

MBA 2008/9

**THE IMPACT OF INTER-
ORGANISATIONAL TRUST DIMENSIONS
ON FIRST TIME PURCHASE INTENT IN
PROFESSIONAL SERVICES**

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ABSTRACT

Business to business trust is topical, and the decision to outsource noncore professional services is gaining momentum. This study sought to understand the role of trust in the selection of a first time professional services provider.

Through a review of the literature, the study built a model of six trust dimensions in the business to business space, structured by two factors - Trust and Reliance. Using non probability sampling, decision makers and influencers across heterogeneous companies and industries were surveyed through a web based, self completed questionnaire. Using 157 responses, the model was tested in terms of its components (trust dimensions, grouped into the two factors) and outcomes (the relationship between the trust dimensions, Global Trust, and the trust factors on first time Purchase Intent).

Little proof was found for the proposed model, from a six dimensions or two factors perspective. Revealed by the data, however, was a new two factor solution – Earned trust (trust based on past performance) and Expected trust (trust derived from the expectation of performance going forward). Global Trust was found to have a significant relationship with Purchase Intent; Interpersonal trust was found to be the most prominent dimension influencing the buying decision; and Expected Trust was revealed as the most influential and valid individual factor.

Key limitations include the single item Purchase Intent scale; the heterogeneous sample in terms of industry and company size; the specialisation of the sample to the purchasing of small business management and consulting projects and the cross sectional nature of the research. Going forward this would imply the need to source a multi itemed Purchase Intent scale to strengthen the scale's degree of validity, accuracy, and reliability; explore the trust and Purchase Intent relationship in both small and large companies and from an industry specific perspective; investigate more fully the business management and consulting skills service subset; and test for the respective importance of Earned versus Expected trust in relation to Purchase Intent across the phases of relationship development.

The study offers empirical proof for the relationship between Global Trust and Purchase Intent in professional services and for the importance of interpersonal relationships in this space. Most importantly, it lays the foundation of construct validity for the more comprehensive trust scale of Earned and Expected trust. From a business perspective, findings of this study infer that in order to present as an attractive partner, providers must invest their energy in sharing past performance and track record in order to reduce buyer uncertainty; and must spend considerably more effort in creating confident expectations about how performance and goodwill will be guaranteed going forward. Prioritisation of efforts should be on building the perception among potential buyers of the expertise and integrity of the professionals within the supplier organisation.

DECLARATION

I declare that this research project is my own, unaided work. It is submitted in partial fulfilment of the requirements of the degree of Master of Business Administration for the Gordon Institute of Business Science, University of Pretoria. It has not been submitted before for any degree or examination in any other university.

Lisa Orleow

Date

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LIST OF ABBREVIATIONS

BRP	Boundary Role Person
PSF	Professional Services Firm

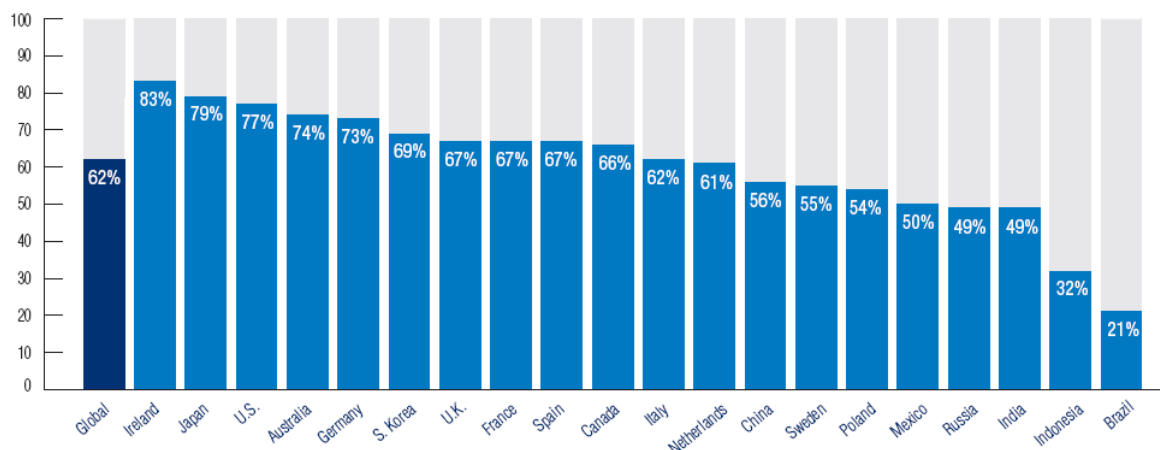
CHAPTER 1: INTRODUCTION TO THE RESEARCH PROBLEM

INTRODUCTION

TRUST IS TOPICAL

The Enron oil spill scandal of 2001 put business practices worldwide under the limelight (Finweek, 2008) and provided a solid example for the decade of how trust and reputation are central to the eventual success or failure of a brand. The issue of trust once again came to the fore in the subprime mortgage and financial sector crisis (Gakunu, 2008), with the global business climate necessitating a premium on trust. In the 2009 Edelman Trust Barometer (www.edelman.com/trust), the firm's tenth study of business trust surveyed 4,475 people in 20 countries on five continents between November 5th and December 14th 2008. The results of the annual study were telling: when asked whether they trusted corporations more or less than a year ago, more than one-half of respondents said they trusted them less.

Figure 1.1: Edelman Trust Barometer - percentage of respondents who trusted corporates less than they did in 2008



The report went on to emphasise the relevance of trust in the current business landscape, claiming that while the problems of corporate trust were limited largely to New Economy enterprises like Enron and Global Crossing in 2001-2003, companies at the centre of the global economy were in serious trouble in 2008-2009 (www.edelman.com/trust).

WHY TRUST TRUST?

Trust as a key component of strong business relationships

The initiation and maintenance of relationships between partners has been the focus of considerable research because of what professionals and researchers see as the relationship's potential to act as a resource in nurturing sustainable competitive advantage (Dyer and Singh, 1998). Previous studies have confirmed that trust is a key component of relationship quality (Dwyer, Schurr and Oh, 1987 in Claycomb and Frankwick, 2008); relationship commitment (Ganesan and Hess, 1997); and more recently, a necessary requirement and determinant of sound business relationships (Hakansson, Harrison and Waluszewski, 2004).

Trust shapes personal action for consumers

The tangible benefits of trust can best be illustrated by viewing their impact on personal action. In the 2009 Edelman Trust Barometer (www.edelman.com/trust), participants were asked to think back over the past twelve months and consider actions in relation to companies they either trusted

or distrusted. Results reflected the significant relationship between trust and buyer purchasing intent and relational commitment: 77% of participants said they refused to buy the products and services of a distrusted company, with 91% choosing to purchase from a trusted company (www.edelman.com/trust).

The relevance of trust in the business to business context

While the case thus far has spoken to trust that is intra-organisational and between customers and corporate entities, Seppanen, Blomqvist and Sundqvist (2007) affirmed the role of trust in business to business relationships as both critical in the knowledge-based competition of the network era and underdeveloped as a research field. The importance of trust in the present business landscape was more recently reinforced by Ellonen, Blomqvist and Puumalainen (2008): they claimed that its function in promoting organisational efficiency and effectiveness is expected to gain momentum, with Tubin and Levin-Rozalis (2008) acknowledging its value in creating and nurturing all kinds of relations between organisations, enabling them to protect their interests.

Trust has been found, therefore, to be important to the development and quality of inter-organisational relationships, under researched in the business space, and highly topical in that the global financial crisis has illustrated that at a time when the developing and nurturing of trust should be of more importance than ever, it has become less an assumed non-negotiable than an outdated courtesy. Asserted Covey (2006, p. 2) in *'The Speed of Trust:'* "While corporate scandals, terrorist threats, office politics and broken relationships have created

low trust on every front, I contend that the ability to establish, grow, extend and restore trust is the key leadership competency of the new global economy.”

RESEARCH PROBLEM AND OBJECTIVES

RESEARCH PROBLEM

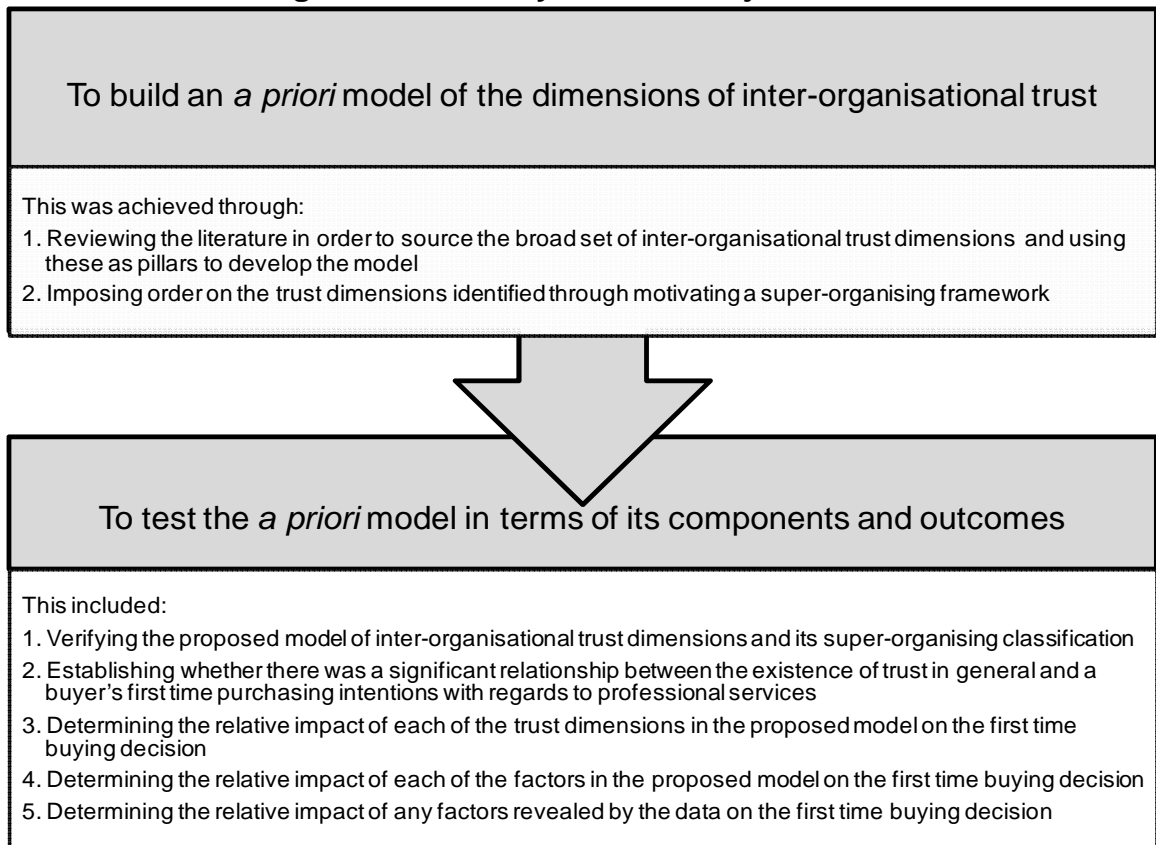
The study aimed to gain a deeper understanding of the dimensions of trust in business to business professional services relationships. That is:

- From what sources do we derive a sense of trust and trustworthiness in our interactions with potential suppliers of professional services?
- How do these trust dimensions relate to each other and how can they be accurately classified into a composite framework?
- How do these trust dimensions shape first time buying decisions?

RESEARCH OBJECTIVES

The research had two primary objectives, as illustrated overleaf.

Figure 1.2: Primary research objectives



RESEARCH SCOPE

The research was defined by the following scope.

Table 1.1: Summary of research scope

Determinant	Within the scope of the study	Outside of the scope of the study
Organisational boundary and trust context	Vertical inter-organisational trust	<ul style="list-style-type: none"> • Intra-organisational trust, in terms of trust within an organisation across and between levels, departments and teams • Horizontal trust, in terms of trust between an organisation and its partners
Stage of relationship development	Awareness and exploration - relationship initiation	<ul style="list-style-type: none"> • Relationship expansion and commitment; relationship maturity; and relationship decline
Nature of buying decision	Partner selection and first time purchase	<ul style="list-style-type: none"> • First time scope of purchase decisions for example, size of purchase • Repeat order decisions for example, size and frequency of purchase
The purchasing agent	The individual buyer and/or influencer	<ul style="list-style-type: none"> • The buying centre or decision-making unit • The professional services provider and their perspectives on trust, relationship development, and client selection
Industry focus	Professional services	<ul style="list-style-type: none"> • Purchasing of goods, consumer services, and general business services

TRUST IN INTER-ORGANISATIONAL RELATIONSHIPS

The scope of this inquiry was limited to vertical inter-organisational relationships, that is, trust within the buyer-seller relationship, as opposed to trust within an organisation and trust between an organisation and its partners and alliances (horizontal relationships). Such a focus was relevant if one considers that collaborative inter-organisational networks, in contrast to markets and hierarchies, are an increasingly common form of economic organisation in today's environment (Currall and Judge, 1995).

TRUST AND ITS IMPACT ON SUPPLIER SELECTION

The focus of this inquiry with regards to buyer intent referred to the selection of a first time provider, and not to repeat purchase decisions. In referencing the relationship development process used by Claycomb and Frankwick (2008) and based on the work of Dwyer *et al.* (1987), the inquiry thus talked exclusively to the first two stages of relationship development - awareness and exploration - where the buyer seeks out a potential supplier and makes initial preparations to work with the selected provider. This is as opposed to the expansion and commitment phases where the relationship investments have increased and as such trust has developed as a result of exchange (Claycomb and Frankwick, 2008). This was an important distinction to make in terms of the latitude of this study: in the provider selection phase the buyer's lack of experience with a specific partner implies high uncertainty (hence the importance of trust) and consequently frames the definition and selection of dimensions used as pillars in the development of the model. For example, if the relationship was already

established, one might have considered 'experience/past performance' as a dimension of inter-organisational trust in terms of the supplier organisation's reliability and competence in fulfilling its obligations. Without the benefit of an established relationship, the context necessitated that this dimension be substituted for that of 'supplier reputation' as a source of buyer confidence.

THE PURCHASING AGENT

Ferguson (1996) affirmed that it is people, and not companies, who make purchasing decisions. The focus of this current study was, therefore, on the individual buyer, and not on the buying centre and its influence on the purchasing decision (for example, Stock and Zinszer, 1987). Nor was the focus of this study on the perspective of the supplier, acknowledged recently as being a more common lens through which business services are classified (Wynstra, Axelsson and van der Valk, 2006). The focus of this study was thus on the individual decision-maker and decision-influencer and the relative impact of trust dimensions that shaped their personal purchasing choices.

TRUST IN THE PROFESSIONAL SERVICES SPACE

Smeltzer and Ogden (2002) asserted that considering services as one generic class provides a limited perspective, as many differences exist within service purchases. While they cited various authors who have categorised services into different classes, the relevance to this study was that the type of service had to be defined, allowing for a more focused inquiry into the challenges associated with purchasing the specific service in question. Such a perspective of service

heterogeneity encouraged the current study to be limited to professional business services. These services - as defined by Gummesson (1978) in Laing and Lian (2005) - possess the following characteristics:

- They are provided for by qualified and accredited professionals who operate in an advisory manner and who form a discrete function.
- They are provided for by professionals who have specialist knowledge to deal with problems falling within the ambit of their responsibility.

Thakor and Kumar (2000) named additional criteria in categorising professional services, also based on Gummesson's work (1978), including:

- focused on problem solving;
- the professional should have an identity; and
- the service should be an assignment from the buyer to the seller.

The professional services scoped for the purpose of this inquiry therefore included the five basic professional service categories as outlined by McDonald and Stromberger (1969) in Stock and Zinszer (1987), namely:

- Accounting, auditing and bookkeeping services;
- Advertising services;
- Business and management consulting services;
- Engineering and architectural services; and
- Legal services.

All of these service categories aligned with Gummesson's definition (cited by Thakor and Kumar, 2000; and Laing and Lian, 2005) of being delivered by accredited professionals operating in an advisory manner, in the sharing of specialist know-how to solve business problems.

RESEARCH MOTIVATION

THE CASE FOR EXPLORING TRUST IN TERMS OF ITS CONSTITUENT DIMENSIONS

The trust literature was quite varied in terms of the purpose and angle of inquiry. Trust had been explored from the perspective of its causes, benefits, nature and components, with integrative papers devising summative models, like that of Seppanen *et al.* (2007) and Young (2006). Dimensions of trust were spoken to in a more fragmented nature, however, with articles speaking to either individual dimensions, or combining them with antecedents and consequences of trust under the misguided umbrella term ‘dimensions’ (Seppanen *et al.*, 2007 and Young, 2006). The exploration of trust had been, therefore, to some extent conceptually fuzzy. Identifying the ‘authentic’ dimensions of trust, building an inclusive *a priori* model of trust sources, and motivating a super-organising framework would impose order on the chaos of trust dimensions. The trust literature thus left many issues to be resolved; hence the need for the current study.

***THE CASE FOR EXPLORING TRUST IN PROFESSIONAL SERVICES WITH
SPECIFIC FOCUS ON FIRST TIME PARTNER SELECTION***

**The purchasing of services and its coverage compared to that of
goods**

While growing in the attention it had received, the purchasing of services had traditionally been under-explored compared to that of goods (Mitchell, 1994; Fitzsimmons, Noh and Thies, 1998; Wynstra *et al.*, 2006; and van der Valk and Rozemeijer, 2009). Most of what was known in the evaluative criteria and processes used by purchasers in selecting industrial services pertained specifically to goods (van der Valk and Rozemeijer, 2009; Wynstra *et al.*, 2006; and Fitzsimmons *et al.*, 1998). This was problematic when one considered that various studies had demonstrated that organisational buyers viewed the purchase of business services as essentially different from that of goods (van der Valk and Rozemeijer, 2009; and Fitzsimmons *et al.*, 1998).

**The purchasing of industrial services as a prevalent business spend
and its coverage compared to that of consumer services**

Day and Barksdale (2003) alleged that while considerable attention to selecting professional service providers was found in the consumer behaviour literature, this was of limited value due to professional services in the consumer sector not being identical, or sometimes not even similar to those offered in the business and industrial sectors. More recently, Wynstra *et al.* (2006) noted that the classification of industrial services – that is, business services – had received

far less attention than the classification of consumer services. Pinnington and Scanlon (2009) provided currency to the comments: they emphasised that service based relationships constituted some of the most complex, evolving and interactive examples of collaborative business relationships, yet were poorly represented in the literature. Hence the need for more research on trust and inter-organisational relationships in the service industries (Seppanen *et al.*, 2007).

In spite of the general lack of academic coverage on the topic of industrial service purchasing, the purchasing of business services had generated greater interest in the literature as a more prominent purchasing decision. Since the early 1990s it had been evidenced that organisations had increasingly outsourced non-core competencies to suppliers engaged in the provision of value added services (Day and Barksdale, 2003) and, as the economy shifted toward a service economy, services were and continued to become a more significant portion of the external spend (Smeltzer and Ogden, 2002). More recently, Wynstra *et al.* (2006) maintained that the procurement of business services had become a substantial element in a firm's total acquisition of external resources. Hence the importance of Day and Barksdale's (2003) earlier insistence of the critical need to understand and research business services procurement.

Professional services purchasing: laden with risk, considerably reliant on trust and yet under covered

Professional services had been conceptualised as a purchasing decision laden with considerable risk, hence the potential for purchasing to add considerably more value (West, 1997). Mitchell (1994) explored such risk as stemming from the fact that the professional services purchasing decision could involve significant investments of time, money and personnel without any guarantee of a successful outcome, hence the buyer uncertainty. Furthermore, with little knowledge of potential providers during the awareness phase, and with little experience of their performance in the exploration phase, buyer uncertainty would be at an all time high (Claycomb and Frankwick, 2007), hence the role of trust. This was reinforced by Bagdoniene and Jakstaite (2009) who claimed that risk, vulnerability and uncertainty mostly affected professional service relationships in the pre-relationship and exploratory stage.

Furthermore, in their study on buyer decision-making uncertainty in organisational purchasing, Gao, Sirgy and Bird (2005) found empirical evidence for the relational construct 'trust' and its ability to reduce buyer insecurity when the perception of trust existed. In addition, studies had provided proof to contradict propositions of low initial trust at the beginning of the relationship (Harrison Mcknight, Cummings and Chervany, 1998). Harrison Mcknight *et al.* (1998) concluded that studies had revealed high initial trust findings, which needed to be explored further.

Exploring trust in the professional services space had, therefore, become progressively more valuable with the increasingly important and common business decision to use professional services. In addition, the literature within the domain of services, and professional services in particular, had been limited with regard to the buyer decision-making process and trust. Taking into account the findings that:

- professional services were characterised by a high level of risk;
- trust reduced the perceived risk born out of uncertainty;
- initial high trust in relationships was possible; and
- trust shaped personal action and buying decisions,

understanding the nature of how to build confidence among potential buyers could confer significant competitive advantage on suppliers who possessed such knowledge.

THE CASE FOR EXPLORING TRUST IN SOUTH AFRICA

In their critical review of inter-organisational trust for the period 1990 – 2003, Seppanen *et al.* (2007) considered the cultural and national implications in evaluating the concept of trust, citing the work of Sako and Helper (1998) and Dyer and Chu (2000) for empirical evidence on the effect of culture and trust. In their review of past research, they concluded that the majority of studies performed at the national level were in the United States, followed by Netherlands, Canada, China and the United Kingdom. Little work in the developing world beyond China was identified. No South African based studies were detected. In addition to a lack of research on trust originating from South Africa, evidence existed that supported the notion that trust was culture specific,

hence the need for country specific studies. In the 2009 Edelman Trust Barometer (www.edelman.com/trust), when asked about their trust in business in general, respondents in individual countries revealed a wider spectrum of trust. This led the report's authors to infer that trust in business is country-specific, lending weight to the need for a study in South Africa.

There was an opportunity, therefore, to generate trust based research that originated from South Africa, understanding business to business trust in the South African environment. While the study's purpose was not to explore cultural effects on trust, if the findings in the Seppanen *et al.* (2007) review and the Edelman Trust Barometer (www.edelman.com/trust) were to be accepted, this current study would, to some extent, be appropriated by the South African context. The topic was, therefore, academically relevant to South Africa in that it was both generated within its borders, and informed by its values, adding South African based literature to the growing body of knowledge within the province of trust. The research also provided South African professional service providers with a view on what dimensions to leverage in building trust based partnerships.

