amj

Pairing Relationship Value and Marketing

Brett Collins

University of Auckland
New Zealand

Abstract

Relationship value has importance outside the marketing domain. It is suggested 'marketing' be banished from our relationship vocabulary and emphasis be given to the term 'business relationship value'. A simple bibliometric study indicates 'relationship marketing' has no primacy, with other fields and domains recording more progress. There is significant support from the literature for using a transaction cost approach to understand relationship value. We consider that potency and relationship exchange explain the basis of relationship value, a market-based asset, leading to value creation for shareholders and customers. Relationship management is reliant upon information, the glue of organisations, for determining the best allocation of resources and adaptations that should be used when designing, managing and maintaining a relationship. Questions important to knowledge development of marketing, and managing business relationships are outlined.

Brett Collins: University of Auckland, Email: b.collins@auckland.ac.nz

Introduction

Subtle changes in the role of marketing have been driven by continual need for firms to perform successfully in changing competitive environments (Hunt and Morgan 1995; Woodruff 1997). Over two decades, gradual evolution of marketing's conceptual foundations, and better definition of what are considered the core problems of relationship marketing, has produced pockets of knowledge, each framed from a different perspective (Day 1996). This has provided opportunity to rethink these contributions, and bridge the gap between practice and theory in the area of exchange relationships (Morris, Brunyee and Page 1998).

Following many years of debate, Hunt (1983) concluded the..."basic subject matter of marketing is the exchange relationship or transaction" (p.9), cementing the fundamental proposition on which the rich social exchange school of marketing thought is based. Sheth, Gardner, and Garrett (1988) expressed concern that exchange theory offered little to address two questions that must be asked of any school of thought; they suggested that any theoretical base must specify..."why and how values are created and what motivates the buyer and seller to engage in an exchange"(p.178). Both questions remain unresolved problems for relationship marketing theory.

The purpose of this article is to comment on conceptual and theoretical strands of research lying behind these questions, and propose questions to guide future knowledge development. There exist perspectives drawn from varied knowledge bases, using different understandings, preventing one set of ideas unifying value and relationship. It is clear many academics carry with them diverse and fragmented accounts of relationship value. That being the case, our task will be to identify substantial themes from which contemporary views on relationship management and value creation might develop.

In the first theme we consider interactions shaping relationship value. The second theme employs a bibliometric view to discuss relative levels of research activity surrounding relationship value. A third theme of enquiry is woven around relationships and whether the new marketing paradigm implies a change in the nature of value. Our fourth theme looks at contributions to relationship value creation by four disciplinary bases: economics, marketing, finance, and management that were chosen on the basis of relevance to the relationship value construct and general business literature. Each theme contains ideas that aid our understanding of business relationship processes. We conclude by discussing a broad set of problems important to understanding relationship value.

Interactions Shaping Relationship Value

The way marketing will be practised in future is being shaped by a number of factors. Day (1996) noted the structure of markets and industry boundaries are becoming increasingly indeterminate, with their redefinition struggling to keep abreast of business innovation. For many emerging industries, functionality's and customer benefits are rapidly converging. Within the digital electronics industry for example, information providers, hardware and software vendors, electronics firms and channel members are elbowing for the same space, without clearly understanding their individual potential for advantage, because future implications of change within the industry are poorly understood.

Relationship building (McKenna 1991), customer retention (Reichheld 1996), and customer value (Woodruff 1997) have become more important than acquiring new customers, at a time when there is limited agreement about how these concepts should be implemented (Cravens 1998; Gummesson 1998). At the same time further uncertainty has been created by the arrival of interactive, collaborative on-line systems permitting one-to-one marketing (Varki and Rust 1998).

Organisations are increasingly participating in webs of alliances to realise economies of scale, accelerate market entry, or enhance their capabilities (Ghosh 1998). Frequently competition is between networks of alliances (Gummesson 1996) and customer webs (Hagel 1996). Firms feel compelled to enter these new competitive zones because any delay in following would result in a loss of competitive position.

Traditional domains of marketing have become mixed with service management, operations management, competitive strategy, and information technology. Complex issues seem to be best managed through multidisciplinary approaches and frameworks, so newer methods for understanding and managing customer-firm interactions are required. It is this need for a fresh approach, evident from the gaps between marketing practice and theory that the concept of relationship value seeks to bridge.

