

WHAT IS A RELATIONSHIP? A TEACHING NOTE

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WHAT IS A RELATIONSHIP?

Relationship is a concept that everybody seems to understand until they are asked to define it. Despite the proliferation of research on Customer Relationship Management (CRM) and Relationship Management (RM), research is rarely rooted in theory and rarely based on a clear definition of what constitutes a relationship. As observed by Bagozzi (1995), such an omission is highly problematic for researchers who appear to only have an ambiguous and unclear view of consumer-firm relationship. Price and Arnould (1999, p. 38) observe: "Charging ahead with relational programs without an understanding of what relationships can and cannot be puts the cart before the horse." Consequently, the objective of this teaching note is to clearly define the concept of a relationship and to develop a meaningful conceptualization of a relationship from a consumer perspective. In order to reach the first objective, the notion of relationship as defined in varied literatures — the interpersonal relationship, the buyer-seller relationship, and consumer-brand relationships literatures — is critically reviewed and integrated. Then, a conceptualization of what a relationship means based on relationship quality (Crosby, Evans and Cowles 1990) and identification (Bhattacharya and Sen 2003) is offered.

THE CONCEPT OF A RELATIONSHIP IN VARIED LITERATURES

The objective of this first section is to review the exhaustive literature on relationships and to suggest a general definition of a relationship.

1.1.1 Defining a Relationship: Two Schools of Thoughts

The expression "relationship" is from the old French word "relaciōn," which is in turn based on the Latin word "relationem" which means "association, connection and correspondence." Consistent with its etymological roots, one of the definitions offered in the Oxford Dictionary for relation is "the existence of a connection, correspondence, contrast, or

feeling prevailing between persons or things.” In the academic literature, relationship can be defined by analogy to specific types of relationships such as parent-child, marriage, friendship or dating, or it can be defined in generic terms (Berscheid 1994). In the following paragraphs, I elaborate on these two schools of thoughts.

The approach by analogy is based on the assumption that different types of relationships are so specific that they should be defined by the social context in which they occur. Generally speaking, this approach offers typologies of relationships and a thorough examination of each of them. For instance, abundant research in the social sciences examines specific types of relationship such as parent-child, dating, marriage and friendship (Berscheid 1994). In marketing, this approach has been used by Fournier (1998), who develops an extensive typology of consumer-brand relationships. Blumstein and Kollock (1988, p. 472) critique this approach noting that "... this literature possesses numerous atomized research areas focusing on specific kinds of relationships, e.g., friendship, marriage. While there have been numerous attempts to classify varieties within a given relationship type, especially marriage, these approaches show little promise of transcending the boundaries of the particular type of relationship under scrutiny". Indeed, a key limitation of this approach is that research on specific relationships is made in isolation of other streams of research examining different but related relationships (Berscheid 1994).

In contrast, the generic approach is an attempt to conceptualize relationships by identifying the basic foundations that are common to all of them (Kelley, Berscheid and Christensen 1983; Berscheid, Snyder and Omoto 1989; Wish, Deutsch and Kaplan 1976). For instance, Wish et al. (1976, p. 409) aim to discover "the fundamental dimensions that characterize people's perceptions of typical as well as their own interpersonal relations."

However, developing a generic view of relationships is challenging. Some specific relationships are so different from others that developing a unique conceptualization of the dimensions that would capture their essence appears very difficult (cf., Berscheid 1994). However, since most marketing relationships involve important commonalities related to the exchange of goods and services (Bagozzi 1975), I adhere to a generic view of relationship in this paper. The two approaches to defining the generic concept of a relationship in academic literature, namely the behavioral versus psychological approaches, are now reviewed and compared.

The Behavioral Approach

In general terms, the behavior-based approach defines *relationship* as a succession of interconnected interactions between two agents (i.e., a consumer and a service firm in this research) (cf., Berscheid, Snyder and Omoto 1989; Hinde 1979). Fundamental to this approach is the idea that a current interaction is in part determined by previous interactions, and in part a predictor of subsequent interactions. Based on this perspective, the strength of a relationship between two agents is evidenced in their day-to-day activities, and it is revealed in the properties of their interaction, such as the frequency and the diversity, and the duration of these interactions over time (cf., Berscheid et al. 1989).

Buyer-seller relationship literature shares a similar conception as it typically emphasizes the behavioral components of a relationship and its longitudinal character. Many define a relationship as existing when there is an ongoing series of interactions between a buyer and a seller (cf., Bendapudi and Berry 1997; Czepiel 1990; Gutek et al. 1999; Iacobucci and Ostrom 1996). Consistent with this view, buyer-seller relationships are regularly contrasted with discrete exchanges. For example, Iacobucci and Ostrom (1996; p. 54) define a relationship "as being comprised of longer-term, ongoing interactions...., in contrast with transactional discrete

exchanges." Gutek et al. (1999; p. 219) also emphasize the properties of interactions and specify that a service relationship exists when a customer and a service provider "develop a history of shared interaction that they can draw on whenever they interact to complete a transaction."

