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