Such a richness of environmental interaction suggests that any approach to the study of relationships from a purely marketing perspective is myopic. Holistic structures must be used to capture the complexity of relationship behaviour, which cannot be approximated or simulated using rules dispensed by a central structure. The importance of this integrated process view of total system structures has been discussed (Dixon 1986; Wilkinson 1990) regarding the evolution of marketing channels. It is also important to take a comprehensive view of relationship processes generally. One barrier to a fresh way of looking at relationship marketing has been the language used, which has imposed tunnel vision. An obvious cure is to banish the word 'marketing' from our relationship vocabulary and emphasise the term 'business relationship value', to leave behind a narrow functional view.

A Bibliometric View

Relationship marketing has consistently been heralded as an emerging field of the marketing discipline with significant potential, but an analysis of co-citations has reported an absence of consistent theoretical development (Cooper, Gardner and Pullins 1997). A simple bibliometric study was undertaken to gain insight into the current levels of publication activity in the relationship marketing literature. Key words in abstracts, titles and headings were used during an ABI Inform electronic search to identify papers and articles associated with key areas, over the years 1985-1998 inclusive.

Sets were assembled covering four areas; 'relationship marketing', 'relationship value', 'customer retention' and 'customer value'. Members of set intersections were few and allocated on the basis of relevance to eliminate double counting. Set membership was recorded yearly. Consider Figure 1 that shows the frequency of publication over the period 1985-1998. Surprisingly, 'relationship value' appeared infrequently. Customer-based references have clearly dominated relationship-based references since 1990, with the latter reflecting modest activity levels. Relationship marketing's history has been characterised by advocacy rather than empirical publications.

The publication rates for 'relationship marketing', 'customer service' and 'customer satisfaction' are shown in Figure 2. Relationship marketing fares poorly when compared to the subfields 'customer service' and 'customer satisfaction': it is not a significant sub-field. These results indicate relationship value is an operational issue, not an issue localised within a functional arena. Relationship ideas plug into the knowledge base via 'customer retention' and 'customer satisfaction', with 'relationship marketing' lacking a significant role. To distinguish these terms with conceptual clarity requires a more rigorous bibliometric analysis than found here. At this time relationship marketing has no primacy.

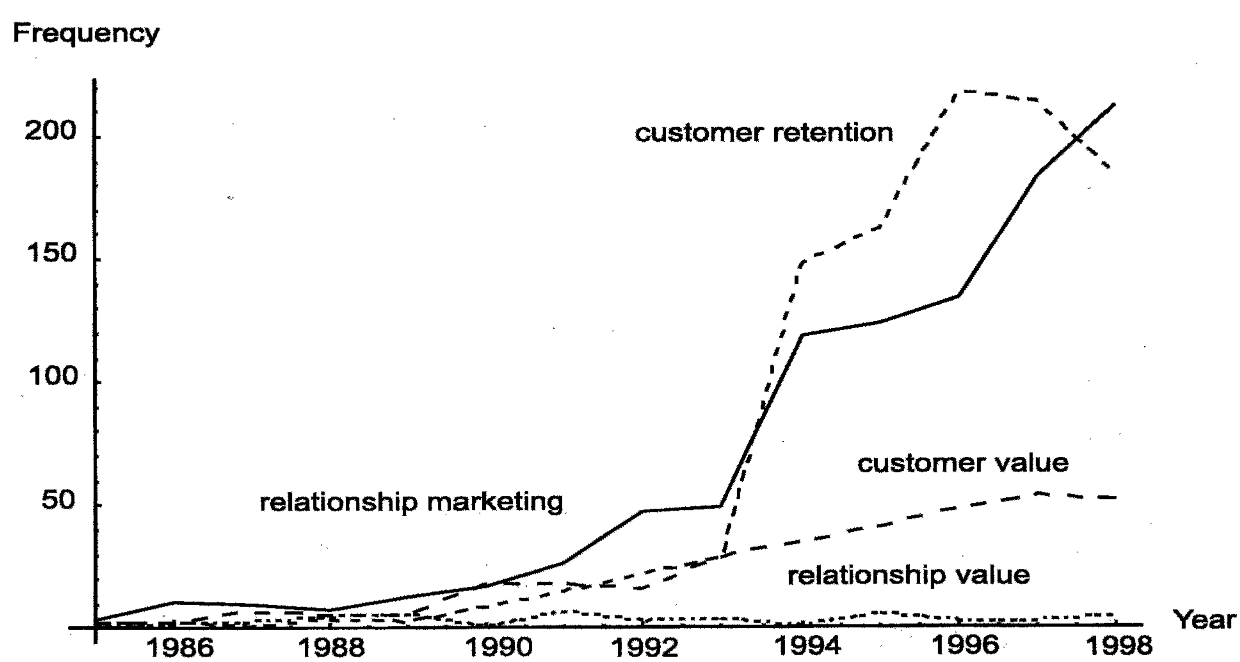
Identifying A Paradigm Shift

Relationship marketing is a concept that evolved from considering relationships, networks and relationship interactions to be at the core of business operations. Traditional views of marketing as being made up of the marketing concept, and management oriented activities surrounding the marketing mix, have long been the focus of mounting criticism. This is reflected in the position: "Either marketing as a discipline and as practised in companies changes radically, or it will become a marginal phenomenon without much credibility ... a paradigm shift in marketing is needed if marketing is to survive as a discipline" (Grönroos 1995).

