

ABSTRACT

Retaining buyers has emerged as the most prominent outcome of business to business marketing efforts. The purpose of our study is to examine key antecedent variables that affect buyer's relationship continuity intention and measure the relative importance of these key antecedent variables. We also intend to examine the mediating roles of inter-personal trust (trust in salesperson), inter-organisational trust (trust in supplier organization) and buyer's dependence in determining buyer's relationship continuity intention. The antecedent constructs identified for our research model are, expertise of the salesperson, likability of the salesperson, similarity of the salesperson, frequency of visit of the salesperson, opportunistic behavior, communication with supplier, size of supplier, willingness to customize, performance ambiguity, comparison level alternatives and switching cost for the buyer.

Data was collected from 137 steel buyers. Exploratory and confirmatory factor analysis was used to test the validity of the measures. The hypotheses were tested using structural equation modeling. The empirical tests included direct effect and mediating effects testing.

One of the important finding of this study is the role of salesperson trust worthiness and personal characteristics. The results suggests that inter-personal trust captured as trust in the salesperson is an important and too long overlooked, variable in understanding trust and relationship continuity intention. Importantly, we found that trust in the salesperson mediates how opportunistic behavior and expertise of the salesperson affects the relationship continuity intention of buyers. As expected, opportunistic behavior and expertise of the salesperson did affect salesperson trust. However contrary to our expectation communication and personality of the salesperson did not affect salesperson trust.

Trust in supplier was found to mediate the positive effects of communication and offer quality on buyer's relationship continuity intention. Performance evaluation ambiguity and willingness to customize were not significant predictors of trust. Contrary to our hypothesis, trust only partially mediates the effect of salesperson trust on relationship continuity.

Previous studies in the distribution channel had indicated role of constrained based factors like buyer's dependence, relationship termination cost (switching cost) and availability of alternatives on relationship continuity intention. Our study has provided empirical evidence to suggest low or negligible impact of constrained based factors on relationship continuity intention of buyers. Contrary to our hypothesis, there is a negative direct effect of relationship termination cost on relationship continuity intention of buyers.

Keywords: Relationship continuity, trust in supplier, trust in salesperson, buyer's dependence, business-to-business marketing.