The research was therefore motivated by:

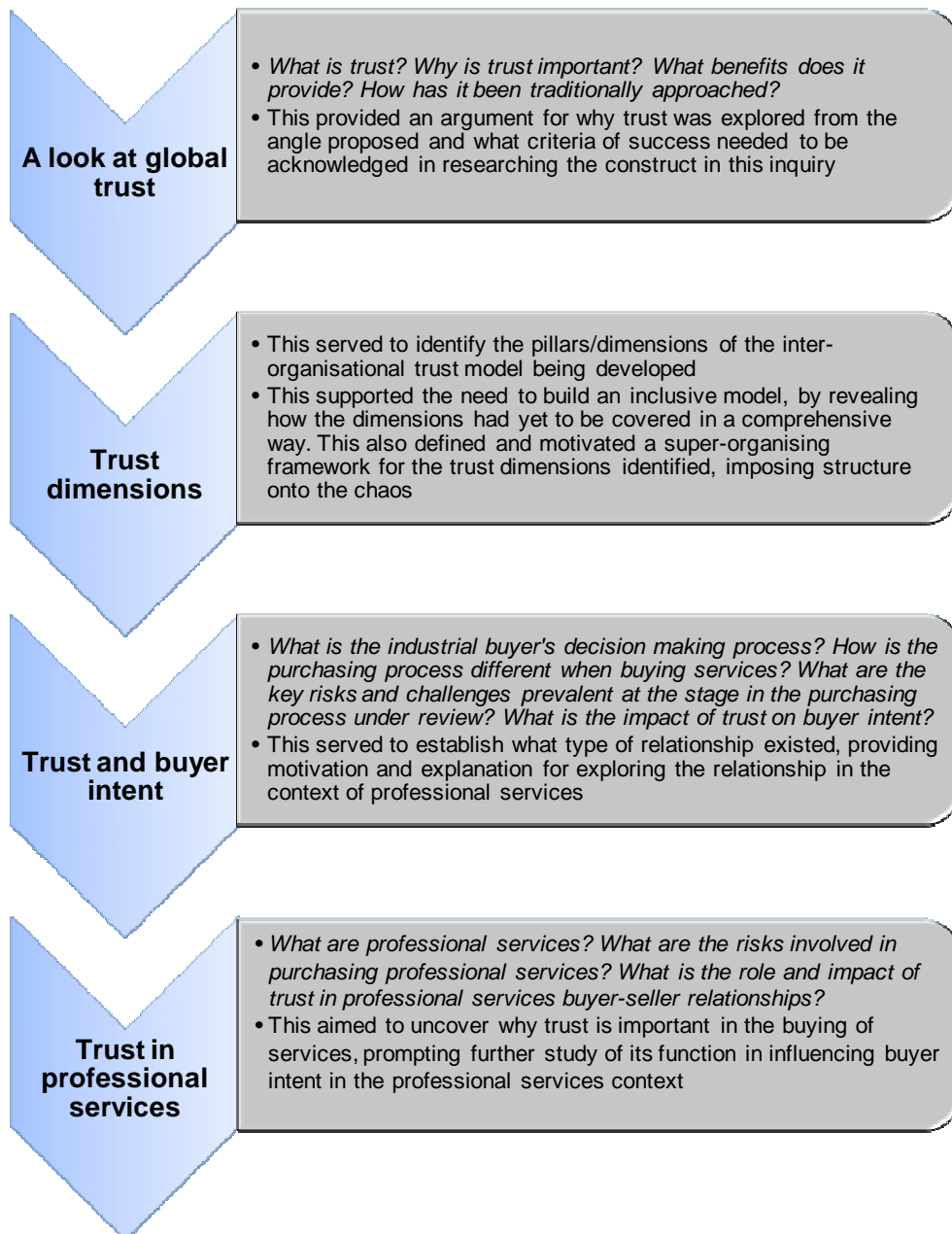
- the need to conceptualise an integrative *a priori* model of business to business trust dimensions;
- the need to explore trust and purchasing in the professional services context; and
- the fact that trust in the business to business arena was underexplored in South Africa.

CHAPTER 2: LITERATURE REVIEW

INTRODUCTION

The theory reviewed in this chapter of the report was structured according to the following framework:

Figure 2.1: Structure of literature review



TRUST AS A GLOBAL CONCEPT

TRUST AS A CONCEPT - WHAT IS IT?

A central component of effective relationships

Since Morgan and Hunt's commitment and trust theory (1994), trust has become a central component of business to business marketing. Mouzas, Henneberg and Naude (2007) outlined the two different ways the concept has been defined in the marketing literature, namely:

- as a constituent component of relationship quality; and
- as a necessary determinant of sound business relationships.

More recently, Pinnington and Scanlon (2009) acknowledged that a small number of relationships account for a large percentage of inter-organisational business. Such strategic relationships have necessitated a move from the marketing concept of traditional transactional exchanges to more interactive, longer-term partnership relationships. Within these relationships, trust (or more precisely, the lack of trust) was frequently cited as the reason why dyadic relationships turned out to be less effective than planned (Ghosh and Fedorowicz, 2008; and Sahay, 2003). Such findings were iterated by Eisingerich and Bell (2008), who found trust to be the most frequently quoted characteristic of strong network linkages.

Trust as the belief in another's ability and good intentions

The literature revealed that the construct 'global trust' represented a two-fold belief that the behaviour of the other would be positive in terms of both the 'what' and the 'how' of their functioning in the partnership. That is:

- *what* - that they deliver competently against defined outcomes; and
- *how* - that they act with good intent.

Trust, therefore, included both an expectation of ability and integrity. For example, the term 'company/supplier firm trust' was used by the likes of Chow and Holden (1997); Doney and Cannon (1997); Zaheer, McEvily and Perrone (1998); Plank, Reid and Pullins (1999); and Gassenheimer and Manolis (2001) to measure the sense of overriding trust the buyer has in a supplier to act in good faith and deliver competently against required outcomes. This also served to explain the distinction made by authors between cognitive and affective trust. Cognitive trust is a customer's confidence or willingness to rely on a service provider's competence and reliability; while affective trust is the confidence one places in a partner on the basis of feelings generated by the level of care and concern the partner demonstrates - the perception that a partner's actions are intrinsically motivated (Johnson and Grayson, 2005).

Trust was therefore underpinned by a two-dimensional confidence: the 'what' - the confidence that stems from the belief that the other party is reliable and credible to fulfil its duty (Gil-Saura, Frasset-Deltoro and Cervera-Taulet, 2009; and Wong, Chan, Leung and Pae, 2008); and the 'how' - the confidence of one party in a two-way relationship that the other party will act with benevolence, a high degree of integrity, and not exploit its vulnerabilities respectively (Gil-Saura

et al., 2009; Wong *et al.*, 2008; and Ghosh and Fedorowicz, 2008). Authors such Adobor (2006) went so far as to explicitly draw the distinction between trusting a prospective partner's capability to deliver on the goals of the alliance, and determining whether they are trustworthy.

Trust – what are the benefits?

In a critical review of the empirical research for the period 1990-2003, Seppanen *et al.* (2007) concisely outlined the benefits of global trust as a success factor in relationships, as theorised by various authors. These benefits included the facilitation of more open communication, information sharing and conflict management; a threshold condition for the evolution of inter-organisational cooperation; increased predictability and adaptability; improved strategic flexibility; reduction of transaction costs, such as costs from governance; and the enablement of informal network collaboration and collaborative innovation (Seppanen *et al.*, 2007). Trust was therefore acknowledged by the literature as important. This was due to the benefits it provides to relationship development, effectiveness and performance, key in the current business landscape of highly networked and collaborative structures.

Historical research on trust: a call for clarity in conceptualisation

It was also important to note that a consistent theme in the trust literature was the call for clarity in terms of the conceptualisation of the construct. Mouzas *et al.* (2007) contributed to this appraisal when they claimed that the domain of trust was rarely specified and its conceptual dimensions were used with

imprecision and ambiguity. The literature summary undertaken brought to the fore the following areas of construct ambiguity for attention going forward:

- a confusion between antecedents, components and consequences of trust (Rousseau, Sitkin, Burt, and Camerer, 1998);
- a lack of clarity between a focus on trustworthiness or the mutual trust that exists in a relationship (Seppanen *et al.*, 2007); and
- an uncertainty of standpoint, whether trust was studied with an inter-person, inter-group or inter-organisation perspective (Schoorman, Meyer and Davis, 2007).

Consequently, the current study was clearly oriented as an inter-organisational study, focusing on the dimensions or components of inter-firm trust. This included both the perception of trustworthiness in personal relationships and the sense of reliance on other impersonal dimensions of inter-organisational trust.

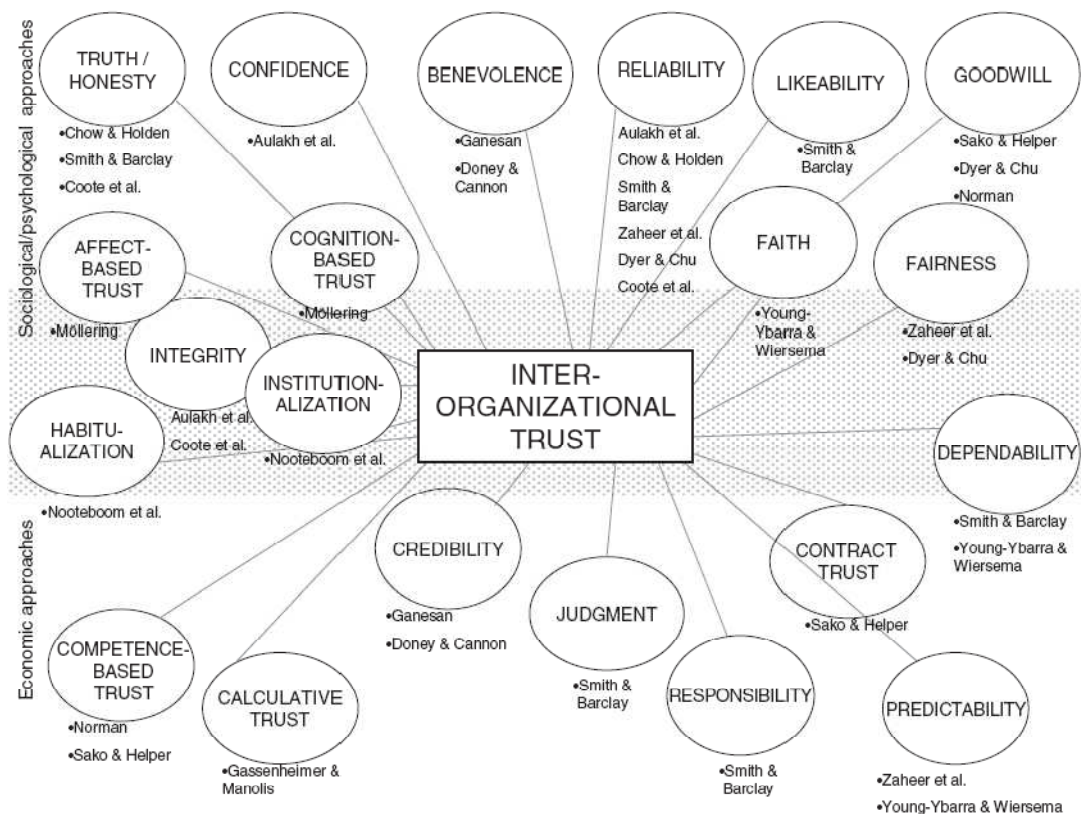
In *'Trust, Looking Forward and Back,'* Young (2006) surveyed the number of approaches taken by authors in conceptualising the construct. Young (2006) concluded that the literature had usually considered trust either in terms of the conditions that engender trust and/or benefits that arise from it; while the work that considered the essence of trust had presented itself from either a cognitive or emotional perspective (Young, 2006, p. 440). Dimensions of trust in an inter-organisational professional services context and developed into a composite model would, therefore, offer something new to the trust dialogue beyond antecedents and consequences.

TRUST DIMENSIONS

CLARITY ON WHAT IS MEANT BY DIMENSIONS

The trust theory extensively covered the concept, causes and consequences of trust, with certain journal articles attempting to integrate the work of various authors, building models that synthesised divergent perspectives. This included the work of Young (2006) taking an integrated look at the nature of trust; and Seppanen *et al.* (2007) in terms of dimensions, antecedents and consequences of trust. The problem arose in that what were very often antecedents or consequences of trust were erroneously coined ‘dimensions,’ as in the authors labelling of the figure below.

Figure 2.2: Dimensions of trust as summarised by Seppanen *et al.* (2007, p. 255)



For the purpose of this literature review, wherein the objective was to establish pillars for a framework of inter-organisational trust dimensions, dimensions of trust were defined as key components or constituents, either personal or impersonal, from which the perceptions of trust are derived. The diagram above therefore illustrates that while the field of inter-organisational trust had been well covered, some work remained to create clarity as to which could be higher order factors, like dimensions, and which could be lower order constructs, like the aspects and conditions of those dimensions that engender trust. This further provided motivation for building an *a priori* model of higher order dimensions, and then validating the model in terms of its components and outcomes (their relative importance in influencing purchase intent).

PROCESS ADOPTED IN SOURCING DIMENSIONS

Potential dimensions were sourced from a review of the relevant literature. Here, sources of trust relevant to the pre-selection phase, where clients become aware of feasible partners and make initial exploratory contact with potential providers, were identified. The extracted trust dimensions were then classified according to the framework of Trust versus Reliance based dimensions.

MOTIVATING THE SUPER-ORGANISING FRAMEWORK

The following table, an adaptation from Mouzas *et al.* (2007), serves to summarise the differences between the factors of the super-organising framework used by the current study, one which integrates the perspectives of the authors that were reviewed.

Table 2.1: Summary of the differences between Trust and Reliance, the two constructs of the super-organising framework.

Adapted from Mouzas *et al.* (2007)

Conceptual dimension	Trust	Reliance
Type of dimension	Personal	Impersonal
Structural mode	Beliefs, sentiment, attitude	Agreement, institutions, roles, processes, reputations
Type of risk	Relational	Performance
Basis of reciprocity	Morality	Interest
Construct source	Emotions	Rationality
Relationship level	Interpersonal	Organisational, institutional
Relationship grounding	Commitment, benevolence	Reasonable expectations, credibility
Sanctioning mechanism	Voluntary	Penalties

The framework (Trust versus Reliance) recognised the distinction in dimensions identified by various authors. Mouzas *et al.* (2007) asserted that Trust was the result of interpersonal relationships between employees of interacting organisations, embodied in the dimensions of belief, expectation, willingness and confidence - a psychological state that assumed the outcomes of another would be acceptable and aligned to one's own interests. Mouzas *et al.* (2007) discriminated between Trust and Reliance, and used the term Reliance to describe the non-personal rational standards within organisational relationships that dictate the certainty of business exchanges. For Mouzas *et al.*, (2007) Trust was about trustworthiness, whereas Reliance was about reciprocity of interest. Mouzas *et al.* (2007) cited Blois (1999) who debated the point further, claiming that a difference existed between trusting someone and relying on someone to do something. Reliance did not involve an emotive element; it involved rational standards that circumscribed institutionalised rules of doing business. This was linked to the notions of reasonable expectations, positive outcomes and proven capabilities (Mouzas *et al.*, 2007).

Mouzas *et al.* (2007) were not the only authors who discerned between Trust as an emotive state at play in interpersonal relationships and Reliance in its manifestation of agreements and institutionalised forms of business interaction. Adobor (2006), too, recognised that trust as an emotional paradigm and rational standard were two separate conceptual bases. Adobor (2006) asserted that trusting a potential partner's capability was related to performance risk and determining whether or not they were trustworthy was related to relational risk. More recently, the distinction was made between personal and impersonal sources of trust (Ellonen *et al.*, 2008). They contended that impersonal trust was based on the roles, systems and reputations from which inferences can be drawn about one's ability to act in anticipation of a successful future (Ellonen *et al.*, 2008). Such organisational trust would be institutional and resident in organisational practices and processes that would not be personalised to its members. This is as opposed to the personal sources of trust found in interpersonal relationships (Ellonen *et al.*, 2008).

Mouzas *et al.*'s (2007) super-organising framework (Trust versus Reliance) was, therefore, selected as a logical means of grouping and classifying trust dimensions, motivated by what current literature saw as two independent constructs. The case for adopting such a framework was further reinforced by the call for the need to develop an integrative model of the multiplicity of Trust and Reliance dimensions in order to understand more fully the complexity of business relationships (Mouzas *et al.*, 2007).

DIMENSIONS OF TRUST IDENTIFIED IN THE LITERATURE

The diagram below is a summary of the sources of trust identified through the literature review. The framework of Trust versus Reliance based dimensions was used to group sourced components into a structured composite. Each of the six pillars will be discussed in turn.

Figure 2.3: Summary of the inter-firm pillars of trust dimensions identified in the literature

Dimensions of inter-organisational trust					
Trust dimensions (personal)	Reliance dimensions (impersonal)				
Interpersonal trust	Policies, Systems & Processes trust	Contractual trust	Cultural trust		
<ul style="list-style-type: none"> • Adobor (2006) • Bagdoniene & Jakstaite (2009) • Chia (2005) • Chow & Holden (1997) • Coulter & Coulter (2002) • Covin & Fisher (1991) • Currall & Judge (1995) • Day & Barksdale (1994) • Doney & Cannon (1997) • Dwyer, Schurr & Oh (1987) • Fullerton & West (1996) • Ganesan & Hess (1997) • Gassenheimer & Manolis (2001) • Lian & Laing (2007) • Tubin & Levin-Rozalis (2008) • Zaheer, McEvily & Perrone (1998) • Zolkiewski, Lewis, Yuan & Yuan (2007) 	<ul style="list-style-type: none"> • Cannon & Perreault (1999) • Dillard, Rigsby & Goodman (2004) • Greenberg, Greenberg & Antonucci (2008) • Harrison McKnight, Cummings, & Chervany (1998) • Mouzas, Henneberg & Naude (2007) • Nooteboom (2002) • Zaheer, McEvily & Perrone (1998) 	<ul style="list-style-type: none"> • Adobor (2006) • Cannon & Perreault (1999) • Fullerton & West (1996) • Ghosh & Fedorowicz (2008) • Homburg & Stebel (2009) • Laaksonen, Pajumen & Kulmala (2008) • Mellewig, Madhok, Weibel (2007) • Mouzas, Henneberg & Naude (2007) • Nooteboom (2002) • Poppo & Zenger (2002) 	<ul style="list-style-type: none"> • Ardichvili, Mitchell & Jondle (2009) • Barney & Hanson (1994) • Beugelsdijk, Koen & Noorderhaven (2008) • Bibb & Kourdi (2004) • Firestein (2006) • Hatch & Schultz (1997) • Hewett, Money & Sharma (2008) • Koh & Boo (2004) • Nooteboom (1999) • Nooteboom (2002) • Rashid, Sambasivan & Johari (2003) 		
		Reputational trust		Product/Service trust	
		<ul style="list-style-type: none"> • Blois (1999) • Claycomb & Frankwick (2008) • Day & Barksdale (1994) • Johnson & Grayson (2005) • Keh & Xie (2008) • Laaksonen, Pajumen & Kulmala (2008) • Lui, Ngo & Hon (2006) • Mitchell (1994) • Smeltzer & Ogden (2002) • Stock & Zinszer (1987) 		<ul style="list-style-type: none"> • Coulter & Coulter (2002) • Eggert, Ulaga & Shultz (2006) • Laaksonen, Pajumen & Kulmala (2008) • Plank, Reid & Pullins (1999) • Zolkiewski, Lewis, Yuan & Yuan (2007) 	

Pillar 1: Interpersonal trust

What is Interpersonal trust?

Currall and Judge (1995) defined this trust dimension as an individual's behavioural reliance on another person under the condition of risk, the referent being the individual in the supplier organisation who provides the linking mechanism across organisational boundaries, namely the organisational boundary role person (BRP). In terms of the qualities of the BRP that engender trust and commitment in the professional services space, Day and Barksdale's 2003 study alluded to hard and soft factors as to why we develop interpersonal trust (personal chemistry and understanding of clients' needs), with Bagdoniene and Jakstaite (2009) emphasising staff competence, experience, insight, creativity, understanding of client psychology and communication skills. This was reinforced by the Fullerton and West (1996) study which cited consultant credibility as the key dimension perceived by consultants as discriminating successful relationships from unsuccessful ones; with clients perceiving the most critical dimension to be the consultant's understanding of the practicalities of the client organisation and problem, the basis of tailor made solutions.

Why is Interpersonal trust important?

Lian and Laing (2007) proposed that the development of organisational relationships was frequently perceived to be anchored in the personal relationships that existed between staff in the respective organisations, and in turn such personal relationships were seen to be key influences on the fort and nature of the purchasing process. Tubin and Levin-Rozalis (2008) similarly

affirmed that personal relationships between the organisational representatives were most important as they could weaken the formal structure of the partnership and harm its effectiveness if not positive. In understanding how such relationships could exert influence, earlier research such as Currall and Judge (1995) provided insight: Currall and Judge (1995) posited that it is this relationship that modifies the evolving nature of the collaboration in its role of negotiating and executing agreements; communicating and monitoring the implementation of collaborative arrangements; and providing the benefit of reducing the costly necessity of control mechanisms.

In terms of the outcomes and implications of BRP trust, Day and Barksdale (1994) highlighted that in evaluating a consideration set of potential providers, 'quality of people assigned to the account' was one of the key cues which clients used to assess a provider's industry expertise. Thus, in light of this boundary spanning role, the professionals responsible for providing such services are seen not only to have a technical function, that is the delivery of the service, but equally to play a critical role in shaping the purchasing process and in the formation and development of long-term relationships (Lian and Laing, 2007).

The Interpersonal trust dimension in relation to other dimensions

Interpersonal trust was generally studied in conjunction with 'company trust.' Doney and Cannon (1997) made the distinction between trust in the interpersonal relationship with the BRP and trust in the supplier company. Furthermore, Zaheer *et al.* (1998) challenged the idea that BRP trust was the only construct in inter-firm exchange. Zaheer *et al.* (1998) acknowledged that

inter-firm trust operated at two levels of analysis: interpersonal trust in terms of the extent of a BRP's trust in his or her counterpart in the partner organisation; and inter-organisational trust being the extent of trust placed in the partner organisation by members of the focal organisation. Gassenheimer and Manolis (2001) built on the earlier work of Doney and Cannon (1997) and Plank *et al.* (1999) in devising a multi-dimensional model of trust by exploring trust in the salesperson and company as mediating dependence. Once again, the reference to organisational trust was made at a higher order level with regards to its definition, and the constituent dimensions of what makes us develop trust for a firm beyond the interpersonal relationship with the BRP was not deconstructed.