Support for a paradigm shift in relationship marketing has been mentioned within many research strands; services marketing (Berry 1983; Grönroos 1990; Berry and Parasuraman 1993, Bitner 1995), supplier relationships (Sheth and Sharma 1997; Ganesan 1994), consumer marketing (Sheth and Parvatiyar 1995), industrial marketing (Flint, Woodruff and Gardial 1997), network marketing (Croft and Woodruff 1996), contractual relationships (Macneil 1978; Grundlach and Murphy 1993), relational norms (Campbell 1997) and amongst others, channel relationships (Anderson and Weitz 1992). Because relationships are at the heart of relationship value, this issue is considered closely.

After fifteen years, the new relationship marketing paradigm

Figure 1: Frequency of publications per year by key topic area



is still without clear empirical support, despite word-of-mouth fuelling conjecture in academic journals. Infrequent empirical contributions of European origin are assumed to reflect aspects of research style and a preference for developing qualitative case material essential to constructing a broad overview. The need to build theory from empirical studies has been recognised, but confusion remains about what relationship marketing involves, with it being uncertain whether "Transactional and Relational marketing are not mutually exclusive, but are part of the same paradigm; a paradigm which allows for both perspectives to coexist?" (Brodie et al. 1997). This is consistent with the post-modern view that relationship marketing is located within a domain having no overriding explanatory theory, but a plurality of narratives seeking to achieve limited objectives. Alternative approaches in other domains (such as organisation theory, economics and business strategy), that are concerned with business relationships, have recorded more progress than relationship marketing, and are mentioned later.

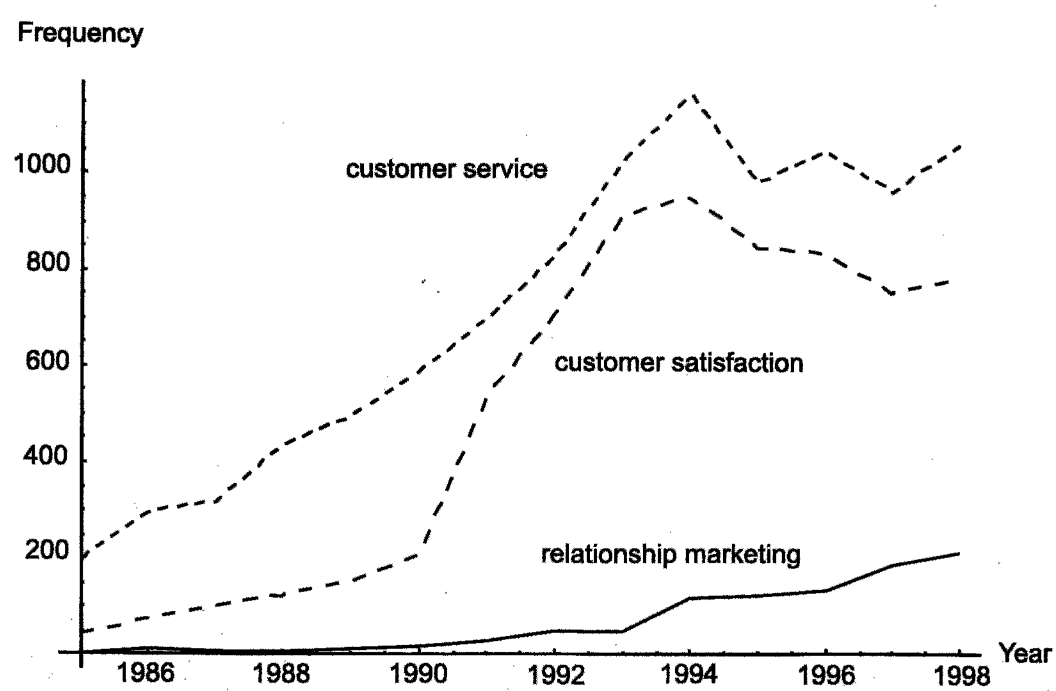
Transaction Cost Perspectives

There is significant support in the literature for using a transaction cost approach to understanding relationship value. Transaction cost theory offers an explanation for why firms exist and why there are performance differences among them, but Slater (1997) considers this theory less than satisfactory for explaining performance in a dynamic environment. However, Rindfleisch and Heide (1997) have pointed out that insights from TCA [transaction cost analysis] applications are under utilized. It is argued that while empirical research has led to important refinements of early versions of the transaction cost framework (e.g. Williamson 1975) many such refinements are not widely known; there has been a tendency among transaction cost theory critics to focus on these early versions (e.g. Goshal and Moran 1996; Hill 1990), making it difficult to evaluate the merits of their criticism, and reducing the impact of transaction cost theory.