A key limitation of the behavioral approach is that it overlooks the nature of the psychological connection that exists between two partners in a relationship. More specifically, one could argue that a focus on the interaction properties does not capture the essence of the strong bonding that may exist in the mind of an agent involved in a relationship. Using an extreme example, a behavioral approach might lead one to conclude that 25 years of weekly interactions between a car driver and a gas station is stronger than a two minute relationship between a parent and a new born. The behavioral approach does not incorporate the strong social and emotional connection or bonding that may link two agents, such as the parent and the new born. Many relationships, such as love at first sight, or a relationship with a rock star, can be very strong even if they involve a low frequency of interaction and a short duration. These criticisms underline the importance of considering the psychological connection or bonding between two agents and not simply their behaviors and interactions.

The Psychological Approach

In general terms, the psychological approach defines the generic concept of *relationship* as a psychological connection or a bond¹ that an agent (i.e., a consumer in this research) perceives to have with another individual, firm, object or symbol (i.e., a service firm in this research) (cf., Wish et al. 1976). It should be noted that this definition is consistent with the etymological root of the word "relation," meaning "association, connection and correspondence."

¹ Connection and bond are viewed as synonymous terms in this research.

In contrast with the behavioral approach that describes a relationship from an outsider perspective (Berscheid et al. 1989), the psychological one uses the perspective of a relationship partner. A relationship exists in the mind of a specific agent who feels or intellectualizes a connection or a bond with another individual, firm or object (cf. Wish et al. 1976). As a consequence, a relationship does not necessarily need to be recognized by both parts of the dyad to exist, a notion that contrasts with the behavioral view that suggests it has to be mutually perceived (Czepiel 1990). For instance, an individual can still feel a strong connection with Harley Davidson even if he or she does not own a motorcycle and even if the company knows nothing about the existence of this person.

Although the behavioral perspective seems the dominant paradigm in marketing literature, some definitions of a buyer-seller relationship involve a connection that is created between two parties. For instance, Fisher (2001, p.58) refers to "a bond or connection" that links a customer to a firm, and Anderson and Narus (1991, p.96) refers to "...strong and extensive social, economic, service and technical ties over time..."

The behavioral and psychological approaches are not independent because strong psychological connections often lead to more frequent interactions and a longer duration. The causality can also be reversed; interactions that are frequent and diverse and which occur over a long period of time can lead to the development of stronger psychological connections. Such a causal relationship between a psychological connection and the interactions are not always observed, as is the case in the example with the car driver and the gas station. In addition, some strong relationships in terms of emotional connections (for instance, love at first sight) can last only for a limited amount of time and involve a low frequency of interaction.

Summarizing the above, I argue that a relationship must involve a psychological connection or bond in order to exist. Assessing interactions and behaviors can be misleading because interactions between two parties can occur even if little psychological connection is felt or intellectualized. In the rest of this note, I refer to a relationship as a psychological connection.

RELATIONSHIP QUALITY TO DEFINE A CONSUMER RELATIONSHIP

In the service literature, a psychological connection that a consumer perceives to have with a service firm has been conceptualized in different manners such as commercial friendship (Price and Arnould 1999), trust (Doney and Cannon 1997) and commitment (Morgan and Hunt 1994). Consistent with previous research in the service literature (Crosby et al. 1990; De Wulf et al. 2001), the concept of relationship quality (RQ) is employed is suggested and defined in this note. In Crosby et al.'s (1990) article, the first to introduce the concept, RQ means “that the customer is able to rely on the salesperson’s integrity and has confidence in the salesperson’s future performance because the level of past performance has been consistently satisfactory (p. 70).” Building from their initial definition, Crosby et al. (1990) conceptualize RQ as a second-order construct which is reflected in the satisfaction with the overall past performance of a firm and the trust placed in the abilities of a firm. Since its introduction, RQ has been consistently conceptualized as a second-order construct consisting of several dimensions (Crosby et al. 1990; Kumar et al. 1995; De Wulf et al. 2001; Hibbard et al. 2001). Although disagreement continues to exist as to which first-order constructs comprise RQ — conceptualizations include two, three, and even five first-order constructs (Kumar et al. 1995) — the current note conceptualizes *relationship quality* as a higher-order construct composed of relationship satisfaction, trust, commitment and identification. This conceptualization of RQ is appropriate because it captures

different facets of a psychological connection that a consumer may perceive to have with a service firm.

Initial work suggested that trust and satisfaction were the key constructs that capture the quality of a relationship (Crosby et al. 1990). Based on the influential work of Morgan and Hunt (1994), subsequent research added commitment (Kumar et al. 1995; De Wulf et al. 2001; Hibbard et al. 2001). Building on recent research that explains that the strongest relationships with service firms are based on the fulfillment of consumer socio-psychological needs such as identity formation (Gwinner, Gremler and Bittner 1998), relationship quality also incorporates notions of identification in this note (Bhattacharya and Sen 2003). In other words, a consumer is assumed to perceive a high level of RQ when he or she is satisfied with the services offered by a firm, has confidence in its ability, feels committed to it, and identifies with it. In the next paragraphs, I elaborate on the four dimensions of RQ.