For the purpose of understanding trust in this current study (breaking down global trust into composite dimensions), the scales used by Gassenheimer and Manolis (2001), Doney and Cannon (1997) and Zaheer *et al.* (1998) were investigated further. Upon examination it was evident that 'company trust' was used as a generic dimension for the buyer's belief in the extent to which the supplier organisation was fair handed in negotiations and unlikely to use opportunities to profit at the buyer's expense. The studies (Gassenheimer and Manolis, 2001; Zaheer *et al.*, 1998; Doney and Cannon, 1997; and Plank *et al.*, 1999), therefore, failed to break down and collapse the global term 'Inter-organisational trust' into its components, a key input of the current study.

Interpersonal trust in relation to? - Empirical findings

When studies did include the Interpersonal trust dimension, they found a positive link between trust in the BRP and relationship development (for example, Chia 2005). Most studies, however, either looked at Interpersonal trust outside of the services context, and/or not in relation to purchase intent. For example, proof was found for the essentiality of trust in both the salesperson and the company in forming strategic alliances with suppliers (Chow and Holden, 1997); that trust of the supplier's salesperson (particularly their expertise) had a positive effect on the trust of the selling firm (Doney and Cannon, 1997); that interpersonal credibility (as opposed to benevolence) was a significant predictor of relationship commitment to a vendor organisation (Ganesan and Hess, 1997); and that consultant competency and fit with the company's needs and clients were two of the three reasons for success or failure of consulting projects (Covin and Fisher, 1991).

The context of the Chow and Holden (1997) study was, however, in the electronic circuit board industry and not in the services plane, let alone professional services, whereas Doney and Cannon's (1997) study took place in the industrial manufacturing industry and not in the professional services space. Furthermore, Ganesan and Hess's study (1997) was in the business to consumer retail landscape. Hence none of these studies took place in the business to business services arena. In terms of outcomes, Currall and Judge's inquiry (1995) measured the trust between BRPs in relation to the expected future longevity of the relationship and the ability to handle conflict; the Covin and Fisher (1991) study was in relation to relationship success; and the Plank *et*

al. (1999) study in relation to salesperson effectiveness. All authors found positive links, and yet their focus was not on first time provider selection.

At what phase of the relationship development process does Interpersonal trust hold sway?

Dwyer *et al.* (1987) posited that direct experience was the principal means for assessing trustworthiness in the exploratory phase of a relationship, a position reiterated by Adobor (2006) who believed that personal ties were key to reducing uncertainty at the pre-relationship and purchasing phase. This was reinforced by the findings of Coulter and Coulter (2002), who found proof for the hypothesis that person-related characteristics of the service provider were important earlier in the buyer- supplier relationship.

Zolkiewski, Lewis, Yuan and Yuan (2007), however, cited the work of Gounaris and Venetis (2002), whose primary focus was on the development of trust and the role of service quality as its antecedent. They found that the cues that signal the company's ability to handle the project were more important in the initial phase of relationship development, and the soft process quality cues (related to interpersonal interactions) were more influential in mature relationships (Zolkiewski *et al.*, 2007). From an empirical perspective, Currall and Judge (1995) determined that key to trusting a BRP was their past trustworthiness or lack thereof. This raised questions as to the degree to which the Interpersonal trust dimension could be used as a factor to influence first time purchase decisions, in that little may be known of previous performance and trust based behaviour.

The dimension - Interpersonal trust - has thus been strongly identified as a unique dimension from which trust is derived, with some contrasting evidence as to its importance at the relationship and purchasing stage under review - first time buyer intent. The dimension was placed under the 'Trust' arm of the super-organising framework as the type of trust is personal and 'trustworthiness' focused, and addresses risk that is relational in nature.

Pillar 2: Product /Service trust

Definition - Product/Service trust

As part of the network of trust dimensions identified by Plank *et al.* (1999), Product trust was listed as a distinct construct, defined as the buyer's belief that the product or service would fulfil obligations as understood by the buyer, with empirical evidence as to its positive impact on salesperson effectiveness. This dimension was further validated by the findings that product performance was significantly associated with cognitive trust (although the context was not at the pre-relationship stage) (Johnson and Grayson, 2005). Product/Service trust was further supported by Eggert, Ulaga and Shultz (2006) whose focus was on the moderating effects of the relationship lifecycle on value creation in business relationships. While they defined the relationship process as build-up, maturity, and decline - and of particular interest here is the pre relationship establishment phase - they identified product quality as a source of value creation, with the respective aspects being product performance, product reliability and product consistency.

In the absence of further material that spoke directly to the trust derived from inter-firm products and services, the work of Laaksonen, Pajunen and Kulmala (2008) who built on that of Sako (1992) provided additional insight. Laaksonen *et al.* (2008) used Sako's components for types of trust, namely contractual, competence and goodwill. When competence based trust was examined more closely, it was evident that this could well act as a proxy for Product/Service trust. Competence trust referred to the ability to deliver according to the agreement, particularly the consistent delivery of high quality products (services) in a timely and accurate manner, amongst other things. Competence trust was therefore the skill that engendered trust, but for the context of this study, could well be a Product/Service dimension. Furthermore, in exploring the literature for suggestions for trust creation and maintenance, Perks and Halliday (2003) found three critical triggers in the trust creation process, one of which was knowledge of the partner's resources and capabilities. In the professional services space, this could well be the supplier's products and services, in addition to the skill of employees in customising these dimensions to meet clients' needs.

Product/Service trust and early relationship stages

Zolkiewski *et al.* (2007) examined trust development in the early stages of a relationship and posited that potential quality (the cues the company uses to signal its ability to handle the project) was the most important dimension, one with clear implications for the Products and Services dimension. As one part of Plank *et al.*'s (1999) multi factor scale (salesperson and company trust being the other two dimensions), Product/Service trust was found to be a legitimate component of their model, with a significant positive impact on salesperson

effectiveness. Furthermore, Coulter and Coulter's (2002) findings affirmed the importance of Product/Service trust at the pre-relationship stage. Their results indicated that offer related characteristics of the service provider (competence and customisation characteristics associated with the Product/Service dimension) were important at the beginning phase of the relationship, and grew in significance as the relationship evolved.

Product/Service trust was, therefore, included in the model being developed, as the buying company would need to believe the supplier has the capabilities and resources to deliver quality on the job. This is derived from the perception that the product or service being bought would meet the identified need and create value. The dimension was placed under the 'Reliance' arm of the framework, as the dimension is impersonal in nature, deals with perceived performance risk, and is grounded in the reasonable expectations the buyer has about the supplier's credibility to deliver successfully on project outcomes.

Pillar 3: Culture trust

Definition - Cultural trust

Organisational culture is the shared values and beliefs that provide employees with the norms for behaviour in the organisation (Hewett, Money and Sharma, 2008). Such a culture would guide actions in terms of the codes of behaviour and ethics that control intentions and the role models that instil the values and ethics of the organisation (Nooteboom, 2002). Bibb and Kourdi (2004) identified several characteristics that are present in a culture of trust, namely: shared values; shared goals; open and authentic leadership; a culture of consensus not

force; an atmosphere of fun and enjoyment a desire to learn not blame; honesty; and authentic conversations. Furthermore, the characteristics of ethical cultures were outlined by Ardichvili, Mitchell and Jondle (2009) as being mission and vision driven; stakeholder balance; leadership effectiveness; process integrity; and long term perspective. Culture is therefore a source of trust as its processes and principles possess the ability to focus attitudes and behaviours towards goal achievement, instilling values that that are in stakeholders' and buyers' best interests.

Benefits of a strong Culture

A strong corporate culture has been advocated as a managerial aid to enhance corporate performance in that it facilitates the transfer of appropriate processes and practices such as work behaviours and greater commitment to corporate values and objectives (Welch and Welch, 2006). The performance benefits of a strong corporate culture have been viewed as being derived from three consequences, namely: enhanced coordination and control within the firm; improved goal alignment between the firm and its members; and increased employee effort (Welch and Welch, 2006). Such performance benefits have been empirically proven by the likes of Rashid, Sambasivan and Johari (2003), Koh and Boo (2004), and Xenikou and Simosi (2006). These performance benefits in some part could be seen to contribute to reputational benefits. Firestein (2006) drew the link between culture and reputation, when he asserted that it is through an internal culture that a positive opinion of the company is forged by successfully coping with expected and unanticipated challenges.

Previous research has in fact reinforced how the cultural context of an organisation is able to influence the image of the organisation with its external audiences through the meaning that it conveys (Hatch and Schultz, 1997).

Ultimately, performance and reputational benefits form a solid foundation for trust based benefits. Barney and Hanson (1994) contended that strong cultures lead to strong form trustworthiness of firms, yet underscored the need for firms to have in place a culture and associated control systems that reward trustworthy behaviour. Nootboom (2002) reinforced this when he referred to culture as a focusing device because of its ability to help external parties trust the people within an organisation in their understanding that intentions are shaped, even unintentionally by culture. It would be understandable then that from a buyer's perspective, perceptions of the supplier's culture as one whose values and practices serve well to dominate normative behaviour in a positive performance and relational direction would reduce uncertainty in moving ahead with a first time purchase.

A further reason for integrating the dimension Culture into the model being developed emerged: supplier culture could be a source of trust when perceived by the buyer as being similar to their own. Nootboom (1999) proposed that culture could be a source of inter-firm trust because of the shared norms between two partners, which encourages bonding. Empirical evidence was offered to support this notion with more recent theory suggesting that culture may impact relationship performance, but specifically so when similar cultures exist in inter-firm partners (Beugelsdijk, Koen and Noorderhaven, 2008). While the Beugelsdijk *et al.* study (2008) looked at relationship performance, and not

relationship initiation, their findings indicated that differences in organisational culture are larger in less successful inter-firm relationships, but did not influence the perceived relationship success significantly.

Thus, while no studies were found directly exploring the relationship between trust in a firm's culture and intention to purchase, if potential buyers perceive a supplier's culture as fostering ethically driven stakeholder behaviour and bottom-line performance (Ardichvili *et al.*, 2009), it is understandable how they might feel more secure in their purchase decision. In addition, if they perceive the supplier's culture as focusing employee intent and ability through rewarding trustworthy behaviour (Barney and Hanson, 1994) and generating greater coordination and commitment to corporate values and objectives (Welch and Welch, 2006); it is plausible that the Culture dimension would shape their beliefs about the trustworthiness of the supplier firm (Hatch and Schultz, 1997) and its employees (Nooteboom, 1999), influencing first time procurement decisions.

Culture was thus included in the model being developed and was placed under the 'Reliance' arm of the super-organising framework. The motivation for this was that it is an institutional dimension, impersonal in nature, allowing buyers to have reasonable expectations about how the organisation and its employees will perform.

Pillar 4: Policies, Processes and Systems

Definition – Policies, Processes and Systems as trust derivatives

Harrison Mcknight *et al.* (1998) asserted that institution-based trust researchers maintain that trust reflects the security one feels about a situation because of guarantees, safety nets or other structures. This definition was extended by Mouzas *et al.* (2007) as the trust placed in systems and institutions, and the trust that emanates from structural arrangements.

Such ‘safety nets, guarantees and structures’ have been conceptualised by various authors: by Zaheer *et al.* (1998) as institutionalised processes, the codified informal commitments made by individual BRPs which over time become established organisational routines and enduring roles; by Cannon and Perreault (1999) as the systems, routines and processes that act as ‘operational linkages,’ specifically when those of the buyer and seller have been linked to facilitate operations; by Nootboom (2002) as rules, ethics and professional standards that govern exchange; and by Dillard, Rigsby and Goodman (2004) as the rule-bound and standardised social practices that develop and are learned within an organisation. In terms of context, although the Zaheer *et al.* (1998) definition refers to the deep cooperative relationships that emerge over time, and the focus in the current study was at the partner selection phase before expanded relationship exchanges have taken place, the assumption was that during the exploration phase, a buyer would seek to understand potential partners’ norms of working as a means of reducing uncertainty.

The benefits of Systems, Processes and Policies trust

Institutional means of business interactions are key standards to reduce risk (Mouzas *et al.*, 2007). In an attempt to understand why, Zaheer *et al.* (1998) proposed that practices and routines created a stable environment within which trust would develop; such internalised norms could become socialised trust structures that shape an exchange. Cannon and Perreault (1999) extended the understanding of benefits in their contention that Systems, Processes and Policies tend to specify roles implicitly or explicitly for both parties in a relationship, providing prudent, rational and legitimate accounts of organisational activities, preventing the organisation from having its conduct questioned (Dillard *et al.*, 2004).

Systems, Processes and Policies trust in relation to other dimensions

The Zaheer *et al.* (1998) study (while not taking place at the initiation phase of the relationship) explored the relationship between inter-organisational trust (of which processes trust forms part) and interpersonal trust. Their empirical findings supported the view that interpersonal and inter-organisational trust were related and mutually reinforcing. Nooteboom (2002) extended this understanding of the relationship between impersonal and personal trust dimensions, albeit at the conceptual level only. He viewed systemic trust as an important concept in that it could be both an object and source of trust. The trust in the people in the organisation would depend on the trust in the organisation. Hence the system would be the basis for personal trust, and personal trust could impact trust in the system, a classical example of the issue of structure and agency supporting the mutually reinforcing view of Zaheer *et al.* (1998). No

studies were detected looking at Systems, Polices and Processes trust in relation to any of other dimensions outlined in this study.

Systems, Processes and Policies trust – early relationship phases

Institution based trust is the belief that the necessary impersonal structures are in place to enable one to act in anticipation of a successful future endeavour, potentially important at the beginning of the relationship (Harrison Mcknight *et al.*, 1998). More recently, Greenberg, Greenberg and Antonucci (2008) also addressed Systems trust and acknowledged its wide recognition in the information systems literature. While the context of information systems was different to that of this study, the importance of Systems as a trust dimension was not: Greenberg *et al.* (2008) contended that systems enable innovative relationships to transpire through seeking to protect the parties from intentional or unintentional negative actions and consequences. They cited other authors whose findings spoke to aspects such as availability, confidentiality, accountability and integrity that engendered trust in a system. While their study's focus was on the business process outsourcing transaction relationship, they proposed that after the contact phase, where the decision-making process is embarked on to purchase goods or services from a third party, the contract phase is arrived at. At this point in the process, trusted systems were found to be vital in encouraging the buyer to move ahead with confidence with the service level agreement (Greenberg *et al.*, 2008).

Based on their findings, Mouzas *et al.* (2007) asserted that trust is only applicable at the level of interpersonal relationships; and all non-emotive paradigms that involve rational standards of reliance, of which Systems,

Policies and Processes form part, are applicable at the inter-organisational level and need to be included as an additional lens on business relationships. Institutionalised Systems, Policies and Processes were therefore included as a dimension in the model being developed, because of the ability of structures and routines to reduce levels of uncertainty as to how sellers deliver value. The dimension was placed under the 'Reliance' arm of the framework as it is an impersonal dimension that enables buyers to rationally form realistic expectations about the supplier's performance and credibility.

Pillar 5: Contractual trust

Contracts as a means of addressing performance and relational risk, key to professional services

Mouzas *et al.* (2007) used the term Reliance (as opposed to Trust) to refer to the non-person based rational standard within inter-organisational relationships. They cited business agreements as an example of such a reliance mechanism because of their ability to establish a relationship based on recognition and respect and the expectations of those contracting being legally protected (Mouzas *et al.*, 2007). Mellewigt, Madhok and Weibel (2007) distinguished between two types of risk in inter-organisational relations: relational and performance. Whereas relational risk, defined as the probability and consequences of not having satisfactory cooperation, relates to the hazards of self-interested behaviour among alliance partners; performance risk has to do with the hazards of not achieving the performance objectives of an alliance, given cooperation. The contract addresses both types of risk, essential to the professional services space because of its characteristically high degree of

transactional uncertainty, double moral hazard risk, and the need for incentives to control the behaviour of those involved in the service encounter (Homburg and Stebel, 2009). The value of the contract was empirically supported by Fullerton and West (1996) in that both clients and consultants perceived the contract as a significant dimension of relationship success, ensuring clear aims, objectives and roles for all parties in the consulting project.

The Contract dimension as a mechanism of sharing risk and coordinating activities

In terms of understanding how contracts might reduce buyer uncertainty and build initial trust, Ghosh and Fedorowicz (2008) provided insight in their exploration of the role of trust in supply chain governance. They focused on contracts as a key governance mechanism, designed to attain two main objectives:

- delineate authority-responsibility structure; and
- share risk among chain partners.

Since multiple organisations are involved in a supply chain, in this case the buyer and seller of professional services, Ghosh and Fedorowicz (2008) contended that contracts provide a means to enforce coordination and risk sharing among players, each pursuing their independent and sometimes conflicting objectives. Their case findings indicated that the adoption at the outset of the relationship of governance mechanisms increased the amount of information sharing between the buyer and its supplier, leading to better coordination and down the line performance and process improvements. Such a coordination and risk sharing perspective aligned with the earlier propositions of

various authors who explored the contract's role, including the contract's utility as a vehicle of management control and governance; reducing the transaction costs by reducing relational risk (Nootboom, 2002); the protections available through the legal system should something go wrong in addition to the regulation of the relationship by furnishing a plan for the future (Cannon and Perreault, 1999); and an attractive means for reducing risk in that they specify the rights and responsibilities of the partners, and reduce the risk of deceitful behaviour and opportunism through their enforceability (Adobor, 2006). More recently, Mellewigt *et al.* (2007) summarised this two pronged benefit by proposing the contract's purpose as forming a control role in terms of minimising deviant behaviour between parties, and a coordinating role in terms of providing linkages between two interdependent task units towards the desired outcome. Homburg and Stebel (2009) provided currency to this thinking by supporting the control and coordinating view.

Contract - limitations

Contracts do, however, have their limitations (Adobor, 2006). With the inability to foresee and hence include all contingencies, they are a means to prevent short-term, but not long-term, risk. More recently, Homburg and Stebel (2009) emphasised the problems of contracts in the professional services industry in that the details of the service are often unclear at the beginning of the relationship and many relevant details are not conclusively established even when a project commences. Contracts are, therefore, frequently incomplete with respect to the service output, as well as the input of contracting parties. Due to the complexity of the service, it is also potentially difficult to define performance

measures for the service output at the start of the relationship (Homburg and Stebel, 2009).

Trust and contracts - independencies

The interdependency between trust and contracts surfaced regularly in the literature, and must be addressed for the purpose of creating clarity in this study. Poppo and Zenger (2002) highlighted the confusion in literature as to the relationship between contractual and relational governance. A basic transactional cost economic perspective would see the contract as a basis for trust since it limits the opportunities and incentives for opportunism. This would enable parties to trust each other, since they have no other option than to behave trustworthily. Such a perspective sees contracts as a complement to trust, in that they allow partners to commit to the small risks that are key to the trust development process, and also provide a framework for them to prove their trustworthiness overtime (Mellewight *et al.*, 2007). However other interpretations of the relationship state that trust and contracts are negatively related, with trust preceding and 'embedding' relationships, thereby decreasing or eliminating the need for formal control or contracts (Poppo and Zenger, 2002). Such a perspective sees contracts as a substitute for formal contracts because when trust is in place, the need for costly governance mechanisms is relaxed (Mellewight *et al.*, 2007).

While the debate on contracts as a substitute or complement to trust remains in progress, the debate by its nature relates to a relationship that is already underway. As long as there is empirical evidence for complementarity at the start of a relationship, the transactional cost approach is validated, whereby

contracts are a dimension from which trust is sourced, albeit a dimension that is potentially a function of trust down the line, moderated by its strength. Contractual trust was, therefore, accepted as a potential source of trust in selecting a provider, even though specific purchasing decisions may vary in the extent to which there is exposure to, and clarity of, established terms and clauses at the pre-relationship stage. Assuming exposure, if a buyer was comfortable with the terms of agreement however weakly or strongly defined, and perceived the supplier as willing to adhere and commit to upholding the contract (Sako, 1992), uncertainty would be reduced. As previously mentioned contracts protect both performance and relational risks; govern mutual interest; shape expectations through rational standards; are legally enforceable and sanctioned through penalties; and are impersonal and institutional in their structure and form. The Contract dimension was, therefore, placed under the 'Reliance' division of the structuring framework.

Pillar 6: Reputational trust

Definition - Reputation trust

Blois (1999) proposed that a reputation provides a buyer with information on the seller based on its past behaviour, and gives the buyer a rough sense of the principles with which unforeseen contingencies will be met, thus shaping anticipation of how the seller will behave. The outcome is that inferences are drawn from the past about one's ability to act in anticipation of a successful future (Atkinson and Butcher, 2003). Johnson and Grayson's (2005) more recent findings offer further validation: their results indicated that firm reputation is a significant antecedent of affective trust. Support has also been gathered for

the proposition that working with partners that have a high reputation creates trust at both personal and organisational levels (Lui, Ngo and Hon, 2006). Their study was not however at the first time purchasing decision with regards to professional services.

Reputation and its influence on purchase intention - an empirical view

When considering reputation in terms of its relative weighting in the relationship development and purchasing process, Claycomb and Frankwick (2008) explored various interaction mechanisms (communication quality, joint problem solving and conflict resolution) for the relative influence they had on a buyer's relationship specific investments throughout the key phases of the relationship development process. Their study found that if a buyer perceives a seller to be concerned about customers, and fair in their dealings with customers, the seller's reputation plays a moderating effect on the interaction variables mentioned, lessening their importance in encouraging investment into a supplier partnership. A positive relationship was further found for corporate reputation and its influence on customer behavioural intention in the business to business services arena (Keh and Xie, 2008); in addition to the role of inter-firm trust created by the seller's reputation on the partner selection process (Laaksonen *et al.*, 2008). Thus current research supported a relationship that was proposed and validated as early as 1987 (Stock and Zinszer), when reputation was found to be the most important personal source of information in selecting a partner (logistics-consulting) due to the decision-making unit's desire to reduce the risks to their company and themselves by selecting products from credible suppliers.

Word of mouth and referrals

It was important to note that word of mouth and referrals surfaced often as a means to reduce uncertainty in purchasing decisions, for example Mitchell (1994) acknowledged that since professional services firms (PSFs) are only as good as their people, and since evaluative criteria often do not exist or are not readily available, referrals and professional opinions gain increasing importance. This was reinforced by Day and Barksdale (1994), who proposed that the PSFs that are considered in the prequalification stage comprise the set of service providers of which the client firm is aware. In the absence of prior direct experience with potential providers, Day and Barksdale (1994) claimed that referrals often help to define the initial consideration set. More recently, Smeltzer and Ogden (2002) extended this understanding in their contention that the process of buying services is more complex than that of goods hence the importance of the endorsement from others and positive word of mouth. The choice was made, however, to combine word of mouth and referrals within the Reputation dimension in this current study. While reputation may find its origins in impersonal sources (press coverage, industry awards) and personal sources (referrals), these are ultimately the channels through which a reputation is built and communicated. Reputation, as such, is the dimension.