Slater (1997) noted neglect by marketing scholars... "to organize our theoretical frameworks into a comprehensive theory of the firm, which is the foundation and focal point for our dialogue and research". In the beginning, Ronald Coase (1937) proposed that economising on transaction cost is a primary reason for the existence of the firm; by extending and refining these ideas, Oliver Williamson (1975; 1985) developed an alternative to the neo-classical theory of the firm. Transaction Cost (TC) theory is based on the proposition that markets and hierarchies (firms) are alternative mechanisms for co-ordinating transactions, with the choice between markets or hierarchies being based on the cost associated with the respective transaction. In this economic format a transaction occurs when a good or service is transferred across a separable interface, such as when a firm buys raw materials from an outside supplier. Transactions and relationship value are considered to be inseparable.

An alternative understanding of what a 'theory of the firm' involves can be obtained by thinking of it as a theory that addresses the existence, boundaries and possibly also the internal organisation of the firm (Holmstrom and Tirole 1989). The plurality of the business relationship problem is contained within this idea. Relationship value is also inseparable from

Figure 2: Frequency of publications per year by related topic



assets associated with business. For an attempt to combine a Coasian perspective with a more resource-based view of the firm in the strategy literature see Kay (1993). Transaction cost theory is a well-grounded body of knowledge from which aspects of marketing and business relationship management can be developed.

Marketing Theory And Relationship Value

Marketing theory has a well-established literature that takes the concept of value into account. The basic units of analysis for marketing were previously seen as transactions in a competitive market, where fully integrated firms controlled virtually all of the factors of production (Arndt 1979; Thorelli 1986). A wider view of marketing transactions derived from the concept of potency (Alderson 1965) and the nature of marketing exchange provides a platform for understanding relationship value.

Potency is an asset, or stock, made up of value (or utility) yet to be realised. An assortment is a collection of elements, each of which has added value because it is part of the larger collection (Alderson 1965). Potency therefore represents value that resides in an assortment (Hunt, Muncy and Ray 1981). Potency can therefore be understood as utility, or value in its potential form, much as we represent an asset on a balance sheet. The potency of our assortment varies when (1) we use it to satisfy our needs and wants, (2) we intentionally adjust our potency through exchange and other means available to us, and (3) we are subject to exogenous events.

Exchange may be described as..."the transfer of value from one entity's assortment to another's assortment for the purpose of enhancing the potency of one's own assortment". (Houston, Gassenheimer and Maskulka 1992). It is potency enhancement that drives marketing exchange, and motivates relationship formats that have been labelled "transactional" and "relational". Marketing relationships are therefore built by transferring value over an extended time horizon.

Emphasis in previous empirical work has been on how individual relationships or exchanges are organised at a given point in time (Nooteboom 1992). This implicit tendency to focus on single transactions and relationships ignores the temporal nature of interorganisational relationships. For example, it has been reported that past interactions or exchange episodes may influence how a new transaction is organised (Häkansson and Snehota 1985).

Dwyer, Schurr and Oh (1987) proposed transactions have relational properties and should be considered "practically discrete" because there are costs and benefits to relational exchange. However, it has been found that considering individual transactions as the unit of analysis ignores how different exchange governance forms can be combined. Bradach and Eccles (1989) persuasively argue that firms may purposely combine different transaction governance forms by using a "plural forms" approach. Bergen et al. (1995) argue that when considering the sole use of independent agents (market governance) versus a combination of agents and direct sales to house accounts (market and hierarchical governance), the use of plural forms has distinct benefits. Plural forms permit manufacturers to achieve the benefits typically associated with market governance, while minimising inherent shortcomings, by offering governance synergies of various kinds. Further, Gulati (1995) has concluded that prior learning or experience with an exchange partner may reduce the need for more formal governance mechanisms in subsequent transactions; similarly, anticipation about future exchanges may influence how a current exchange is organised (Parkhe 1993).