Relationship satisfaction. The concept of satisfaction captures the perception of quality based on previous experiences with a service firm. The concept of satisfaction has been defined in many ways by many researchers over the years, and researchers regularly distinguish between transaction-specific and cumulative satisfaction (Garbarino and Johnson 1999). Transaction-specific customer satisfaction is an immediate and unique reaction to the most recent service transaction (Oliver 1996). Anderson, Fornell and Lehmann (1994, p. 54) define cumulative satisfaction as "an overall evaluation based on the total purchase and consumption experience with a good or service over time." Consistent with this view, Smith and Barclay (1997) propose a specific definition of cumulative satisfaction related to relationships. Specifically, they view *relationship satisfaction* as a consumer's affective state resulting from the evaluation of all

aspects of a relationship with a firm over time. In this note, I employ Smith and Barclay's (1997) definition of satisfaction because of its focus on relationships and its cumulative character.

Trust. The concept of trust reflects consumers' confidence in a firm's ability to serve them well. Several scholars distinguish between the cognitive and behavioral components of trust (Doney and Cannon 1997; Smith and Barclay 1997). Emphasizing the behavioral aspect, Moorman, Zaltman, and Deshpandé (1992, p. 315) define trust as "a willingness to rely on an exchange partner in whom one has confidence." Focusing on two cognitive aspects, Doney and Cannon (1997, p. 36) define trust as "the perceived credibility and benevolence of a target," whereby credibility refers to expectations that an exchange partner can be relied upon and benevolence represents a party's interest in the other's welfare and a motivation to seek joint goals². Smith and Barclay (1997) consider perceived trustworthiness (e.g., a cognitive/affective expectation) to be an antecedent of trusting behaviors (e.g. risk taking behaviors or willingness to engage in such behaviors). Others claim that the cognitive dimension of trust is a necessary and sufficient condition for trust to exist (Morgan and Hunt 1994; De Wulf et al. 2001; Sirdeshmukh et al. 2002) and both behavioral and cognitive dimensions are operationally inseparable (Doney and Cannon 1997). Consistent with this view, I focus on the cognitive component of *trust* that I define as consumers' confidence that a firm is dependable and can be relied on to deliver on its promises (cf., Sirdeshmukh et al. 2002).

Relationship commitment. Commitment refers to the dimension of RQ that addresses a buyer's willingness to maintain a relationship with a seller. More specifically, commitment can be viewed as a specific psychological state that leads an individual to invest resources to maintain a relationship (Morgan and Hunt 1994; Moorman et al. 1993). Different

² However, since both dimensions were so highly correlated and operationally inseparable, Doney and Cannon (1997) eventually decided to conceptualize trust as an unidimensional construct.

conceptualizations of commitment exist in both marketing and social sciences (Allen and Meyer 1990; Morgan and Hunt 1994). Building on the work of Morgan and Hunt (1994) and Moorman et al. (1992), this research emphasizes the aspect of continuity by defining *commitment* as a consumer's desire to continue a relationship and willingness to make efforts at maintaining the relationship with a firm (c.f., Morgan and Hunt 1994; Moorman et al. 1993). Consistent with the explanations offered by De Wulf et al. (2001), the definition integrates both the motivational (i.e., an enduring desire) and behavioral components (i.e., a willingness to make efforts) of commitment. It was argued that a desire for continuity constitutes a necessary but insufficient condition for relationship commitment. The behavioral dimension is also necessary in order to eliminate these situations that are driven simply by habits and convenience.

Identification. People value relationships not only for the benefits that they directly receive from them, but also because they may have important repercussions on their sense of identity. In this context, *firm identification* is defined as the extent to which a relationship with a firm contributes to build one's sense of identity (cf. Bhattacharya and Sen 2003; Bhattacharya, Rao and Glynn 1995; Lind and Tyler 1988). Social identity theory explains that people derive a sense of identity from their connections to different social groups to which they belong such as employers (Dutton, Dukerish, and Harquai 1994), departments and functional areas (Fisher, Maltz, and Jaworski 1997), and more recently selling firms (Bhattacharya and Sen 2003). It has been observed that people encounter difficulties describing themselves without making explicit reference to meaningful social affiliations with peers, groups, organizations, institutions, or communities (Tajfel 1982). More specifically, consumers may feel attracted by the identity of a firm because it appears to be consistent with their own current self-image (i.e., identity similarity), because it allows them to distinguish themselves from others (i.e., identity

distinctiveness), and because they want to be associated with a prestigious firm, which has the effect of increasing their self-esteem (i.e., identity prestige) (Bhattacharya and Sen 2003). The more consumers perceive that their relationship with a firm has the ability to fulfill these needs, the stronger will be their sense of identification.

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