A seller's Reputation was, therefore, acknowledged as an important dimension of trust, specifically during the exploratory phases of inter-organisational relationship development. If a buyer perceived a company as competent and concerned about its clients, as inferred through the words and actions of other people and institutions, it is plausible that this would potentially shape trust levels and purchase intent. Reputation as a dimension was, therefore, placed

under 'Reliance' for it is institutional in nature, and frames buyer expectations about how the firm will act and perform when faced with different contingences.

A NOTE ON EXCLUSIONS

The dimension of price was purposefully omitted in terms of its potential to signal value and hence alleviate uncertainty. The reason for this omission is that the greater the innovation, the further into the value sensitive area the decision is moved, and the less the importance of price (Mitchell, 1994). The purchase of professional services is extremely value sensitive with price assuming a less important role in the selection of a firm in professional services (Mitchell, 1994). Mitchell (1994) supported his position with empirical evidence from past studies in professional services, including in logistics consultancies, market research services and management consultancy services. In addition, pricing was undermined as a trust dimension in that most PSFs use open pricing systems to account for the fact that the depth of work to be delivered is very often unclear in the exploratory phases of the relationship and initial phases of the project brief (Mitchell, 1994). For these reasons, price was excluded from the composite of dimensions being developed.

AN ISSUE OF STRUCTURE AND AGENCY

While no prior integrated study on trust dimensions had been embarked on as a point of reference, the reality that dimensions might be somewhat related to each other was acknowledged. This was raised by Nooteboom (2002) as an issue of structure and agency when exploring institutionalised processes.

Structuration theory was therefore examined for the purpose of this current study, probing Nooteboom's insight. Structuration means studying the ways in which social systems are produced and reproduced in social interaction (Fuchs, 2003). Giddens, the thought leader in structuration theory, emphasised that action which has strongly routinised aspects, is both conditioned by existing cultural structures and also creates and recreates those structures through the enactment process (Fuchs, 2003). It therefore provides a lens to examine how professionals reproduce and modify the very structures that shape their action (Hotho, 2008); and a means of understanding how social norms and values are constituted and reconstituted as, and within, ongoing social structures by engaged social agents (Dillard and Yuthas, 2002).

Thus, the potential existed that, for the institutional dimensions of Culture and Systems, Policies and Processes, trust of the BRP might be shaped as a result. Building on this understanding, the reproduced actions of the BRP might further reinforce trust in the structural dimensions of Culture and Systems, Policies and Processes.

CONCLUDING THE REVIEW ON TRUST DIMENSIONS

The debate on dimensions of trust was therefore less integrated than that of antecedents and consequences. Research either looked at specific dimensions of trust in their individual capacity (for example - Culture on its own), or alternatively, when integrated trust source inquiries had been made they were either embarked on from a higher level perspective, and impersonal inter-organisational trust was not broken down into its component dimensions (for

example, the trust concept remained at a global level - 'Company trust'); or only two sources were looked at simultaneously (for example, Interpersonal trust and Contractual trust). The dimensions were also predominantly explored either outside of professional services and/or not in relation to first time purchase intent. The varying sources of impersonal trust in an inter-organisational professional services context therefore needed to be collapsed and combined with the interpersonal source in building an inclusive model of dimensions.

TRUST AND ITS IMPACT ON BUYER BEHAVIOUR AND PARTNER

SELECTION

THE PROFESSIONAL SERVICES PROVIDER SELECTION PROCESS

The selection process that initiates the relationship has been acknowledged as a vital stage in the professional service provider–client relationship (Day and Barksdale, 2003). Going from the short list to winning the contract is critical for a professional service firm and was advised by Day and Barksdale (2003) as requiring closer inspection. A key reason for previous research making a limited contribution is that authors had not distinguished between selection criteria and criteria used in evaluating the provider once service delivery is underway (Day and Barksdale, 2003).

Understanding how clients choose is therefore critical, and Claycomb and Frankwick (2008) provided a potential answer by exploring the uncertainty that exists during the early stages of relationship development. They drew on the

interaction and network theory to test a model of relationship characteristics in the buyer-seller relationship during the four progressive phases of relationship development as defined by Dwyer *et al.* (1987), namely awareness (recognising feasible partners); exploration (testing suppliers by negotiating contracts and setting product/service specifications); expansion (making multiple purchases or negotiating long term contracts); and commitment (a pledge to a stable and continuous relationship).

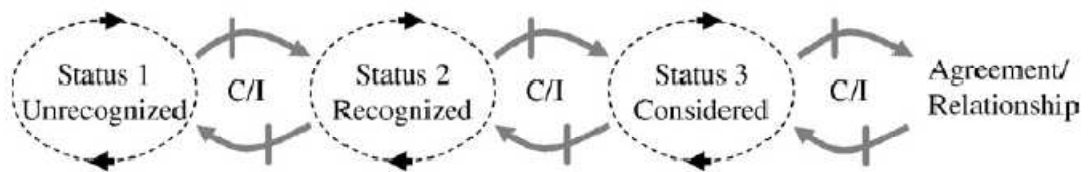
Claycomb and Frankwick (2008) claimed that during the awareness phase significant buyer uncertainty exists due to lack of information about exchange partners, with the exploration phase seeing buyer uncertainty as a result of limited experience of the supplier's performance, with partners considering obligations, benefits, burdens and the possibility of exchange. The initial phases of the relationship development process are, therefore, marked by high levels of insecurity and risk, and while the link to trust has to be established, its value at such a critical point in the relationship development and purchasing process can easily be comprehended.

THE ROLE OF GLOBAL TRUST IN BUYER INTENT

It has been established that while trust develops through the gradual expansion of exchanges over time, it too is a fundamental ingredient in positioning oneself as an attractive partner (Hald, Cordon and Vollmann, 2008). Furthermore, Edvardsson, Holmlund and Strandvik (2008) stated that in the purchasing literature, the initiation of a business relationship had typically been depicted as a purchasing process model with a number of stages. Edvardsson *et al.* (2008)

cited Day and Barksdale (1994), whose model for analysing the process of selecting providers of professional services comprised recognising the need or problem; defining purchase goals; identifying the initial consideration set; refining the consideration set; and evaluating the consideration set before selection.

Figure 2.4: Relationship initiation process for business to business professional services. Day and Barksdale (1994)



Day and Barksdale (1994) explained that key to progressing through phases to an eventual agreement was the strength of both converters (that which promotes progression) and inhibitors (that which stagnates progression). One of the key converters (C) identified in the above model was that of trust with a key inhibitor (I), being that of risk (Service offering was also included as a converter which in this model, was a trust dimension, with image and reputation being a potential inhibitor, in this case a source of trust). Day and Barksdale (1994) thus proposed a link, if positive, between the converter of trust and the buyer choice to move a supplier through the phased purchasing evaluation process. More recently, a clear link was established between trust and relationship initiation and development (Edvardsson *et al.*, 2008); and between trust and buyer behaviour (specific trust showed stronger levels of influence than general trust, defined as a cognitive element used to calculate trustworthiness of a supplier and an affective element, the gut feeling that is not always explicit and conscious) (Kenning, 2008). It was important to note, however, that this study took place in a retail - and not a services – context; and in considering the

influence of trust and buyer behaviour, the level of repeat purchase and size of order was used as opposed to the focus of this study - first time buyer intent. It had therefore been acknowledged through the literature that trust has an impact on buyer behaviour. Exploring trust at the initial phases of the relationship (partner selection) and in the professional services space, offered a new lens on this construct.

TRUST IN THE PROFESSIONAL SERVICES INDUSTRY

PURCHASING SERVICES VERSUS PURCHASING GOODS - WHY WOULD TRUST MATTER?

The literature acknowledged that purchasers view the buying of goods as different to that of services, with services being a more complex purchase involving additional risk (Fitzsimmons, Noh and Thies, 1998; and Van der Valk and Rozemeijer, 2008). This was evidenced in the findings of Van der Valk and Rozemeijer (2008), wherein 71% of their respondents felt it to be more difficult to define buying specifications for services than for goods. This amplified risk can be attributed to the fact that services are less tangible, making the evaluation of the vendor difficult to measure and the specification of the service desired less precise (Fitzsimmons *et al.*, 1998; Smeltzer and Ogden, 2002; and Van der Valk and Rozemeijer, 2008). Furthermore, it is difficult to judge if the services being delivered are meeting expectations because they are not subject to close scrutiny (Fitzsimmons *et al.*, 1998; and Van der Valk and Rozemeijer, 2008). Van der Valk and Rozemeijer (2008) added two additional factors

contributing to the complexity of service purchasing: firstly, there is the client level of expertise regarding the service purchased (it is more difficult for consumers to understand the decision concerning the selection of a particular service provider than to understand the decision between brand alternatives in a product class); secondly, services are mostly consumed and produced simultaneously in interaction between customer and service provider, which implies a dual role for the buying company, as both consumer and co-producer (Van der Valk and Rozemeijer, 2008; and Caniels and Romijn, 2005).

WHY IS THERE INCREASED RISK IN BUYING PROFESSIONAL SERVICES?

The augmented risk in professional services as opposed to general business services can be attributed to multiple factors. Firstly, there is a high degree of intangibility (Laing and Lian, 2005); and secondly, it involves problems that are complex (Bagdoniene and Jakstaite, 2009) and very often delayed in their effect (Lapierre, 1997; and Thakor and Kumar, 2000). Thirdly, it comprises non standard offerings (Laing and Lian, 2005); and lastly, it involves a high degree of interaction between the supplying organisation and the purchaser, implying a need for the client to have confidence that the supplier will preserve their confidentiality and not expose their knowledge to competitors (Bagdoniene and Jakstaite, 2009), and the reliance of the buyer on the expertise of the provider to advise and problem solve (Thakor and Kumar, 2000; Awuah, 2007; and Lapierre, 1997). In addition, earlier research (Mitchell, 1994) brought to the fore additional factors contributing to increased risk, namely, each purchase is almost a new buy as projects are almost always different in some respect; and there are no sales people employed by professional service firms other than the

professionals themselves, hence acquiring information to reduce risk is challenging. Against this complexity is the buyer who wants to reduce uncertainty and risk. This results in a premium being placed on relationships and, consequently, an inherent need for buyers to trust their service providers (Laing and Lian, 2005; and Coulter and Coulter, 2002).

TRUST DIMENSIONS, FIRST TIME BUYER INTENT AND PROFESSIONAL SERVICES

In terms of trying to join the discussion on the dimensions of trust (covered independently thus far) and how they might assume importance at the vendor selection phase, Thakor and Kumar (2000) presented the argument that buyers of professional services are likely to use referrals (grouped under reputation in this inquiry) to a greater extent than buyers of other services, with empirical support being found for this proposition (Hill and Motes, 1995). This was not, however, in conjunction with the other dimensions sourced for this inquiry. This was further supported by Bagdoniene and Jakstaite (2009) who claimed that at the pre-relationship stage, trust is sourced from institutional factors that relate to social structures and firm specific attributes, with reputation and oral recommendations playing a key role. Lapierre (1997) spoke specifically to the problem awareness stage where there is recognition on behalf of the customer that there is a problem to be solved, for which expert solutions are required. For a client at this phase of the professional services value creation process, as was the focus of this study, Lapierre (1997) claimed that value is defined by quality (technical and functional, which has implications for the Products/Service dimension); relational (partnership, which has implications for the Interpersonal

dimension); and image criteria (which has implications for the Reputation dimension). Laing and Lian (2005) took an interpersonal viewpoint on the discussion, claiming that it is the relationship between buyer-seller that moderates the perceived subjective performance of the providers of professional services. If one considers the client-consultant social practices outlined by Nikolova, Reihlen and Schlapfner (2009) as being key in professional services production, namely shaping impressions, problem solving and negotiating expectations, it is understandable that client-consultant trust would be a key tenet to building strong partnerships in this context.

Stock and Zinszer (1987) looked at the relationship between dimensions and buying intent from a higher order perspective: personal versus impersonal factors. They proposed that non-personal sources are usually more important early in the process (awareness), and found evidence for personal sources being more important to the industrial buyer prior to purchase. While both phases outlined by Stock and Zinszer (1987) (awareness and evaluation) were condensed in this inquiry, it was interesting to note that personal sources were found to be statistically significant. Their definition of personal sources did however, include past experience and recommendations from others, in addition to contact with the BRP. In this study, past experience was not applicable and recommendations from others were grouped under word of mouth referrals within the Reputation dimension.

The professional services environment thus necessitates trust because of the complexity of problems and lack of tangibility of the service delivery, and because of the degree of financial, time and relational investments made by

both buyer and seller. This professional subculture provided a valuable playground in which to explore trust dimensions and the impact of global trust on buyer intent, with no previous attempt at creating a composite model of trust dimensions at this phase of relationship development, in this context.

CONCLUSION: THE ACADEMIC CASE FOR THIS STUDY

While dimensions of trust had been covered in various depth, very few had been done in relation to purchase intent, let alone combined and looked at in relation to first time buyer intent. In addition, Seppanen *et al.* (2007) proposed that the impact of the industry and professional subculture may have had an effect on the respondent's view and awareness of trust. In identifying the key dimensions of trust, few studies from which dimensions were sourced were oriented in the services industry, let alone that of professional services. Finally, much had been contended but gaps existed as to what had been empirically ascertained, hence the need to investigate these concepts quantitatively. An opportunity therefore existed to:

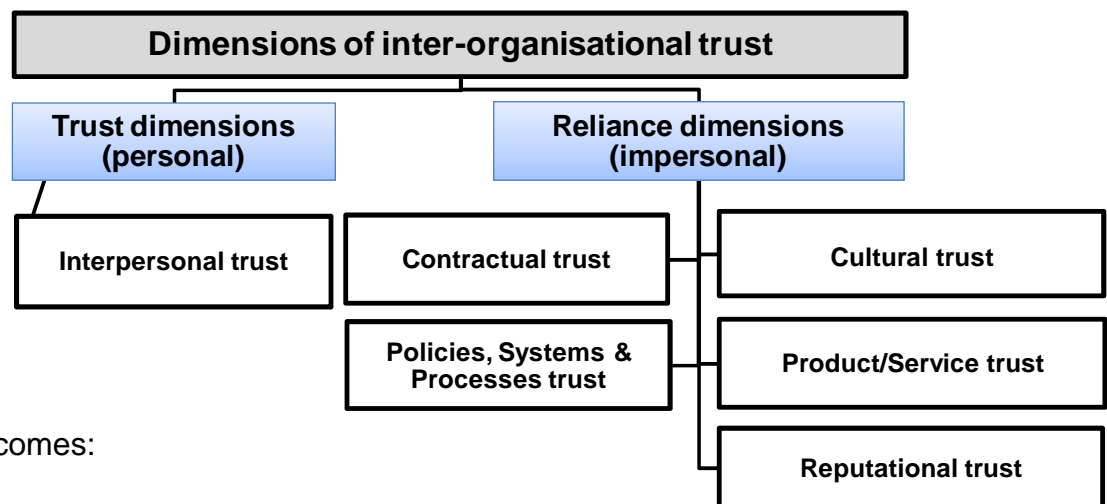
- synthesise trust dimensions into a summative *a priori* model, classified according to the Trust and Reliance based framework; and
- test the model in terms of its components (the dimensions and their grouping); and outcomes (the influence of Global Trust, and the model's factors and dimensions on the buyer's purchase intent).

CHAPTER 3: PROPOSITIONS

The objective of this study was to determine the dimensions of business to business trust in the professional services space, and what their relative impact was on first time buyer intent. Through a review of the literature, trust dimensions were sourced and a super-organising framework was proposed as a means of imposing order onto the sourced dimensions. This *a priori* model was then tested in terms of its:

- Components
 - That the model comprised six dimensions, as grouped below.

Figure 3.1: Dimensions of inter-organisational trust



- Outcomes:
 - Establishing whether there was a significant relationship between the existence of trust in general and a buyer's first time purchasing intent.
 - Determining the relative impact of each of the trust dimensions in the proposed model on the first time buying decision.
 - Determining the relative impact of each of the trust factors in the proposed model on the first time buying decision.

PROPOSITIONS

Proposition 1:

1a) Inter-organisational trust comprises the following dimensions: Interpersonal trust; Product/Service trust; Contractual trust; Processes, Policies and Systems trust; Cultural trust; and Reputational trust.

1b) Dimensions are best discriminated and grouped against a Trust versus Reliance based framework, with Interpersonal trust being the only Personal trust dimension, and the other dimensions being classified under Impersonal trust.

Proposition 2:

The perception of Global Trust has an impact on a buyer's Purchase Intent with regards to first time buying decisions in professional services.

Proposition 3:

All of the trust dimensions in the model have an influence on the buyer's Purchase Intent in the professional services arena.

Proposition 4:

The factors identified in the model - Trust and Reliance - have an influence on the first time purchase decision.

Proposition 5: (latent proposition)

Empirically derived factors from the data will have an impact on Purchase Intent.

CHAPTER 4: RESEARCH METHODOLOGY

CHOICE OF METHODOLOGY

The research design was quantitative and descriptive in nature. Zikmund (2003) described descriptive research as that which is designed to describe characteristics of a population or a phenomenon, in this case - trust in relation to first time purchasing decisions of professional services. Zikmund (2003) went on to explain how descriptive research is conducted when there is some previous understanding of the nature of the research problem. While building and testing a summative model on trust dimensions had yet to be done, dimensions had been covered in their individual capacity. Zikmund (2003) also stated that descriptive research seeks to determine the answers to who, what, when, where and how questions, in this case:

- what were the dimensions of inter-organisational trust in an attempt to build an inclusive model;
- how could these dimensions be appropriately ordered;
- what was the relationship between global trust and first time purchase intent; and
- what was the relative influence of each of the trust dimensions, and the trust factors, on purchase intent at the provider selection stage.

Terre Blanche, Durrheim and Painter (2006) further outlined three different means through which descriptive research explains phenomena, namely: through narrative type descriptions, classification and measuring relationships.

The study therefore employed both classification (in building an *a priori* model of Trust versus Reliance based dimensions) and measurement of relationships (trust and its dimensions/factors on purchase intent) as descriptive channels.

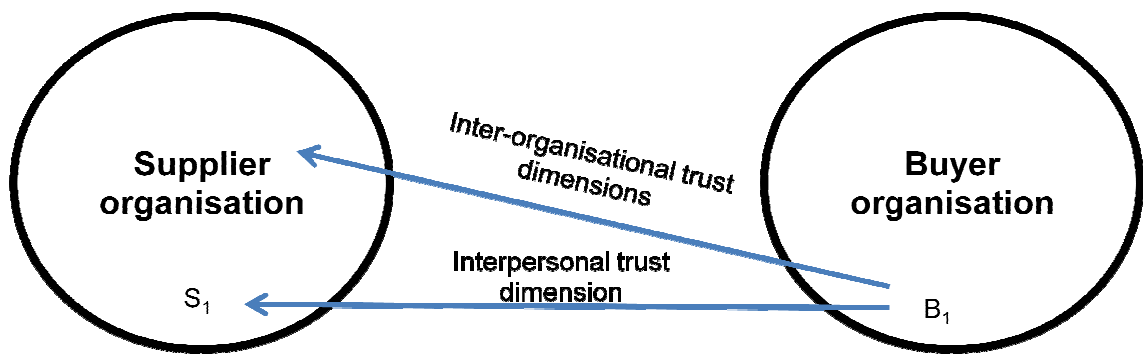
SCOPE AND UNIT OF ANALYSIS

Zaheer *et al.* (1998) highlighted the danger of cross level fallacy in conceptualising the role of trust in extending an inherently individual level phenomenon to the organisational level of analysis. They warned that not clearly specifying who trusts whom leads to theoretical confusion, as it is individuals as members of the organisation, rather than the organisation itself who trust. Rousseau *et al.* (1998) reinforced the need to be cautious so as not to attribute individual motivations and behaviours to organisations, thus leading to illegitimate reification of the construct. As a holistic model was derived that comprised both interpersonal and impersonal/inter-firm dimensions, the trust origin and referents were specified as:

Table 4.1: Cross level origins and referents

	Origin	Referent
<i>For interpersonal sources</i>	The BRP in the focal organisation (B ₁)	The BRP in the supplier organisation (B ₂)
<i>For impersonal sources</i>	The BRP in the focal organisation (B ₁)	The supplier organisation

Figure 4.1: Illustration of cross level origins and referents



The inquiry:

- Made use of respondents from varying organisations.
- Did not specify the referent organisation where multiple members from one organisation were surveyed (rather allowing respondents to consider a provider with whom potential for a purchasing relationship exists as their point of reference).

The referent organisation was therefore varied within and across focal organisations. The origin of trust was thus looked at from the singular perspective of the individual being interviewed. Insights as to how members of the focal organisation shared a common orientation of trust towards a single referent organisation were not able to be derived. The unit of analysis was therefore the individual.

POPULATION

The population consisted of a primary and secondary group.

Table 4.2: Definition of the primary and secondary population

Population	Criteria
Population₁	<p>South African based companies that purchased one or more of the following professional services, as outlined in Stock and Zinszer (1987), namely: accounting, auditing, and bookkeeping services; advertising services; business and management consulting services; engineering and architectural services; and legal services.</p> <p>These companies were cross sector and operated in the following spaces:</p> <ul style="list-style-type: none"> • Financial services • Insurance • Pharmaceuticals • Mining and minerals • Information and Communication Technology (ICT) • Chemicals • Marketing and advertising • Academic • Wholesale and retail • Training and development <p>Companies ranged from SMEs to large corporates and were both public and private in their capacity. Companies were informed through the business's database of companies.</p>
Population₂	<p>All those managers and professionals within the above companies who:</p> <ul style="list-style-type: none"> • either had direct purchasing authority in the buying of professional services, or indirectly influenced the buying decision in their support role to the purchaser; and • played a boundary spanning role with the BRP in the referent organisation in the initial stages of relationship development - pre purchase. <p>This was operationalised by directly asking participants whether or not they directly or indirectly influenced purchasing decisions of professional services as an upfront screening question. This was further operationalised by asking participants to reflect on a provider that they have had exploratory contact with and are considering purchasing from in the future, and then to rate how strongly they believed that the provider in question would perform against the trust dimensions.</p>

SAMPLE METHOD AND SIZE

Non probability sampling was used, described by Zikmund (2003) as being a technique in which the probability of any particular member of the population being chosen is unknown. More specifically, the following non probability sampling (overleaf) was used for the two population groups.