A Financial Perspective

O'Neal (1989) expressed faith that a supplier who takes a proactive role in determining the needs of an origianl equipment manufacturer (OEM) customer, and develops programs to meet these needs, will gain a distinct competitive advantage. In addition, it was asserted..."[T]he result should be an increase in market share and profitability, and a reduction in demand uncertainty, as the supplier becomes a long-term partner with selected OEM customers, often achieving the position of sole supplier of its differentiated offering". In similar vein, a substantial body of literature has proposed links from marketing constructs, such as customer satisfaction, brand equity, and quality, to various accrual accounting measures of business performance such as profits and return on investment (Anderson, Fornell and Lehmann 1994; Rust, Zahorik, and Keiningham 1995). However these studies stop short of linking marketing variables to the creation of shareholder value, and longitudinal studies are lacking.

Consider the view that potency can be understood as value in its potential form, like an asset on a balance sheet. Srivastava, Shervani and Fahey (1998) have proposed that marketing is concerned with developing and managing market-based assets. Examples of market-based assets include customer relationships, channel relationships, and partner relationships. Potency can therefore be considered a market-based asset to be considered a market-based asset to be developed, managed and allocated through business activities, influencing shareholder value by accelerating and enhancing cash flows, lowering the volatility and vulnerability of cash flows, and increasing the residual value of cash flows. This idea recognises the importance of relationship value and provides a solid foundation for defining relationship value through transactions, whether they involve a single exchange event, or the transfer of value over an extended time horizon. We consider potency and relationship exchange as the basis of relationship value, and value creation for both shareholders and customers. Linking the marketing and financial functions in this way shows why a narrow functional view of relationships is inadequate.

A Management Perspective

Following more than a decade of restructuring and re-engineering, with an emphasis on cutting assets and personnel, the new catch cry is growth and renewal through innovation (Kim and Mauborgne 1997). An expansion of the solution options available for managers seeking to redesign organisations, and meet reshaped customer needs, has led to demands for new organisational approaches to doing business (Ostroff and Smith 1992). Day (1996) commented that part of the reason behind marketing losing influence in academia and practice..."lies in the paradox of a wide-spread acceptance of marketing as an organizational orientation and the confused status of marketing as a functional activity" (p.15).

This move toward redefined responsibilities, or even abandonment of the traditional department (Gummesson 1998) comes at a time when the marketing function is struggling with its identity, and is rarely seen leading the drive to improved performance. These changes have taken place as the accepted model for organisations evolved from functional groups within hierarchical structures to collections of linked processes (Boehm and Phipps 1996). The net effect of these changes has been to lessen the clarity of the roles required of all functions. At the same time, while organisational boundaries have been defined more tightly by seeking focus on a few core processes, there has been a demand for diffused structures suited to outsourcing non-core activities.

Units taking part in exchanges mediate the linkage between relationship marketing and transaction cost economics. Milgrom and Roberts (1992) consider the problem of how individuals and entities are involved in transactions, and state "a useful way to look at the defining boundaries of an organization is in terms of the smallest unit that is *functionally autonomous* in that it is largely free from intervention by outside parties in its affairs and decisions, over which it then enjoys broad internal discretion" (p.21). This formulation is well suited to analysing the full range of decision-making units that are to be found in the marketing relationship context, whether they are households, firms or individuals. Using the term marketing relationship is paradoxical, because a functional view is suggested, while a contiguous process view is implied; throughout our discussion a cross-functional definition of relationship is intended. We would prefer to use the term 'business relationship' and eradicate any emphasis on marketing.

Transactions and their implementation are reliant upon information, the glue of organisations, for determining the best allocation of resources and adaptations that should be used when designing, managing and maintaining a relationship. In practice, such information is not always readily available in the required format, or at the required time for decision-makers. Organisationally the problem is the traditional one of integration versus differentiation (Lawrence and Lorsch 1967); either dispersed information is collected centrally and resource allocation managed there, or some decisions are devolved to those holding the relevant information.

The Problems Of Creating Marketing Value

The impetus for this paper drew upon the special importance of marketing in value creation. We conclude by considering questions that are emerging as important to business relationships and their application to current problems. Our initial focus on understanding the nature of marketing has developed from the functionally oriented "4 P's" to a much broader view of a more fully integrated business process, extending across organisational boundaries. At the same time, the concept of value creation has evolved from anecdotal evidence for why customer retention is important, through to the introduction of retention economics into decision support systems.

This rapidly expanding horizon has given rise to basic questions formed from the diversity of approaches currently being used. Our current state of knowledge about "better ways to do business" define a number of key questions that can act as reference points in any discussion of managing relationship value.

1. What is the role of the marketing function in creating relationship value?

Competitive firms have been forced to become 'market oriented', and have devoted much attention to what is at the centre of such learning processes, but it remains unclear how diffused functional roles are to be integrated into the strategic thinking of the organisation.

2. How does relationship value respond to market evolution?

Defining the fuzzy boundaries of evolving markets is important to understanding the determinants of customer choice, but these boundaries are themselves buffeted by external driving forces at the industry and market levels. In addition, changing environmental forces are also leading to changed customer relationships and relationship value, providing new opportunity for improved business performance. How do we anticipate the way in which value delivery must respond to match the needs of an evolving market?

3. How does perceived relationship value change over time?

Managing relationship value requires extensive information concerning customer perceptions, the drivers of customer value, and how well that value is delivered by business processes. Research tools are necessary to monitoring perceptions, and elements of the scenario, but how well suited are existing tools and frameworks for dealing with integrated value strategies? What is the difference between customer satisfaction and customer value? How do these elements change over time?

4. When is information technology investment important to relationship value?

A diverse set of intangible assets interacts directly with relationship value, some of which are derived from information technologies. A strategic imperative for creating relationship value is effective management of information assets derived from the customer base; the collection, storage, access and processing of information often drives value delivery. How do we identify value opportunities, which flow from information technology investments, which extract value from customer information? Re-engineering business processes using value-chain logic relates operational processes to events and outcomes of value to customers. Analysis of links in the information chain can lead to added value for relationships. How do we identify and analyse these opportunities?

5. Branding and relationship value; how can we manage both consistently?

The increased competition in brand markets has highlighted a need for managers to be accountable for the performance of all assets within their custody, in order to create shareholder value. These assets include the intangible quantities known as brand value and relationship value. There is a lack of literature considering the nexus between relationship value and branding. Customer value is increasingly viewed as being derived from processes and assets that lie outside traditional boundaries of marketing, and there exists an uncomfortable gap between measurements of performance and value. What is the link between business performance, brand value and relationship value? If brands are to be built using programs founded on customer value and relationships, how should we design and implement such programs?

6. Who controls relationship value?

Branding has begun to shift from manufacturer to retailer with the proliferation of 'own brands', and this is associated with a concurrent shift in economic power, a loss of control by the manufacturer, and reduced profitability. Loyalty is viewed as relationship strength contributed by the brand, the distribution network, the product itself and delivery processes. How can manufacturers compete with retailers for relationship value in such environments? What contribution does each component make toward the total relationship value achieved? There are clearly many academics working in areas they feel contain the 'core issue'. It is not claimed the questions listed here define the only way to examine business relationships, but a diversity of approaches is needed to secure a comprehensive view of relationship value. Our objective has been to identify substantial themes, link these diverse efforts, and to suggest directions for future knowledge development in the subfields of relationship management and value creation. Creation of value is the reason firms exist and relationship management is an important basis for business success. A priority for developing and testing propositions concerning relationship value is necessary to further our understanding of business relationship processes.

REFERENCES

Alderson, Wroe (1965), *Dynamic Marketing Behavior: A functionalist Theory of Marketing*. Homewood, Illinois: Richard D. Irwin, Inc.

Anderson, Erin and Bart Weitz (1992), "The Use of Pledges to Build and Sustain Commitment in Distribution Channels," *Journal of Marketing Research* 29: 18-34.

Anderson, Eugene W., Claes Fornell and Donald R. Lehmann (1994), "Customer Satisfaction, Market Share and Profitability: Findings from Sweden," *Journal of Marketing* 58 (July): 53-66.

Arndt, Johan (1979), "Toward a Concept of Domesticated Markets," *Journal of Marketing* 43 (Fall): 69-75.

Bergen, Mark, Jan B. Heide and George John (1995), "Understanding Dual Distribution: The Case of Reps and House Accounts," *Journal of Law, Economics, and Organization* 11 (April): 189-204.

Berry, L. L. (1983), "Relationship Marketing," in Berry, L. L., Shostack G. L. and Upah G. D. editors, *Emerging Perspectives of Services Marketing*, Chicago, Illinois: American Marketing Association 25-28.

Berry, L.L. and A. Parasuraman (1993), "Building a New Academic Field - The Case of Services Marketing," *Journal of Retailing* 69 (1): 13-60.

Bitner, M. J. (1995), "Building Service Relationships: It's All About Promises," *Journal of the Academy of Marketing Science* 23 (4): 246-251.

Boehm, Rodger and Cody Phipps (1996), "Horizontal organization: Flatness," *The McKinsey Quarterly* 3: 128-143.