Table 4.3: Type of non probability sampling employed per sampling unit

Population	Population description	Sampling unit	Type of non probability sampling
<i>Population₁</i>	South African based companies, buyers of professional services	Primary sampling unit	Convenience
<i>Population₂</i>	Managers and professionals within population ₁ who make or strongly impact buying decisions	Secondary sampling unit	Judgement

PRIMARY SAMPLING UNIT

For the primary sampling unit, convenience sampling was used to obtain those companies most conveniently available. Companies were informed through the business's database of cross sector corporate clients. Industries and sectors represented included:

- Financial services
- Insurance
- Pharmaceuticals
- Mining and minerals
- Information and Communication Technology (ICT)
- Chemicals
- Marketing and advertising
- Academic
- Wholesale and retail
- Training and development

The benefits of this method included the ability to obtain a large number of completed questionnaires quickly and economically (Zikmund, 2003). The key disadvantage to this was that variability and bias estimates could not be measured and projecting data beyond the sample was inappropriate (Zikmund, 2003).

SECONDARY SAMPLING UNIT

For the secondary sampling unit, judgement sampling was used to source potential respondents based on their assumed purchasing experience. Zikmund (2003) described this type of non probability sampling as that which is employed to serve a specific purpose, when the researcher uses their judgement to select the sample based on appropriate sample characteristics. In this case, judgment was used based on whether or not it could be deduced by either by personal experience or by inference (considering job position) that the individual in question would be responsible for professional service purchasing decisions. While this type of sampling afforded the guarantee of meeting specific objectives, the disadvantage was that based on the researcher's beliefs, bias may have been introduced which made the sample unrepresentative (Zikmund, 2003). As with convenience sampling, projecting beyond the sample was inappropriate (Zikmund, 2003).

SAMPLE SIZE

From a sample size perspective, a total of 126 responses was required to run a factor analysis for proposition one [18 items x 7 (the proportionally required number of responses per item)] (Hair, Anderson, Tatham and Black, 1998). Assuming a realistic response rate of 10%, a total of 1300 respondents were therefore identified and targeted through the questionnaire, with the aim of eliciting 130 responses at a minimum. In terms of the desired number of respondents and the actual number of respondents, of the 1300 respondents targeted, 233 responded to the questionnaire - a 17.9% response rate.

DATA GATHERING PROCESS AND RESEARCH INSTRUMENT

SAMPLING METHOD

An online questionnaire was employed. Respondents were emailed a high level positioning communication, inviting them to participate in the research project. The email had a link to the online questionnaire. The online tool selected was Survey Monkey (www.surveymonkey.com). The instrument was therefore closed web, with the invitation being email URL embedded. The benefit of this medium included its speed of data collection (instantaneous 24/7); low cost; low threat of interviewer influence on answers; versatility of questioning and high geographic flexibility (Zikmund, 2003). In addition to online surveys being more effective with sensitive issues, evidence from Kellner (2004) and Basi (1999) in Brace (2008) supported the view that because there is no interviewer there is less social desirability bias and respondents answer more honestly. Its disadvantages included its moderated questionnaire length; high possibility for respondent misunderstanding and challenging attempts at maintaining anonymity (Zikmund, 2003).

RESEARCH INSTRUMENT

It has been proposed that trust is context based (Schoorman *et al.*, 2007; and Rousseau *et al.* 1998). Thus, researchers have developed new measures to better illustrate their specific research context. All constructs taken from the literature were therefore modified if and where necessary to reflect the context of this study. The danger of misspecification of the firm as the level of theory

and the person as the level of measurement was cautioned for. Different measures were therefore used for the different constructs to ensure they correctly spoke to the referent in the analysis. All constructs taken from the literature were assessed such that their Cronbach alpha reliability value exceeded the recommended value of .7 (see table 4.4 overleaf). Wherever necessary, items were adjusted to align with the focus of this study. Where items were not relevant to the focus of this study, they were eliminated from the research instrument. In the same vein, items were added to some themes to elicit the data required to address the research objective in question. Questions were also made easier to understand, for example - language was made simpler; double negative statements were inverted to the positive; and double barrelled questions were unpacked, ensuring improved comprehension. The table overleaf illustrates the measurement items and scales gathered to operationalise the theoretical constructs. While not using any of the indicators from these scales in their entirety, they provided the conceptual underpinning for the eventual scales used (See appendix A for the blank questionnaire).

Table 4.4: Scales taken from the literature, prior to adaptation

Construct	Scale Adapted from:	Scale	Internal consistency reliability
Global trust	Plank <i>et al.</i> (1999)	<ul style="list-style-type: none"> - The company will stand behind us - The company can be counted upon to do the right thing by us - The company has quality people working for them - The company has a poor reputation - The company will do what it takes to make us happy 	$\alpha=.726$
Trust dimensions			
Product/Service trust	Plank <i>et al.</i> (1999)	<ul style="list-style-type: none"> - This product/service will not unreservedly meet our needs - This product/service has the technical attributes necessary to do the job - This product/service will give us little trouble in using it - This product/service will please all those in our company who use it or who are responsible for it - This product/service will do everything we want it to do 	$\alpha=.767$
BRP trust	Plank <i>et al.</i> (1999)	<ul style="list-style-type: none"> - This salesperson did everything possible for our company - This salesperson will always use good judgment - This salesperson is not a real expert - This salesperson is like a good friend - Anything this salesperson tells me could be false 	$\alpha=.874$
Reputational trust	Keh and Xie (2008)	<ul style="list-style-type: none"> - The focal company is a highly regarded company - The focal company is a successful company - The focal company is a well established company 	$\alpha=.91$
Culture based trust	Ardichvili <i>et al.</i> (2009)	<ul style="list-style-type: none"> - Adapted from the clusters of Ardichvili <i>et al.</i> (2009) in terms of characteristics of ethical organisational cultures. These include, amongst others: - Institutionalises ethical values - Builds relationships of trust and respect - Deals with stakeholders on a consistently ethical and value oriented basis - Good balance of customer value and profit - Acts in the best interest of customers over the long term 	N/A
Systems, Processes & Policies trust		<ul style="list-style-type: none"> - Sourced from the definition of Zaheer <i>et al.</i> (1998) 	N/A
Contract based trust	Sako and Helper (1998)	<ul style="list-style-type: none"> - We prefer to have everything spelt out in detail in our contract 	Not provided

INSTRUMENT DESIGN

The questionnaire comprised four parts. The first part included a positioning introduction sharing the objectives of the research combined with a voluntary consent explanation. The second part comprised of screening questions, in this

case the fact that respondents did in fact make or influence purchasing decisions. This was advised by Brace (2008) to be done upfront so as to screen for eligibility for the survey depending on whether or not respondents formed part of the research population. Questions were close ended and dichotomous in nature. Assuming the judgement utilised in screening participants for the sample was inaccurate, this component of the questionnaire acted as a safeguard to identifying any potential respondents that had to be excluded from analysis.

The main part of the questionnaire included a series of statements reflecting the items operationalising the behavioural constructs measured against an interval scale. The scale was itemised and was employed as a means of determining a measure of attitudes (Brace, 2008). All statements were measured on a five-point Likert scale, proposed by Brace (2008) as offering sufficient discrimination whilst ensuring respondents could adequately understand the scale. The Likert scale was also recommended by Brace (2008) as being ideal for factor analysis in that it enables the identification of groups of attitudinal statements that have similar response patterns and could therefore represent underlying attitudinal dimensions. The scale was also consistently annotated for clarity and to assist the respondents in finding the most appropriate answer, with the order of questions being structured from general to specific (global trust narrowing down into trust dimensions) as recommended by Brace (2008).

The final part of the questionnaire included questions referring to the demographic profile of the participant such as type of professional services procured, number of services procured, value of typical project procured and

number of years in a purchasing role. Value bands were designed to be as precise as possible in order to meet the objectives of this research. The purpose of this section was to account for heterogeneity at the buyer and purchase decision level. For example, in asking participants to consider their length of employment in a purchasing role, and their typical purchase decision in terms of size and financial value - levels of sophistication of buyer and purchasing risk were taken into account.

PRE TESTING OF QUESTIONNAIRE

Brace (2008) recommended that testing a questionnaire out before committing to a large scale study was an essential precaution. Brace (2008) further insisted that a questionnaire be tested for three things:

1. Reliability
 - a. Do the questions sound right?
 - b. Do respondents understand the questions?
 - c. Are all ambiguous, double-barrelled or leading questions eliminated?
 - d. Does the questionnaire retain the respondents' attention throughout?
2. Validity
 - a. Are the response codes provided sufficient?
 - b. Do the response codes provide sufficient discrimination?
 - c. Do the questions and responses answer the brief?
3. Error testing
 - a. Have mistakes been made?
 - b. Does the technology work?
 - c. How long does the interview take?

This was reinforced by Terre Blanche *et al.* (2006) who recommended pre testing the questionnaire to check for inconsistencies, gaps, repetition and flaws in the instrument. The questionnaire was therefore pre tested on ten members of the population for clarity, flow and administration, and the questionnaire structure and design was revisited to integrate pilot feedback. Feedback from the pre-test confirmed the technology as working and led to:

- increasing the font size of the questions for improved legibility;
- shortening of section one to maintain interest - the positioning of the research objectives;
- explanations given for what was meant by Reputational and Contractual trust to ensure comprehension; and
- reducing the time communicated to complete the questionnaire - from fifteen minutes to eight minutes.

METHOD OF ANALYSIS

Figure 4.2: Method of analysis used per proposition

PROPOSITION 1a:

Inter-organisational trust in the professional services space comprises the following dimensions: Interpersonal trust; Product/Service trust; Contractual trust; Processes, Policies and Systems trust; Cultural trust; and Reputational trust

PROPOSITION 1b:

Dimensions are best discriminated and grouped against a trust versus reliance based framework, with interpersonal trust being the only personal trust dimension, and the other dimensions being classified under impersonal trust

- **Exploratory factor analysis**

PROPOSITION 2:

The perception of Global Trust has an impact on a buyer's Purchase Intent with regards to first time buying decisions in professional services

- **Simple regression**

PROPOSITION 3:

All of the trust dimensions validated in the model have an influence on the buyer's purchase intent with regards to first time buying decisions in professional services

- **Multiple stepwise regression**

PROPOSITION 4:

The trust factors identified in the model have an influence on the first time purchase decision

PROPOSITION 5: (latent)

Empirically derived factors from the data have an impact on Purchase Intent

- **Multiple stepwise regression**

CHAPTER 5: RESULTS

INTRODUCTION

This chapter provides the results from the statistical analysis performed on the data from the completed questionnaires. The chapter is structured as follows:

Table 5.1: Structure of the chapter

Section	Rationale	Figures and tables
Description of the responses	To give a clear indication of the response rate, and the number of respondents eliminated due to lack of eligibility.	
Description of respondents	A look at the distribution of respondents against demographic variables such as industry, experience, size of purchase, recency of last purchase, type of services procured.	Figure 5.1: Percentage of respondents by industry Figure 5.2: Percentage respondents by size of purchase Figure 5.3: Histogram of percentage respondents by total number of years in purchasing role Figure 5.4: Percentage of respondents by number of professional services procured Figure 5.5: Percentage of respondents by type of professional services procured Figure 5.6: Percentage of respondents by recency of purchase
Descriptive statistics per scale	The mean, median and standard deviation of the composite scales used to measure Global Trust and trust dimensions.	Table 5.2: Descriptive statistics per scale
Descriptive statistics on the percentage of respondents who had positive attitudes towards each item of the various scale dimensions	Such sample statistics were used to provide initial insight as to the nature of responses obtained as reflected in the distribution of values for each variable and dimension of interest. This provided a means of presenting the data in graphs and tables such that it was usable and understandable. Frequency distributions and percentage distribution tables and charts were used to summarise the number of times a particular variable occurred and the percentage value associated (Zikmund, 2003).	Figure 5.7: Percentage of respondents who believe or strongly believe in the Global Trust dimension items Figure 5.8: Percentage of respondents who believe or strongly believe in the Interpersonal dimension items Figure 5.9: Percentage of respondents who believe or strongly believe in the Product/Service dimension items Figure 5.10: Percentage of respondents who believe or strongly believe in the Reputation dimension items Figure 5.11: Percentage of respondents who believe or strongly believe in the Culture dimension items Figure 5.12: Percentage of respondents who believe or strongly believe in the Systems and Processes dimension items Figure 5.13: Percentage of respondents who believe or strongly believe in the Contract dimension items Table 5.3: Summary of percentage responses across trust dimensions and items

Section	Rationale	Figures and tables
Psychometric properties of the scales	To assess internal consistency.	Table 5.4: Internal consistency measures per scale
Testing the propositions		
<p>Proposition 1a: <i>Inter-organisational trust comprises the following dimensions: Interpersonal trust; Product/Service trust; Contractual trust; Processes, Policies and Systems trust; Cultural trust; and Reputational trust</i></p> <p>Proposition 1b: <i>Dimensions are best discriminated and grouped against a Trust versus Reliance based framework, with Interpersonal trust being the only Personal trust dimension, and the other dimensions being classified under Impersonal trust</i></p>	<p>The factor analysis was run on the model proposed through the literature. No evidence was found for either the model's two factors or for the six dimensions proposed. Dimensions were found to lack construct validity in their scales, and were correlated with one another.</p> <p>A new two factor solution was however revealed- Expected Trust and Earned Trust.</p>	<p>Table 5.5: Factor solution: Expected Trust and Earned Trust</p> <p>Table 5.6: Eigenvalues for the two factor solution</p> <p>Table 5.7: Correlation matrix for the new two factor solution</p> <p>Table 5.8: Factor solution for the impersonal items</p>
<p>Proposition 2: <i>The perception of Global trust has an impact on a buyer's Purchase Intent with regards to first time buying decisions in professional services</i></p>	To explore the relationship between Global Trust and Purchase Intent. Global trust was found to be responsible for almost half ($r^2 = 44.6\%$) of the variance in Purchase Intent.	<p>Figure 5.14: Scatterplot and regression equation for Global Trust versus Purchase Intent</p> <p>Table 5.9: Regression model: Purchase Intent on Global Trust</p>
<p>Proposition 3: <i>All of the trust dimensions in the model have an influence on the buyer's Purchase Intent in the professional services arena</i></p>	To determine which dimensions in the presence of the rest explain the most variance in Purchase Intent. Interpersonal Trust emerges as the front runner.	<p>Table 5.10: Regression solution: stepwise multiple regression of Purchase Intent on the six trust dimensions</p> <p>Figure 5.15: Matrix plot of scatter diagrams, illustrating the correlations between the six trust dimensions and Purchase Intent</p> <p>Table 5.11: Correlation matrix of the six dimensions and future Purchase</p>
<p>Proposition 4: <i>The factors - Trust and Reliance - identified in the model have an influence on the first time purchase decision</i></p>	To explore conceptually the impact of Trust and Reliance factors on Purchase Intent.	<p>Table 5.12: Regression solution: Impersonal dimensions and Purchase Intent</p> <p>Table 5.13: Correlation matrix showing Personal and Impersonal factors and Purchase Intent</p>
<p>Proposition 5: <i>Empirically derived factors from the data have an impact on Purchase Intent</i></p>	A latent proposition that was introduced once the model proposed through literature was invalidated by the data. This was done to conceptually pit the two models against one another: what the literature proposed vs. what the data revealed.	Table 5.14: Regression solution: Earned and Expected Trust in relation to Purchase Intent

DESCRIPTIVE STATISTICS

The statistical analysis was performed on raw data using the STATISTICA data analysis software system. The data was 'cleaned' to be ready for analysis by firstly removing respondents who were not eligible to complete the questionnaire based on the first two screening questions, either due to incorrect judgment initially used to screen participants, or due to their change of roles to that outside of purchasing. Furthermore, respondents who failed to answer most questions in the survey were removed (Hair *et al.*, 1998).

The data thus cleaned consisted of a matrix with respondents' answers to eight main questions with 24 sub items on a 1 to 5 Likert-type scale. Included in the matrix were demographic responses on industry, designation, age, total number of years in a purchase role, type of professional services purchased in current role, and typical value of project for which a new supplier is contracted. All variables were looked at in their individual capacity. The data cleaning and analysis required approximately eight hours.

SAMPLE DESCRIPTION - RESPONSES

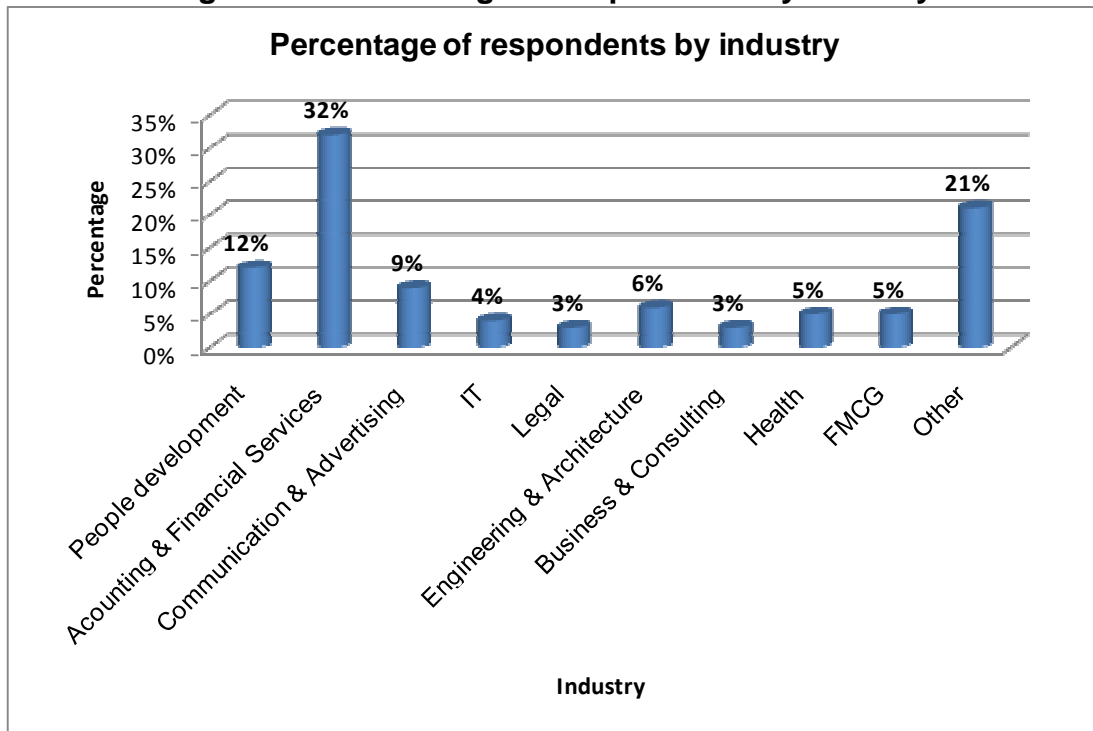
Of the 1300 respondents targeted, 233 responded to the questionnaire - a 17.9% response rate. Of these 233 respondents, 48 were excluded as a result of answering 'no' to one of the screening questions. A further 28 respondents were excluded as a result of incomplete data. This left a total of 157 usable responses for the purpose of analysis.

SAMPLE DESCRIPTION - DEMOGRAPHICS

Respondent’s industry

With regards to the industry of respondents, the majority of participants are from the accounting, auditing and financial services field (32%). Second to this, those in people development (education and training) are strongly represented (12%). Following this, 9% are in communication, marketing and advertising; 6% in engineering and architecture; 5% in health and fast moving consumer goods; 4% in information technology; and 3% in legal and business and consulting services. 21% are in other industries, such as manufacturing, telecommunications, mining and metals. Responses to the propositions were looked at against respondent industry - no significant distinction was found.

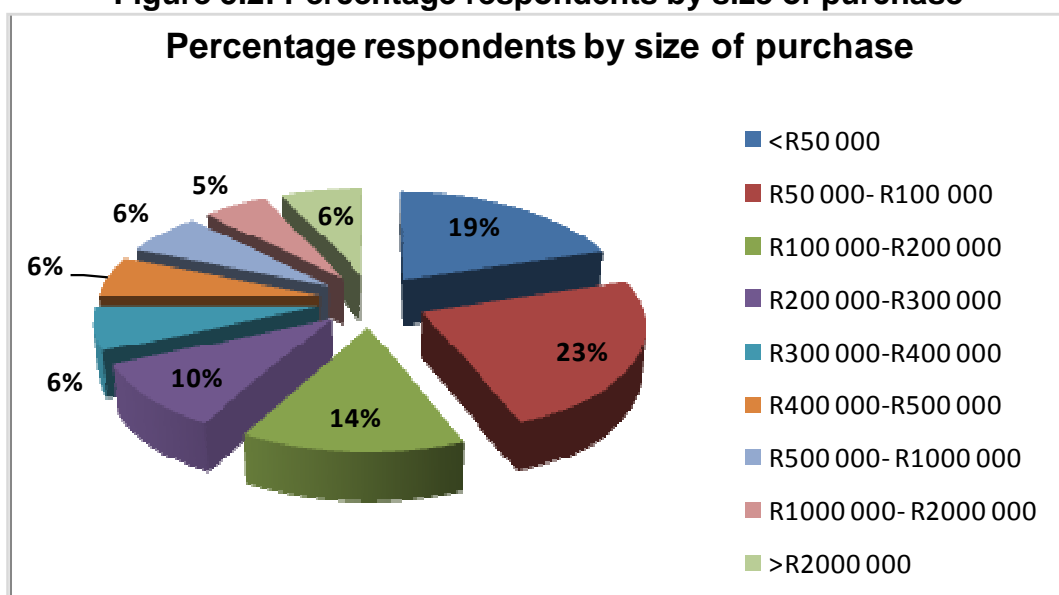
Figure 5.1: Percentage of respondents by industry



Size of purchase

In terms of the size of the typical purchase decision respondents make, the majority of respondents (23%) make purchase decisions in the range of R50 000-R100 000 per project (mode). 19% of respondents make decisions that are below R50 000 in value per project; and 14% of respondents make purchase decisions between R100 000-R200 000 per contract (median). There are generally fewer respondents making more considerable purchase decisions in terms of typical value per project, with 10% between R200 000-R300 000; 6% for R300 000-R400 000, R400 000-R500 000, and R500 000-R1000 000; and 5% between R1, 000 000-R2, 000 000. Six percent of respondents fall in the over two million rand per project bracket. The sample was thus dominated by small purchasing decisions when it came to project value. Responses to the propositions were looked at against size of purchase (grouped as $\leq 200k$ and $>200k$) - no significant distinction was found.

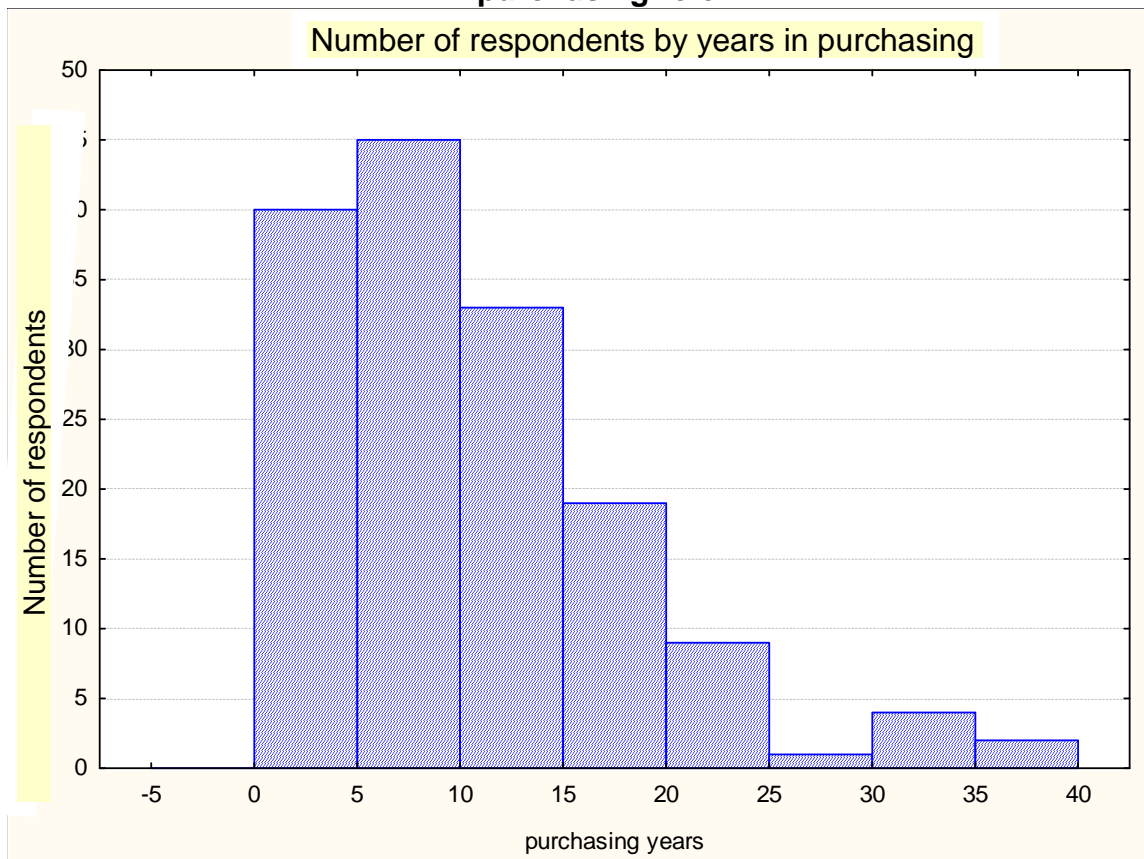
Figure 5.2: Percentage respondents by size of purchase



Number of years in purchasing role

The histogram in Figure 5.3 illustrating total number of years in a purchasing role, reveals that the majority of respondents have between five to ten years of purchasing experience (mode and median). The second most frequently occurring experience band is under five years of purchasing experience; followed by decreasing numbers of respondents having between 10-15, 15-20 and 20-25 years of total purchasing experience respectively. Those respondents with over 25 years of experience are in the minority. Responses to the propositions were looked at against years of experience (grouped as ≤ 15 and >15 years of experience) - no significant distinction was found.

Figure 5.3: Histogram of Number of respondents by total number of years in purchasing role



Number and type of professional services procured

With regards to the number of type of professional services procured, just over a third (37%) of respondents buy only one type of service in their role indicating potential specialisation of role and purchase. This could potentially mean that results are influenced by type of service procured. 22% of respondents are buying two types of services; 21% purchasing three types of services; and 15% buying four types of services. Only 3% of respondents are responsible for procuring five types of professional services.

Business and consulting services are the most common type of professional service procured, with 62% of respondents involved in their purchasing. This is followed by 41% of respondents purchasing legal services; 39% of respondents purchasing advertising and communication services; 37% purchasing some form of accounting and financial service; and 10% of respondents buying engineering and architectural services. 27% of respondents are down as buying other forms of professional services. The sample was thus dominated by a specific type of purchase - business and consulting services. Responses to the questions were looked at against type of service procured - no significant distinction was found.

Figure 5.4: Percentage of respondents by number of professional services procured

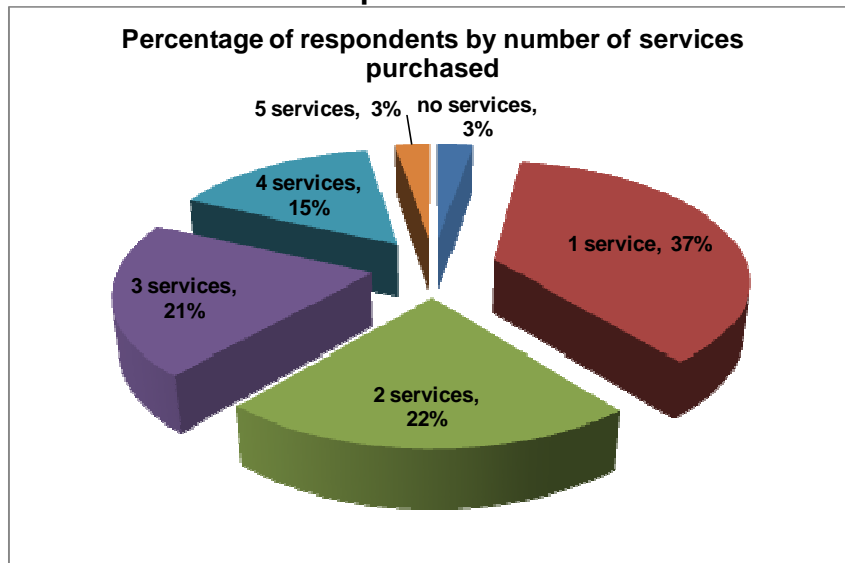
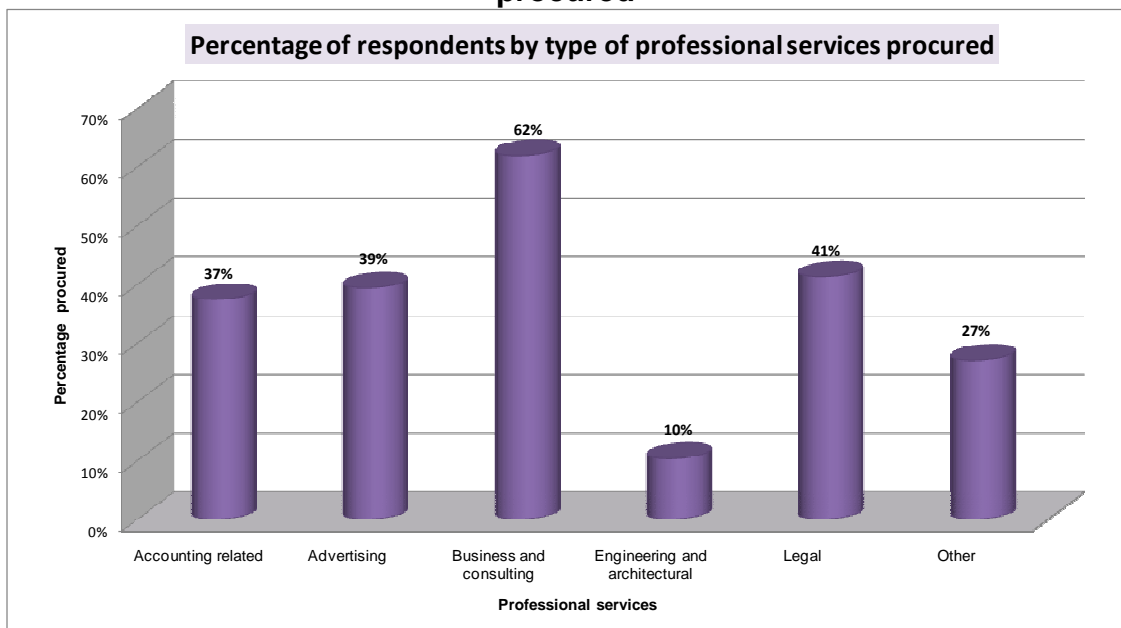


Figure 5.5: Percentage of respondents by type of professional services procured

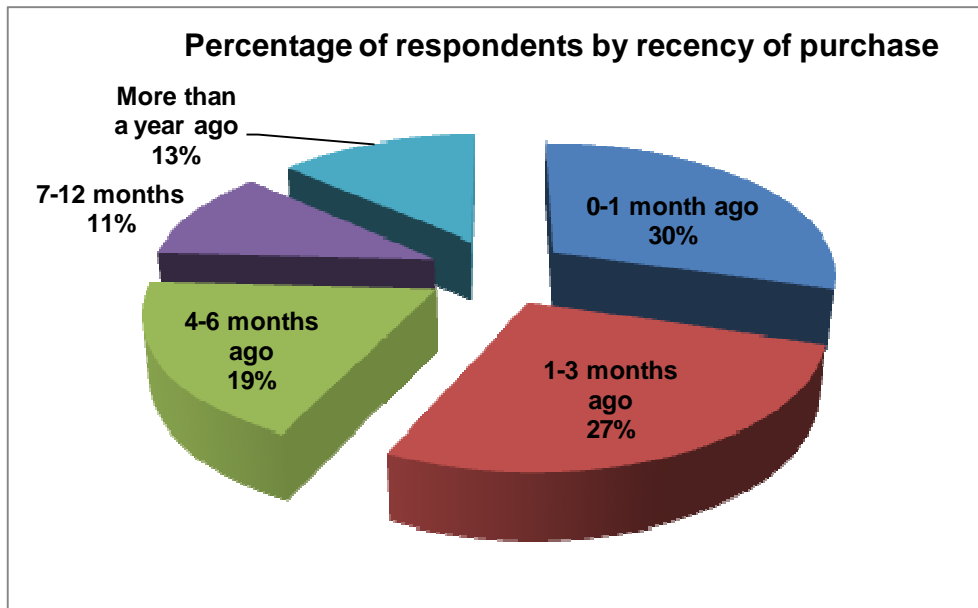


Recency of purchase decision

With regards to when they last made a purchase decision to work with a new professional services provider, 30% of respondents made this decision in the past month; 27% have made the decision one to three months ago; 19% procured the service four to six months ago; 11% have done so seven to 12

months ago and 13% have made the decision over a year ago. The mode is 0-1 months ago and the median 1-3 months ago. With most respondents making their last purchase decision between 1-6 months ago, the findings reveal that respondents are active purchasers.

Figure 5.6: Percentage of respondents by recency of purchase



There therefore seemed to be a specialisation of procurement in the sample. The sample as a whole was biased towards certain types of purchasing decisions (singular purchase decisions) for certain types of services (business and consulting). In addition, most decisions were within the last 6 months and small to medium in nature.

DESCRIPTIVE STATISTICS FOR EACH SCALE

As illustrated in Table 5.2, all key variables had a median and mode of 4.0 with a mean of 4.0 for Global Trust; 3.7 for Products and Services; 3.8 for Interpersonal; 4.2 for Reputation, 4.1 for Culture; 4.1 for Systems and

Processes; 3.9 for Contract; and 4.1 for future Purchase Intent. In other words, respondents tended to agree with the items.

Table 5.2: Descriptive statistics per scale dimension

	Mean	Median	Mode	Min	Max	Lower	Upper	Std. Dev.	Skewness
<i>Global Trust</i>	4.0	4.00	4.00	2.40	5.00	3.60	4.60	0.59	-0.39
<i>Products/ Services</i>	3.7	4.00	4.00	1.33	5.00	3.33	4.00	0.63	-0.81
<i>Interpersonal</i>	3.8	4.00	4.00	1.00	5.00	3.60	4.40	0.68	-1.11
<i>Reputation</i>	4.2	4.00	4.00	1.67	5.00	4.00	4.83	0.65	-0.78
<i>Culture</i>	4.1	4.00	4.00	1.33	5.00	4.00	4.67	0.67	-0.77
<i>Systems, Policies and Processes</i>	4.1	4.00	4.00	1.00	5.00	4.00	4.50	0.67	-0.92
<i>Contract</i>	3.9	4.00	4.00	1.50	5.00	3.50	4.50	0.69	-0.51
<i>Future Purchase Intent</i>	4.1	4.00	4.00	1.00	5.00	4.00	5.00	0.86	-1.22

As can be seen in the last column, the response distributions were negatively skewed, particularly so in the case of the responses to the Interpersonal scale (-1.1) and future Purchase Intent (-1.22) variables. This suggests strongly perceived trust against the dimensions, a possible result of participants recalling vendors for whom feelings of confidence existed. In order to account for the skewness in data, the data was transformed in line with the succession of data transformations as suggested in Tukey's ladder (http://davidmlane.com/teaching/503_2005/Tukey_ladder_transformation). Accordingly, scales were transformed to approximate the normal distribution and thus to satisfy the assumptions of parametric tests of significance. The intention was to proceed with the least strong transformation that yielded a symmetric distribution that was not significantly different from the Normal (Gaussian) distribution (see appendix C for the histograms illustrating various levels of transformation - squared and cubed - per dimension and D for the tabulations).

However, the transformed distributions remained non normal except for the transformed Interpersonal dimension. Taking cognisance of the asymmetry of the transformed distributions, the choice was made to proceed with the analysis using the raw data for the purpose of interpretability.

SAMPLE DESCRIPTION - RESPONSES TO GLOBAL TRUST AND TRUST

DIMENSIONS

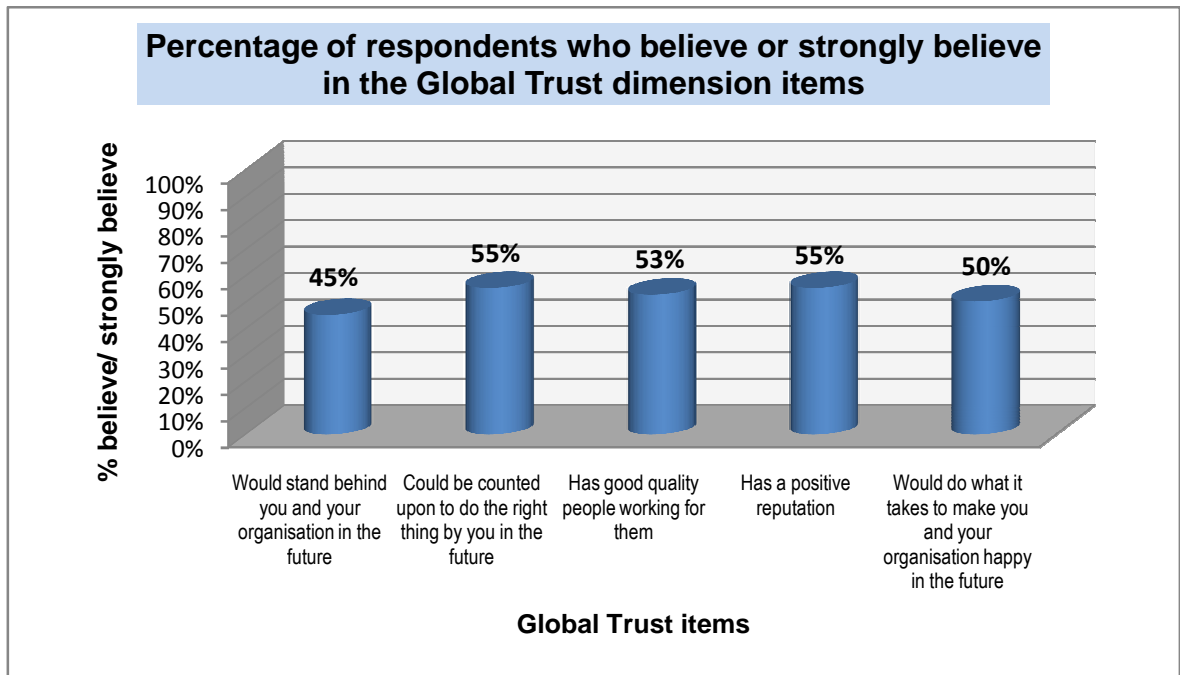
As previously mentioned, both frequencies and means were calculated for the 5-point Likert-type items, in view of the controversy of the ordinal/interval nature of the scale (Tastle and Wierman, 2007). The frequency analysis does not assume equal interval scales, while analyses based on means do. The frequency analysis involved counting, for every item, the percentage of respondents who believed or strongly believed in the notion expressed by the item. These percentages were then represented graphically in bar graphs grouped by the items representing each of the subscales of the dimensions of trust identified in the literature.

Responses by Global Trust

Figure 5.7 demonstrates the percentage of respondents who respond positively to the Global Trust items. Approximately half of the respondents believe or strongly believe in the five items of this scale: 45% believing or strongly believing that the provider would stand behind them and their organisation in the future; 55% believing or strongly believing that the provider could be counted upon to do the right things in the future; 53% believing or strongly

believing that the provider has good quality people working for them; 55% believing in the provider’s reputation and 50% believing or strongly believing that the provider would do what it takes to make them and their organisation happy in the future.

Figure 5.7: Percentage of respondents who believe or strongly believe in the Global Trust dimension items

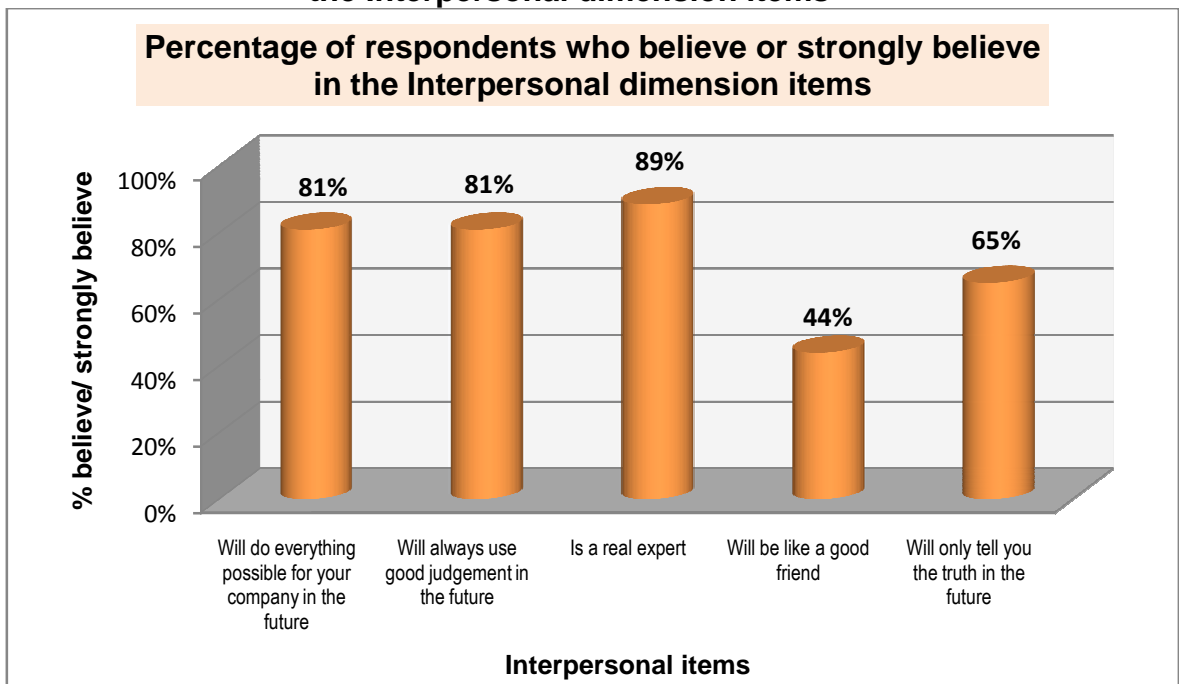


Responses by Personal/Trust Dimensions

Responses by Interpersonal dimension

Figure 5.8 demonstrates the percentage of ‘believe or strongly believe’ responses to the Interpersonal dimension items, with 81% believing or strongly believing that the key BRP would do everything possible for their company in the future; 81% believing that the BRP would always use good judgement in the future; 89% believing that the BRP was a real expert; 44% believing or strongly believing that the BRP would be like a good friend, and 65% believing or strongly believing that the BRP would only tell the truth in the future.

Figure 5.8: Percentage of respondents who believe or strongly believe in the Interpersonal dimension items

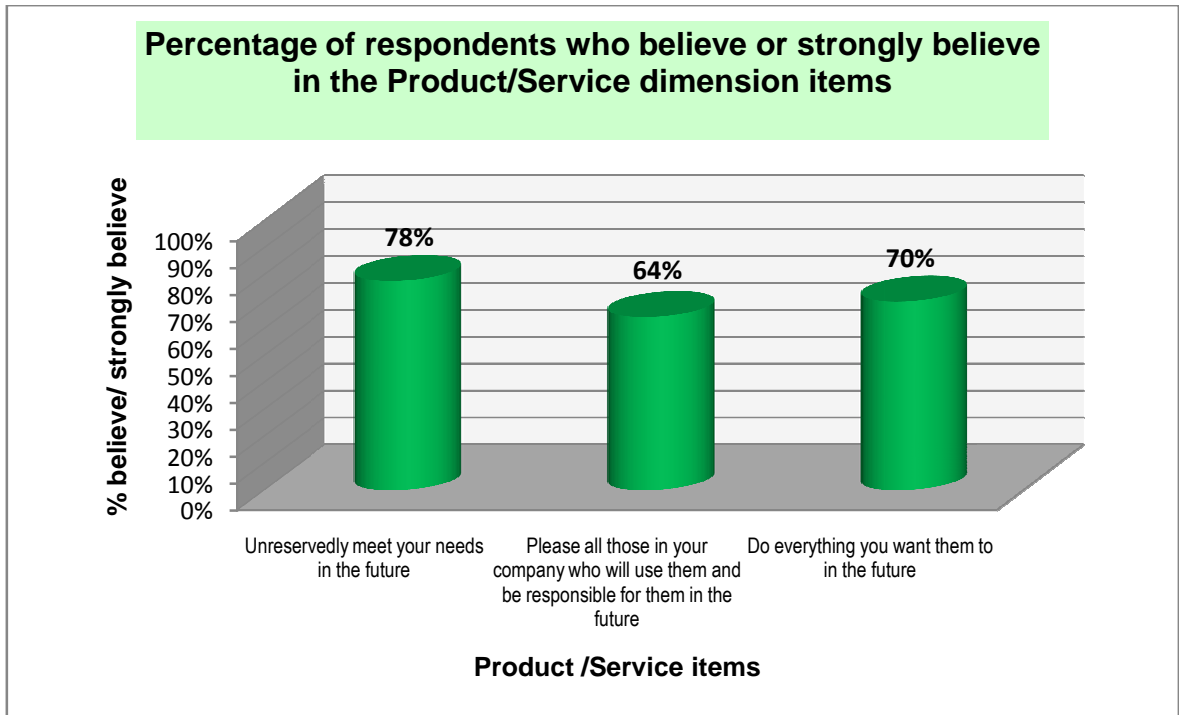


Responses by Impersonal/Reliance Dimensions

Product/Service dimension

Figure 5.9 demonstrates the percentage of ‘believe or strongly believe’ responses to the Product/Service dimension items, with 78% believing or strongly believing that the Products and Services of the potential provider would unreservedly meet their needs in the future; 64% believing or strongly believing that the Products and Services would please all those using and responsible for them; and 70% believing or strongly believing that the Products and Services of the provider would do everything they wanted them to in the future.