Bradach, Jefferey L. and Robert G. Eccles (1989), "Price, Authority and Trust: From Ideal Types to Plural Forms," *Annual Review of Sociology* 15: 97-118.

Brodie, Roderick J., Nicole Coviello, Richard Brookes and Victoria Little (1997), "Toward a Paradigm Shift in Marketing? An Examination of Current Marketing Practices," *Journal of Marketing Management* 13: 383-406.

Campbell, Alexandra J. (1997), "What Affects Expectations of Mutuality in Business Relationships?," *Journal of Marketing Theory and Practice* (Fall): 1-10.

Coase, Ronald (1937), "The Nature of the Firm," *Economica* 4: 386-405.

Cooper, M. C., Gardner J. T. and Pullins, E. B (1997), "A Benchmark Bibliometric Approach to Identifying the State of Theory Development in Relationship Marketing," in *Proceedings of the AMA Relationship Marketing Conference*, editor Tony Meenaghan, Dublin, Ireland, June 1997, 187-203.

Cravens, David W (1998), "Implementation Strategies in the Market-Driven Strategy Era," *Journal of the Academy of Marketing Science* 26 (3): 237-241.

Croft, R. and H. Woodruff (1996), "Network Marketing: The Ultimate in International Distribution?," *Journal of Marketing Management* 12: 201-214.

Day, George S (1996), "Using the past as a Guide to the Future: Reflections on the History of the Journal of Marketing," *Journal of Marketing* 60 (January): 14-16.

Dixon, D. F. and Wilkinson, Ian F (1986), "Toward a Theory of Channel Structure," in *Research in Marketing: Distribution Channels and Institutions*, Vol. 8, Edited by J. C. Carman and L. C. Bucklin. Greenwich, CT. JAI Press Inc. 27-70.

Dwyer, F. Robert, Paul H. Schurr and Sejo Oh (1987), "Developing Buyer-Seller Relationships," *Journal of Marketing Management* 51 (April): 11-27.

Flint, Daniel J., Robert B. Woodruff and Sarah Fisher Gardial (1997), "Customer Value Change in Industrial Marketing Relationships: A Call for New Strategies and Research," *Industrial Marketing Management* 26: 163-175.

Ganesan, Shankar (1994), "Determinants of Long-Term Orientation in Buyer-Seller Relationship," *Journal of Marketing* 58: 1-19.

Ghosh, Shikhar (1998), "Making Business Sense of the Internet," *Harvard Business Review* 76 (2): 126-135.

Ghoshal, Sumantra and Peter Moran (1996), "Bad for Practice: A Critique of the Transaction Cost Framework,". *Academy of Management Journal* 21 (1): 13-47.

Grönroos, C. (1990), "Relationship Approach to the Marketing Function in Service Contexts: The Marketing and Organizational Behaviour Interface," *Journal of Business Research* 20 (1): 3-12.

Grönroos, C. (1995), "The Rebirth of Modern Marketing: Six Propositions About Relationship Marketing," *Swedish School of Economics and Business Administration Working Paper* 307 (November). Helsinki.

Grundlach, Gregory T. and Patrick E. Murphy (1993), "Ethical and Legal Foundations of Relational Marketing Exchanges," *Journal of Marketing* 57: 35-46.

Gulati, Ranjay (1995), "Does Familiarity Breed Trust? The Implications of Repeated Ties for Contractual Choice in Alliances," *Academy of Management Journal* 38 (February): 85-112.

Gummesson, Evert (1996), "Relationship Marketing and Imaginary Organizations: A Synthesis," *European Journal of Marketing* 30 (2): 31-44.

Gummesson, Evert (1998), "Implementation Requires a Relationship Marketing Paradigm," *Journal of the Academy of Marketing Science* 26 (3): 242-249.

Hagel, John (1996), "Strategy: Spider Versus Spider," *The McKinsey Quarterly* 1: 4-18.

Håkansson, Håkan and Ivan Snehota (1995), *Developing Relationships in Business Networks*. New York: Routledge.

Hill, Charles W. L. (1990), "Co-operation, Opportunism, and the Invisible Hand: Implications for Transaction Cost Theory," *Academy of Management Review* 15 (July): 500-513.

Holmstrom, B. and J. Tirole (1989). "The Theory of the Firm," in Schmalensee, R. D. and R. Willig (Editors), *Handbook of Industrial Organization*, Vol. 1. North-Holland: Elsevier.

Houston, Franklin S., Jule B. Gassenheimer and James M. Maskulka (1992), *Marketing Exchange Transactions and Relationships*. Westport, Connecticut: Quorum Books.