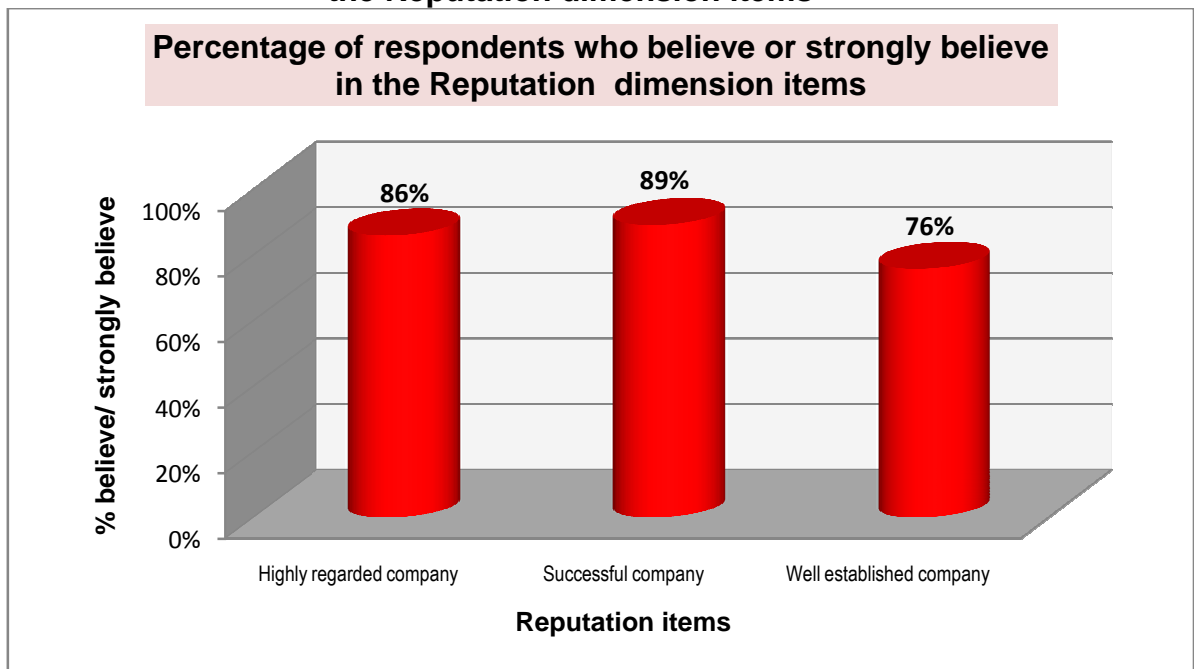
Figure 5.9: Percentage of respondents who believe or strongly believe in the Products and Services dimension items



Responses by Reputation dimension

Figure 5.10 demonstrates the percentage ‘believe or strongly believe’ responses to the Reputation dimension items, with most respondents responding positively to these items: 86% believing or strongly believing that the provider was a highly regarded company; 89% believing that the provider was a successful company; and 76% believing that provider was a well established company.

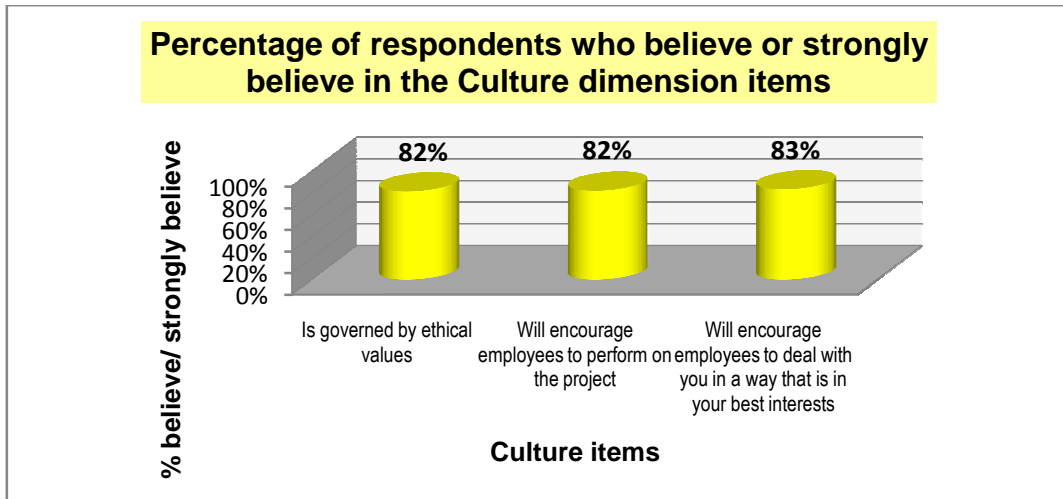
Figure 5.10: Percentage of respondents who believe or strongly believe in the Reputation dimension items



Responses by Culture dimension

Figure 5.11 demonstrates the percentage ‘believe or strongly believe’ responses to the Culture dimension items. Once again, most respondents responded positively to the items in this category, with 82% believing or strongly believing that the provider’s Culture was governed by ethical values; 82% believing that the provider’s Culture would encourage employees to perform on the project; and 83% believing that provider’s Culture would encourage employees to act in their best interests.

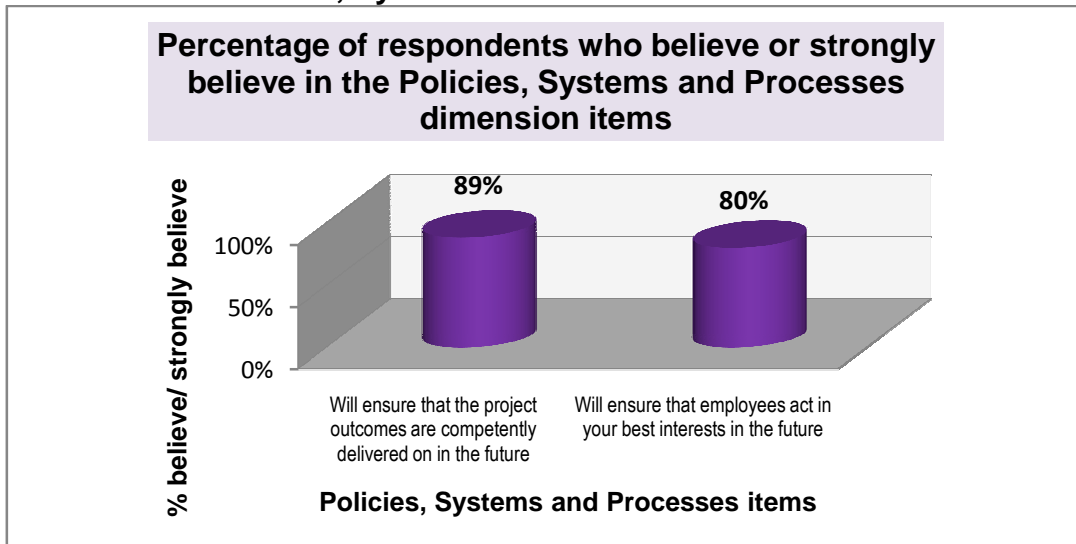
Figure 5.11: Percentage of respondents who believe or strongly believe in the Culture dimension items



Responses by Policies, Systems and Processes dimension

Figure 5.12 demonstrates the percentage ‘believe or strongly believe’ responses to the Systems, Policies and Processes dimension items, with 89% believing or strongly believing that the provider’s Systems, Policies and Processes would ensure that the project outcomes would be competently delivered on in the future; and 80% believing or strongly believing that the provider’s Systems, Policies and Processes would ensure that employees act in their best interests in the future.

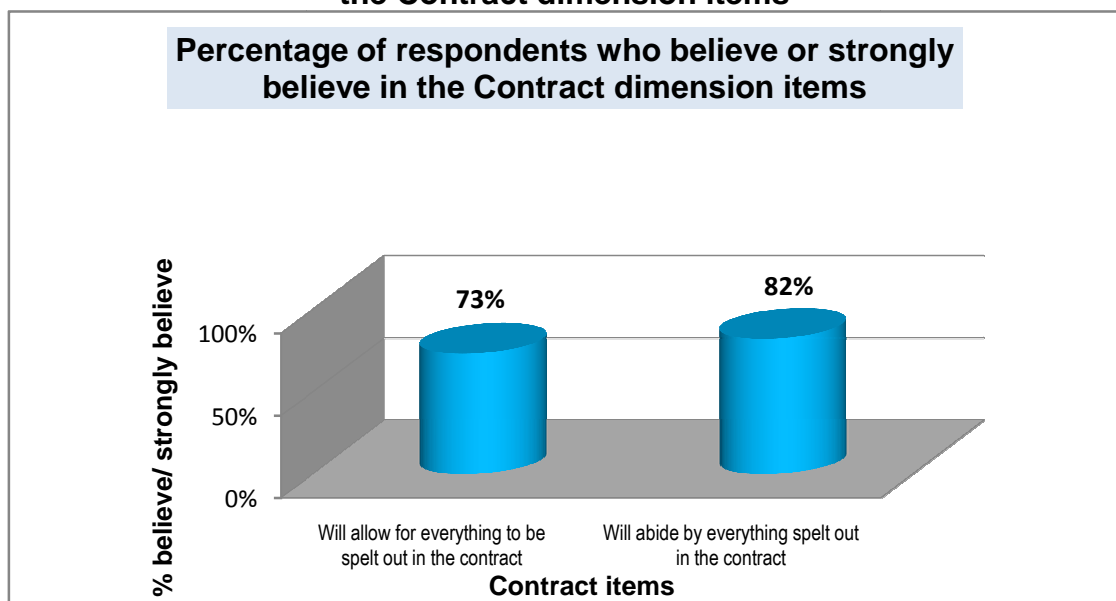
Figure 5.12: Percentage of respondents who believe or strongly believe in the Policies, Systems and Processes dimension items



Responses by Contract dimension

Figure 5.13 demonstrates the percentage ‘believe or strongly believe’ responses to the Contract dimension items, with 73% believing or strongly believing that the provider would allow for everything to be spelt out in the Contract, and 82% believing or strongly believing that the provider would abide by everything spelt out in the Contract.

Figure 5.13: Percentage of respondents who believe or strongly believe in the Contract dimension items



A comparative look at responses across dimensions and items

Overall, in terms of the percentage with ‘believe or strongly believe’ responses, the three highest items were:

- is a real expert at 89% (Interpersonal dimension);
- successful company at 89 % (Reputation dimension); and
- will ensure that the project outcomes are competently delivered on in the future at 89% (Policies, Processes and Systems dimension).

Other highly ranking items over 83% included:

- is a highly regarded company at 86% (Reputation dimension); and
- will encourage employees to deal with you in a way that is in your best interests at 83% (Culture dimension).

Table 5.3: Summary of percentage responses across trust dimensions and items

Dimension	Items	% of respondents rating items at 4 (believe) or 5 (strongly believe)
Products & services	Unreservedly meet your needs in the future	78%
	Please all those in your company who will use them and be responsible for them in the future	64%
	Do everything you want them to in the future	70%
Interpersonal	Will do everything possible for your company in the future	81%
	Will always use good judgement in the future	81%
	Is a real expert	89%
	Will be like a good friend	44%
	Will only tell you the truth in the future	65%
Reputation	Highly regarded company	86%
	Successful company	89%
	Well established company	76%
Culture	Is governed by ethical values	82%
	Will encourage employees to perform on the project	82%
	Will encourage employees to deal with you in a way that is in your best interests	83%
Policies and systems	Will ensure that the project outcomes are competently delivered on in the future	89%
	Will ensure that employees act in your best interests in the future	80%
Contract	Will allow for everything to be spelt out in the contract	73%
	Will abide by everything spelt out in the contract	82%

PSYCHOMETRIC PROPERTIES OF THE SCALES

INTERNAL CONSISTENCY

The internal consistency of each of the scales was then explored, focusing on the Cronbach's alpha per scale as a measure of internal consistency. Cronbach's alpha is the average value of the reliability coefficients one would have obtained for all possible combinations of items when split into two half-tests (Gliem and Gliem, 2003). For the purpose of comparability, inter-item correlations were also calculated in light of the fact that Cronbach's alpha increases with longer scales, whereas the average inter-item correlations are not affected by the length of the scale (Gliem and Gliem, 2003). Acknowledging that the size of alpha is determined by both the number of items in the scale and the mean inter-item correlations, George and Mallery (2003) in Gliem and Gliem (2003) provided the following rules of thumb for the value of Cronbach's alpha

_ > .9 – Excellent	_ > .6 – Questionable
_ > .8 – Good	_ > .5 – Poor
_ > .7 – Acceptable	_ < .5 – Unacceptable

A high value for Cronbach's alpha thus indicates good internal consistency of the items in the scale. Taking into account the reasoning of Gliem and Gliem (2003) with regards to an alpha of .8 being a reasonable goal, all seven trust dimensions were found to have reasonable and 'good' internal consistency, (over .8), lending to their reliability. However, it must be noted that while a high value for Cronbach's alpha indicates good internal consistency of the items in

the scale, Gliem and Gliem (2003) point out that it does not mean that the scale is unidimensional. The factor analysis in the following section was therefore used to determine the dimensionality or the construct validity of the scales.

The Purchase Intent scale, however, was limited by its single item status, and thus Cronbach's alpha could not be calculated. Gliem and Gliem (2003) explored why single-item questions pertaining to a construct are not reliable and should not be used in drawing conclusions. Gliem and Gliem (2003) provided authors who present various reasons for using multi-item measures instead of a single item for measuring psychological attributes. They identify the following: firstly, individual items have considerable random measurement error; secondly, an individual item can only categorise people into a relatively small number of groups; and thirdly, individual items lack scope. They go on to say that the most fundamental problem with single item measures is not merely that they tend to be less valid, less accurate, and less reliable than their multi-item equivalents - their degree of validity, accuracy, and reliability is often unknowable (Gliem and Gliem, 2003). The Purchase Intent scale is thus acknowledged as a shortcoming to this present study. See appendix E for detail on the consistency of each dimension specific scale.

Table 5.4: Internal consistency

	Cronbach's alpha	Average inter-item correlation
<i>Global Trust</i>	0.85	0.55
<i>Products & Services</i>	0.82	0.60
<i>Interpersonal</i>	0.82	0.50
<i>Reputation</i>	0.86	0.69
<i>Culture</i>	0.86	0.69
<i>Systems, Policies & Processes</i>	0.84	0.72
<i>Contract</i>	0.81	0.68

IN RESPONSE TO THE RESEARCH PROPOSITIONS

PROPOSITION 1A

Inter-organisational trust comprises the following dimensions: Interpersonal trust; Product/Service trust; Contractual trust; Processes, Policies and Systems trust; Cultural trust; and Reputational trust.

PROPOSITION 1B

Dimensions are best discriminated and grouped against a Trust versus Reliance based framework, with Interpersonal trust being the only Personal trust dimension, and the other dimensions being classified under Impersonal trust.

Motivating the exploratory factor analysis

The purpose of the factor analysis as a measure of interdependence was to further understand the structure of the set of variables in this study - the trust dimensions (Zikmund, 2003). The factor analysis was used to identify a relatively small number of factors (proposed as Trust and Reliance) in order to represent the relationship among the trust dimensions. (Terre Blanche, *et al.*, 2006). The factor analysis involved three steps:

- computing the inter-correlations between variables (trust dimensions);
- extracting initial factors; and
- rotating the factors to obtain a clearer picture of factor content.

The method of factor extraction used in this study was that of Principal Components Analysis in order to identify the best combination of variables in the sense of accounting for most of the variance in the data as a whole. Factor rotation was orthogonal as opposed to oblique in nature, in that this method

ensured that factors were uncorrelated (Terre Blanche *et al.*, 2006). Before acceptance, the emerging factors were checked against the following criteria, as outlined by Zaltman and Burger (1975) in Quazi and O'Brian (2000):

- The value of each Eigen value was greater than 1.0 (at a 0.5 level of significance).
- The factor loadings after varimax rotation were greater than 0.3 (therefore providing a clearer indication of which variables load on to which factor).
- The variance explained by all factors was greater than 40 percent.
- No variable had significant loading on more than one factor.

The analysis was exploratory in that the relationship among trust dimensions was not known with great certainty prior to the analysis, and had yet to be modelled as such, in combination. The above method was well suited in that the propositions aimed to test the *a priori* model developed in terms of its structure and components, and the factor extraction withheld evidence:

- In the case of proposition 1a, a factor analysis run on the five impersonal dimension items failed to reveal a five factor solution, and failed to find evidence for the model's six dimensions (components)
- In the case of proposition 1b, the factor analysis failed to reveal the two factors of the super-organising framework (structure)

Findings

The factor analysis saw the emergence of two clear factors. The factors were accepted based on the fact they met the criteria, as outlined by Zaltman and Burger (1975) in Quazi and O'Brian (2000) above. The following items loaded highly on Factor 1: will do everything possible for your company in the future (0.772); will ensure that the project outcomes are competently delivered on in

the future (0.759); will always use good judgement in the future (0.721); will ensure that employees act in your best interests in the future (0.719); and will do everything you want them to in the future (0.704). This factor explained 34.4% of the total variance and was named ‘Expected Trust.’ The factor’s Eigenvalue was 7.543. The following items, (all of which formed part of the minor Reputation dimension) loaded highly on Factor 2: highly regarded company (0.831); successful company (0.885); and well established company (0.736). The factor explained 16, 9% of the total variance and was named ‘Earned Trust.’ The Eigenvalue for factor two was 1.701.

Table 5.5: Factor solution

Items	Factor 1	Factor 2
Will do everything possible for your company in the future	0.772310	0.154289
Will ensure that the project outcomes are competently delivered on in the future	0.759945	0.085446
Will always use good judgement in the future	0.721103	0.225079
Will ensure that employees act in your best interests in the future	0.719390	0.216312
Do everything you want them to in the future	0.704019	0.211080
Is governed by ethical values	0.677510	0.297686
Will encourage employees to deal with you in a way that is in your best interests	0.675584	0.373556
Unreservedly meet your needs in the future	0.620553	0.202485
Please all those in your company who will use them and be responsible for them in the future	0.585274	0.211121
Will only tell you the truth in the future	0.581589	0.180341
Will abide by everything spelt out in the Contract	0.579040	0.146231
Will encourage employees to perform on the project	0.565249	0.469250
Will allow for everything to be spelt out in the Contract	0.531089	0.185354
Is a real expert	0.530089	0.334656
Will be like a good friend	0.468826	0.342200
Highly regarded company	0.204871	0.831635
Successful company	0.170579	0.885684
Well established company	0.070458	0.736064
ExplainedVariance	6.202120	3.042242
Proportion of Total Variance explained	0.344562	0.169013

Table 5.6: Eigenvalues for the two factor solution

	Eigenvalue	% Total variance	Cumulative Eigenvalue	Cumulative %
1	7.543	41.907	7.543	41.907
2	1.701	9.450	9.244	51.357

The following correlation matrix provides further evidence of the two factors by showing their distinction and lack of correlation with one another, but with significant correlations with Future Purchase Intent at the 5% level of significance.

Table 5.7: Correlation matrix for the new two factor solution

	Expected Trust	Earned Trust	Future Purchase Intent
<i>Expected Trust</i>	1.000000	0.015058	0.677503
<i>Earned Trust</i>	0.015058	1.000000	0.270513
<i>Future Purchase Intent</i>	0.677503	0.270513	1.000000

The data was therefore reduced and given structure by two factors, albeit not the two factors originally proposed through the literature (Trust versus Reliance). The first factor (Expected Trust) is generally more highly correlated with the variables than the second factor, Earned trust (34.4% versus 16, 9%). This is to be expected as these factors were extracted successively and will account for less and less variance overall. With regards to the model derived and proposed through the literature, the following problems emerged:

- No evidence was found for the separating of Global Trust into its composite six dimensions (proposition 1a). This was evidenced by an exploratory factor analysis run on the impersonal dimension's items. While five factors were expected, two factors emerged (Table 5.8), one of which was the minor Reputation dimension, the other a mix of both personal and impersonal items.
- No evidence was found for the two factors of Trust and Reliance, as illustrated by the factor analysis which revealed an alternative two factor solution (proposition 1b).

Table 5.8: Factor solution for the impersonal items

	Factor	Factor
Unreservedly meet your needs in the future	0.196642	0.577275
Please all those in your company who will use them and be responsible for them in the future	0.204343	0.587981
Do everything you want them to in the future	0.210956	0.681108
Highly regarded company	0.823330	0.195867
Successful company	0.896593	0.147594
Well established company	0.724044	0.073716
Is governed by ethical values	0.285150	0.615644
Will encourage employees to perform on the project	0.451905	0.570769
Will encourage employees to deal with you in a way that is in your best interests	0.348604	0.672075
Will ensure that the project outcomes are competently delivered on in the future	0.062535	0.820475
Will ensure that employees act in your best interests in the future	0.198463	0.731789
Will allow for everything to be spelt out in the contract	0.164766	0.551446
Will abide by everything spelt out in the contract	0.150495	0.607642
Expl.Var	2.631066	4.246954
Prp.Totl	0.202390	0.326689

No evidence therefore existed to support proposition one, from either a:

- six dimensioned model perspective (Interpersonal, Product/Service, Reputation, Culture, Systems, Policies and Processes, and Contract Trust) - proposition 1a; or
- from a super-organising framework perspective (Trust versus Reliance based factors) - proposition 1b.

The data in this instance did not fit the model and the boundaries created through the literature appeared artificial and flawed. Two new factors were however suggested - Earned versus Expected trust. Earned trust was named as such based on its composition of all of the items constituting the Reputation dimension - trust that has been earned based on past business and relational performance. Expected trust was named as such based on its composition of all future directed items, implying the anticipation of trust going forward.

PROPOSITION 2

The perception of Global Trust has an impact on a buyer's Purchase Intent with regards to first time buying decisions in professional services.