Hunt, Shelby D. (1983), "General Theories and the Fundamental Explanada of Marketing," *Journal of Marketing* 47 (Fall): 9-17.

Hunt, Shelby D. and R. M. Morgan (1995), "The Comparative Advantage Theory of Competition," *Journal of Marketing* 59 (April): 1-15.

Hunt, Shelby D., James A. Muncy and Nina M. Ray (1981), "Alderson's General Theory of Marketing: A Formalization," in *Review of Marketing 1981*, edited by Ben M. Enis and Kenneth J. Roering, 267-272. Chicago: American Marketing Association.

Kay, J. (1993), *The Foundations of Corporate Success*. Oxford: Oxford University Press.

Kim, Chan and Renee Mauborgne (1997), "Value Innovation: The Strategic Logic of High Growth," *Harvard Business Review* (January-February): 103-112.

Lawrence, P. R. and Lorsch J. W. (1967), *Organization and Environment: Managing Differentiation and Integration*. Boston, Harvard University Press.

Macneil, Ian R. (1978), "Contracts: Adjustment of Long-Term Economic Relations under Classical, Neoclassical and Relational Contract Law," *Northwestern University Law Review* 72: 854-905.

McKenna, Regis (1991), "Marketing is everything," *Harvard Business Review* 69 (January-February): 65-79.

Milgrom, Paul and John Roberts (1992), *Economics, organizations, and management*. New Jersey. Prentice-Hall, Inc.

Morris, Michael H., Janinne Brunyee, and Michael Page (1998), "Relationship Marketing in Practice: Myths and Realities," *Industrial Marketing Management* 27: 359-371.

Nooteboom, Bart (1992), "A Postmodern Philosophy of Markets," *International Studies of Management and Organization* 22 (2): 53-76.

O'Neal, Charles R. (1989) "JIT Procurement and Relationship Marketing," *Industrial Marketing Management* 18: 55-63.

Ostroff, Frank and Douglas Smith (1992), "The Horizontal Organization," *The McKinsey Quarterly*, 1: 148-168.

Parkhe, Arvind (1993), "Strategic Alliance Structuring: A Game Theoretic and Transaction Cost Examination of Interfirm Co-operation," *Academy of Management Journal* 36 (August): 794-829.

Reichheld, Frederick F. (1996), *The Loyalty Effect*. Boston: Harvard Business School Press.

Rindfleisch, Aric and Jan B. Heide (1997), "Transaction Cost Analysis: Past, Present, and Future Applications," *Journal of Marketing* 61 (October): 30-54.

Rust, Roland, Anthony J. Zahorik and Timothy L. Keiningham (1995), "Return on Quality (ROQ): Making Service Quality Financially Accountable," *Journal of Marketing* 58 (April): 58-70.

Sheth, Jagdish N., David M. Gardner, and Dennis E. Garrett (1988), *Marketing Theory: Evolution and Evaluation*, New York: Wiley.

Sheth, Jagdish N. and Parvatiyar, A. (1995), "Relationship Marketing in Consumer Markets: Antecedents and Consequences," *Journal of the Academy of Marketing Science* 23 (4): 255-271.

Sheth, Jagdish N. and Arun Sharma (1997), "Supplier Relationships: Emerging Issues and Challenges," *Industrial Marketing Management* 26: 91-100.

Slater, Stanley F. (1997), "Developing a Customer Value-Based Theory of the Firm," *Journal of the Academy of Marketing Science* 25 (2): 162-167.

Srivastava, Rajendra K., Tasadduq A. Shervani and Liam Fahey (1998), "Market-Based Assets and Shareholder Value: A Framework for Analysis," *Journal of Marketing* 62 (January): 2-18.

Thorelli, Hans (1986), "Networks: Between Markets and Hierarchies," *Strategic Management Journal* 7: 37-51.

Varki, Sajeev and Roland T. Rust (1998), "Technology and Optimal Segment Size," *Marketing Letters* 9 (2): 147-167.

Wilkinson, Ian F. (1990) "Toward a Theory of Structural Change and Evolution in Marketing Channels," *Journal of Macromarketing* 10(2) (Fall): 19-46.

Williamson, Oliver E. (1975), *Markets and Hierarchies: Analysis and Antitrust Implications*. New York. The Free Press.

Williamson, Oliver E. (1985), *The Economic Institutions of Capitalism*, New York. The Free Press.

Woodruff, Robert B. (1997), "Customer Value: The Next Source for Competitive Advantage," *Journal of the Academy of Marketing Science* 25 (2): 139-153.