Motivating the simple linear regression analysis

Simple linear regression was used to determine the linear association between the dependent variable (Purchase Intent) and the independent variable (Global Trust). Zikmund (2003) stated that regression assumes that the dependent variable is predictively linked to the independent or predictor variable, and can thus be used to investigate the straight line relationship between the dependent and independent variable (bivariate linear regression). The correlation coefficient (r) was examined as the statistical measure of association between the two variables. The r^2 was also scrutinised as a measure of the total variance in the dependent variable that was accounted for by knowing the value of the independent variable (Zikmund, 2003). The closer the r^2 is to 1 the better the linear fit is (Albright, Winston and Zappe, 2006). Linear regression was thus the most suitable method for testing this proposition in that:

- there were two variables, with an assumed level of correlation as identified in the literature review; and
- the objective was to determine whether the linear relationship was predictive at a statistically significant level.

Findings

As can be seen in the scatterplot of Figure 5.14, a linear relationship appears to exist. The regression equation illustrates that Global Trust is responsible for almost half ($r^2 = 44.5\%$) of the variance in Purchase Intent, and with a one unit increase of Global Trust, Purchase Intent increases by .972.

Figure 5.14: Scatterplot and regression equation for Global Trust versus Purchase Intent

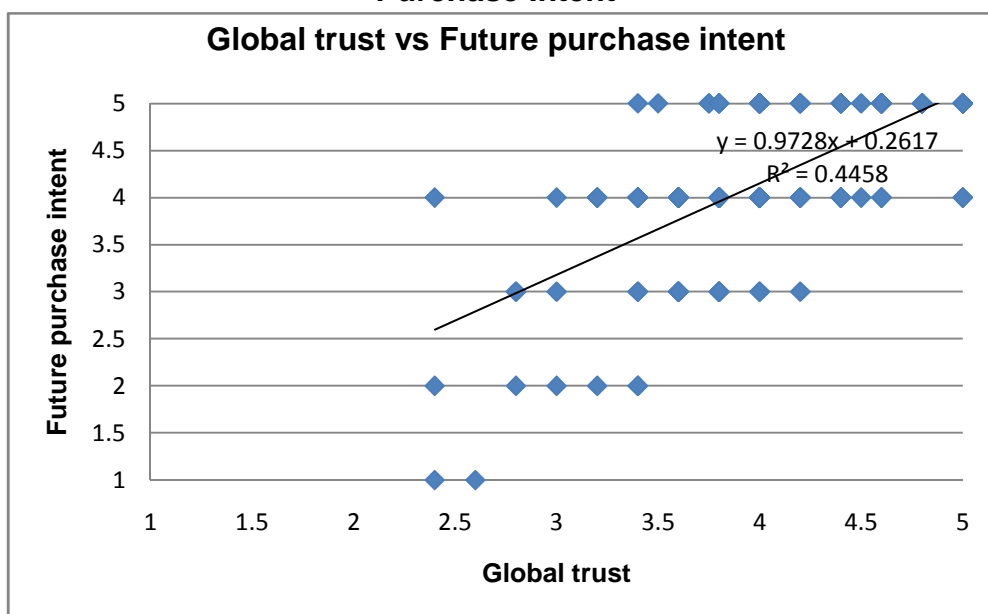


Table 5.9: Regression model for Global Trust versus Purchase Intent

Regression Summary for Dependent Variable: Future purchase intent (Factor scores4.sta) R= .66770428 R ² = .44582901 Adjusted R ² = .44218314 F(1, 152)=122.28 p						
	b*	Std.Err. of b*	b	Std.Err. of b	t(152)	p-value
Intercept			0.261666	0.358319	0.73026	0.466355
Global Trust	0.667704	0.060381	0.972774	0.087969	11.05819	0.000000

There was thus evidence for the support of proposition two, namely, that Global Trust has an influence on Purchase Intent. The data in this current study revealed that this influence is considerable at 44, 5%. This provided a departure platform for examining Proposition three - exploring the relationship between the six individual dimensions and their impact on Purchase Intent.

PROPOSITION 3

All of the trust dimensions validated in the model have an influence on the buyer's Purchase Intent in the professional services arena.

Motivating stepwise multiple regression

Multiple regression analysis was used to test proposition three, described by Zikmund (2003) as an analysis of association in which the effects of two or more independent variables on a single interval scaled or ratio scaled dependent variable are investigated simultaneously. The coefficient of partial regression was examined in terms of the percentage of variance in the dependant variable that is explained by a single independent variable, holding all other independent variables constant (Zikmund, 2003). The coefficient of multiple determination was then investigated, exploring the percentage of the variance in purchase intent that was explained by the variation in the trust dimensions (Zikmund, 2003). Finally the coefficients β s were examined to determine the effects of the dependent variable (Purchase Intent) on unit increases in any of the independent variables (trust dimensions). The dimensions with the highest β s indicated which trust dimensions had relative greater influence on the variance of Purchase Intent. The findings of the above regression analysis were validated by the use of a stepwise regression, estimating a series of regression equations by successfully adding or deleting variables according to prescribed rules (Albright *et al.*, 2006).

This method of analysis was therefore well suited to proving the proposition at hand in that:

- there were three or more variables, with two or more independent variables (trust dimensions); and
- we wanted to determine the association of these multiple trust dimensions on the singular variable of Purchase Intent.

For proposition three composite measures of the scales were created: the items that made up each of the scales posited through the literature were averaged across each person and all respondents (see appendix E for summaries on each scale).

Findings

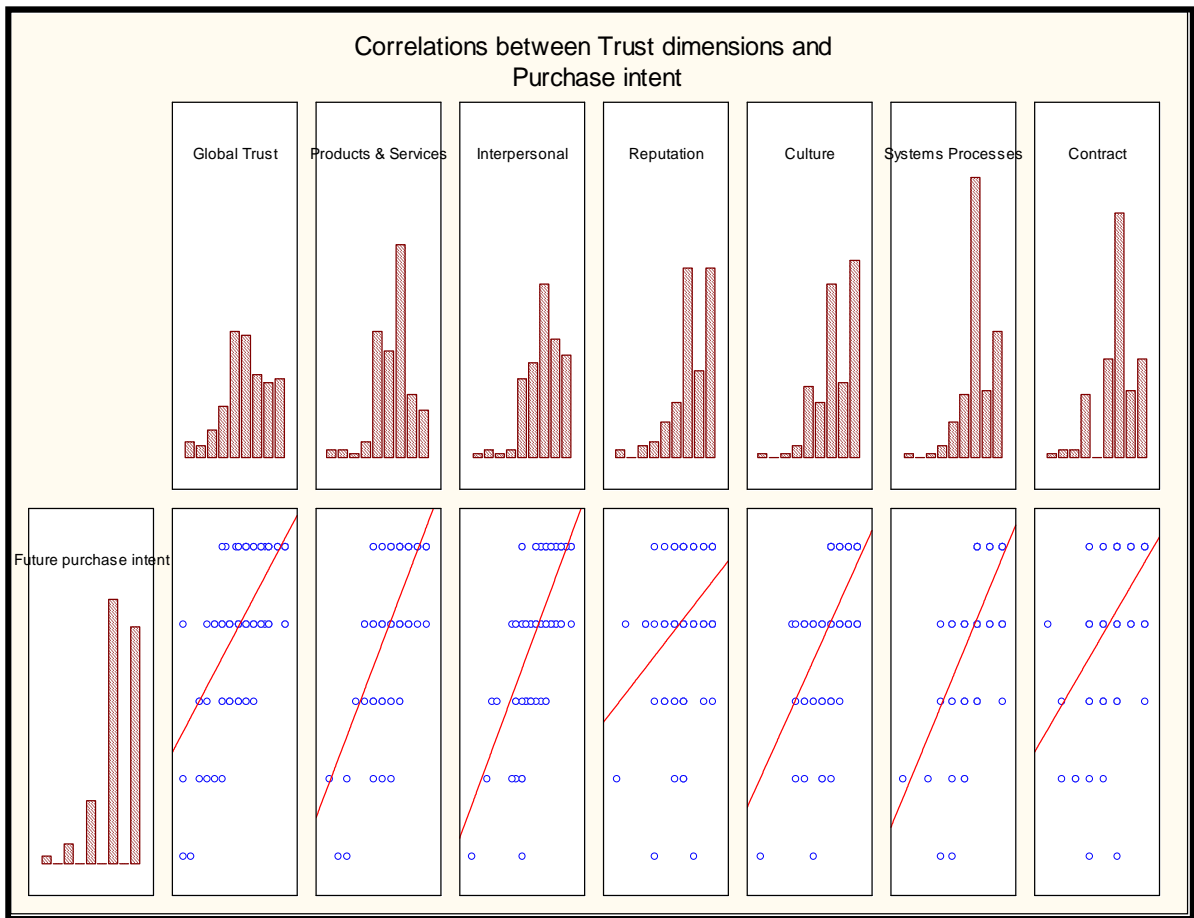
Table 5.10: Regression solution: stepwise multiple regression of Purchase Intent on the six trust dimensions

	Step	Multiple R	Multiple R ²	R-square	F - to	p-level	Variables
<i>Interpersonal</i>	1	0.68848	0.47401	0.47401	133.3765	0.00000	1
<i>Products and Services</i>	2	0.74418	0.55381	0.07980	26.2922	0.00000	2
<i>Systems Processes</i>	3	0.76162	0.58007	0.02625	9.1291	0.00297	3
Regression Summary for Dependent Variable: How likely are you to purchase from them in the future? (factor scores) R= .76162651 R ² = .58007494 Adjusted R ² = .57144634 F(3,146)=67.227 p<0.0000 Std.Error of estimate: .55933							
	Beta	Std.Err.	B	Std.Err.	t(146)	p-level	
<i>Intercept</i>			-0.269664	0.321083	-0.839858	0.402361	
<i>Interpersonal</i>	0.380507	0.073815	0.484507	0.093990	5.154855	0.000001	
<i>Products and Services</i>	0.280147	0.075140	0.385912	0.103508	3.728342	0.000275	
<i>Systems Processes</i>	0.217913	0.072122	0.276231	0.091424	3.021437	0.002971	

Interpersonal trust emerged as the strongest predictor of Purchase Intent. This is evidenced by the fact that 47.4% of the variance in Purchase Intent can be explained by the variation in the Interpersonal trust dimension alone (coefficient of multiple determination). This figure was derived from the first step of the stepwise regression before other predictors were entered, that is, without holding constant other variables. Interpersonal trust has the highest β weight (0.3805), indicating its relatively greater explanation of the variance of Purchase Intent compared to the other predictor dimensions. With Interpersonal trust as the key influencer ($p < 0.001$), Product/Service trust explained an additional 8% of the variance in Purchase Intent ($p < 0.001$), bringing total explanation of variance to 55.4% with both variables present.

Lastly, building on the percentage variance explained by Interpersonal and Product/Service trust, Systems, Policies and Processes trust explained an additional 2.6% of variance in Purchase Intent ($p < 0.01$), bringing the total variance explained with all three variables present to 57.1% (r^2 adjusted for the number of predictors). These relations are depicted graphically in the form of a matrix plot of scatter diagrams in Figure 5.15. The non normality of the distributions can also be seen. The plots show Interpersonal trust, followed by Product/Service trust and Systems, Policies and Processes trust, with the steepest slopes respectively, indicative of the order of their correlations with Purchase Intent.

Figure 5.15: Matrix plot of scatter diagrams, illustrating the correlations between the six trust dimensions and Purchase Intent



The correlation amongst variables must however be stressed. While the correlation matrix overleaf shows the high correlation between Interpersonal Trust and Purchase Intent (0.688); Product/Service and Purchase Intent (0.656); Systems, Policies and Processes and Purchase Intent (0.616); and Culture and Purchase Intent (0.602) (all highlighted in green); it also shows the correlation amongst trust dimensions themselves. This can be seen by the figures in red in Table 5.9, namely:

- The high correlation between Systems, Policies and Processes and Products and Services (0.614).
- The high correlation between Interpersonal and Products and Services (0.636).

- The high correlation between Culture and Interpersonal (0.687).
- The high correlation between Systems, Policies and Processes and Culture (0.647).

Table 5.11: Correlation matrix of the six dimensions and Purchase Intent

	Product/Service	Inter-personal	Reputation	Culture	Systems, Policies & Processes	Contract	Future Purchase Intent
<i>Product/Service</i>	1.000	0.636	0.363	0.577	0.614	0.507	0.656
<i>Inter-personal</i>	0.636	1.000	0.416	0.687	0.595	0.510	0.688
<i>Reputation</i>	0.363	0.416	1.000	0.474	0.285	0.296	0.370
<i>Culture</i>	0.577	0.687	0.474	1.000	0.647	0.426	0.602
<i>Systems, Policies & Processes</i>	0.614	0.595	0.285	0.647	1.000	0.521	0.616
<i>Contract</i>	0.507	0.510	0.296	0.426	0.521	1.000	0.496
<i>Future Purchase Intent</i>	0.656	0.688	0.370	0.602	0.616	0.496	1.000

Thus while support was found for proposition two, that Global Trust has an influence on Purchase Intent, no evidence was found to support proposition three. This is because in the presence of each other, only three dimensions were found to have a statistically significant influence, namely Interpersonal, Product/Service and Systems, Policies and Processes. Reputation, Culture and Contracts were found to have insignificant impact.

PROPOSITION 4

The factors identified in the model have an influence on the first time purchase decision.

Motivating the stepwise multiple regression

Multiple regression analysis was once again used to test proposition four, with the coefficient of partial regression, the coefficient of multiple determination and the coefficients' β s being examined. This method of analysis was well suited to proving the proposition at hand in that:

- there were three or more variables, with two or more independent variables (super-ordinating factors); and
- we wanted to determine the association of these super-ordinating factors on the singular variable of Purchase Intent.

For proposition four, composite measures were created: two factor scores were generated - a composite of the differently weighted items that comprised the scales that were posited through the literature.

Findings

As Interpersonal trust was the only variable classified under the 'Trust/Personal' factor, the regression solution (Table 5.8) can in part be used to address this element of the research proposition. Interpersonal trust explained 47.4% of the variance in Purchase Intent (coefficient of multiple determination) when the other predictors were not held constant. A separate regression analysis was then run using only the 'Reliance/Impersonal' dimensions, namely: Product/Service, Contract, Systems, Policies and Processes, Culture and

Reputation (Table 5.12). This enabled a Personal factor versus Impersonal factor comparison. Product/Service trust emerged as the key impersonal predictor, explaining 39.9% of the variance in the Purchase Intent variable ($p < 0.001$). Building on the percentage variance explained by Product/Service trust, Systems, Policies and Processes trust was the next predictor entered into the stepwise regression and explained an additional 7.5% of variance in Purchase Intent ($p < 0.001$), bringing the total variance explained with the two variables present to 47.4%. Lastly, Culture emerged as the third statistically significant predictor variable, explaining an additional 2.1% of variance in the Purchase Intent variable ($p < 0.05$) in the presence of the other two predictors.

Table 5.12: Regression solution: Impersonal dimensions and Purchase Intent

	Step	Multiple	Mult R2	R-square	F – to	p-level	Variables
<i>Product/Service</i>	1	0.63145	0.39873	0.39873	98.1475	0.00000	1
<i>Systems, Policies & Processes</i>	2	0.68834	0.47382	0.07508	20.9780	0.00001	2
<i>Culture</i>	3	0.70344	0.49483	0.02101	6.0730	0.01488	3
Regression Summary for Dependent Variable: Future Purchase Intent (Factor scores 2) R= .71223360 R ² = .50727669 Adjusted R ² = .49368433 F(4,145)=37.321 $p < 0.0000$ Std.Error of estimate: .57882							
		Beta	Std.Err.	B	Std.Err.	t(145)	p-level
<i>Intercept</i>				-0.20446	0.37128	0.55069	0.58268
<i>Product/Service</i>		0.339743	0.07792	0.45828	0.10511	4.35987	0.00002
<i>Systems, Policies & Processes</i>		0.208711	0.08418	0.25675	0.10356	2.47918	0.01434
<i>Culture</i>		0.183885	0.07814	0.23566	0.10015	2.35301	0.01996

The cumulative variance of Purchase Intent explained by the three significant impersonal dimensions in the Reliance factor, amounted to 49.4%. This is in comparison to the 47.4% explained by the singular Interpersonal variable in the Trust factor.

For the sake of completeness, an attempt was made to group all impersonal dimensions into one factor 'Impersonal' (at the risk of not getting the optimal weighting of its composite dimensions) and include this composite Impersonal score with the composite Personal score in a stepwise regression. However, as shown by the strong correlation between these two composite scores ($r = 0.72$) (Table 5.13), a model with both predictors would be unstable owing to multicollinearity.

Table 5.13: Correlation matrix showing Personal and Impersonal factors and Purchase Intent

	Interpersonal	Impersonal	Future purchase intent
<i>Interpersonal</i>	1.00	0.72	0.67
<i>Impersonal</i>	0.72	1.00	0.69
<i>Future purchase intent</i>	0.67	0.69	1.00

Summary for scale: Mean=52.5890 Std.Dv.=6.22306 Valid N:146 (Factor scores3)
Cronbach alpha: .894445 Standardized alpha: .896389
Average inter-item corr.: .412230

There was therefore support for proposition four, in that the data in this study revealed that both factors had an influence on Purchase Intent, namely: the Trust factor explained 47.4% of the variance in Purchase Intent; and the Reliance factor explained 49.4%, independently.

PROPOSITION 5

Empirically derived factors from the data will have an impact on Purchase Intent (shadowed by the disproved Trust versus Reliance factor solution).

Motivating stepwise multiple regression

Multiple regression analysis was again used to test proposition five. This method of analysis was well suited to proving the proposition at hand in that:

- There were three or more variables, with two or more independent variables (trust factors revealed by the data).
- We wanted to determine the association of these trust factors on the singular variable of Purchase Intent.

Findings

In light of the new two factor solution of Earned and Expected Trust revealed by the data, a decision was made to introduce Proposition five, exploring the relationship between Earned and Expected Trust and Purchase Intent. For the sake of completeness (as opposed to validity) the decision was also taken to pit the two models against one another, comparing their strength, namely:

- What was proposed through the literature, the invalidated Trust versus Reliance factors and their relationship with Purchase Intent.

versus

- What the data revealed, that is, Earned versus Expected trust and their relationship with Purchase Intent.

A look at what the data proposed: Earned and Expected Trust factors and the relationship with Purchase Intent

Expected Trust emerged as the prominent factor explaining 45.9% of the variance in Purchase Intent when entered in the first step in the stepwise regression. It also has the highest β (0.6736) ($P < 0.0001$), indicating its relative greater explanation of the variance explained compared to Earned Trust ($\beta = 0.2604$) ($P < 0.0001$), meaning that the Purchase Intent decision is principally influenced by the Expected Trust factor. In the presence of Expected Trust, the predictor Earned Trust explained an additional 6.1% of the variance of Purchase Intent, bringing the total explanation of variance with both factors present to 52%. Both factors were significant at the 0.1% level.

Table 5.14: Regression solution: Earned and Expected Trust in relation to Purchase Intent

Regression Summary for Dependent Variable: Future Purchase Intent (Factor scores 2)							
R= .72580178 R ² = .52678822 Adjusted R ² = .52007600							
F(2,141)=78.482 p<0.0000 Std.Error of estimate: .56688							
	Beta	Std.Err.	B	Std.Err.	t(141)	p-level	
<i>Intercept</i>			4.190517	0.047261	88.66750	0.00000	
<i>Expected Trust</i>	0.67358	0.057939	0.608759	0.052363	11.62582	0.00000	
<i>Earned Trust</i>	0.26037	0.057939	0.228397	0.050824	4.49391	0.00001	
	Step	Multiple	Mult R2	R-sq	F - to	p-level	Variable s
<i>Expected Trust</i>	1	0.677503	0.459011	0.459011	120.4822	0.00000	1
<i>Earned Trust</i>		0.520070	0.061059				2

In the plot of residual versus predicted scores, the variance in general of predicted values is similar for each observed value (see appendix F). The histogram of residuals reveals an approximately normal distribution, although with regards to the normal probability of residuals plot, a few points lie on the extremes that do not fit perfectly with the normal plot as expected. These deviations may be the result of the asymmetry of the underlying data distributions.

There was therefore evidence to support proposition five, in that the factors provided by the data cumulatively explained 52% of the variance in Purchase Intent, albeit that Expected Trust was the key player at 45.9%. When examined alongside the model that the literature proposed (Trust versus Reliance) it was found that although the two factor model revealed by the data explained more variance in Purchase Intent (52% explained by Expected and Earned Trust) the Personal/Trust factor proposed by the literature accounted for the greatest variance of any individual factor, albeit that the Interpersonal dimension belonging to the Personal Factor was highly inter correlated with other dimensions.

A note on the propositions explored alongside demographic moderator variables

All propositions were also explored across key demographic variables to see if results differed across moderated variables and boundaries. These variables included:

- size of purchase (grouped as $\leq 200k$ and $>200k$);
- industry of origin;
- type of professional service purchased;
- number of services purchased; and
- number of years in a role with purchasing authority (grouped as ≤ 15 and >15 years of experience).

No significant distinction in results was found against any demographic moderator.

CHAPTER 6: DISCUSSION OF RESULTS

INTRODUCTION

The discussion that follows addresses the research objectives of this study. It does so by attending to each proposition, providing insight into the findings in terms of the context of this study, the literature review and where possible - the sample.

ADDRESSING THE RESEARCH PROPOSITIONS

PROPOSITION 1A

Inter-organisational trust comprises the following dimensions: Interpersonal trust; Product/Service trust; Contractual trust; Processes, Policies and Systems trust; Cultural trust; and Reputational trust.

PROPOSITION 1B

Dimensions are best discriminated and grouped against a Trust versus Reliance based framework, with Interpersonal trust being the only Personal trust dimension, and the other dimensions being classified under Impersonal reliance.

Flawed dimensions and a lack of independent factors

The separation of Global Trust into the six composite dimensions in the *a priori* model lacked evidence in the data collected as no support for the model was found. In addition to the factor analysis disproving the six-dimension approach to trust classification, the scales themselves were found to contradict one of the

criteria laid out by Campbell and Fiske (1959) with regard to Construct Validity, namely, that the correlation within the scales measuring a construct must be greater than the correlation between scales measuring different constructs. In the following correlation matrix (Table 5.15), the yellow block highlights the correlation between dimensions constituting the Impersonal factor. The highest correlation between these dimensions was between Systems, Policies and Processes and Culture (0.647, as highlighted in red). This was lower than the correlation between Interpersonal trust and Culture (0.687, as highlighted in green). This suggests execution issues and consequently researcher error may explain the lack of evidence for Trust and Reliance as independent factors.

Table 6.1: Correlation matrix of Global Trust, Purchase Intent and the six theoretical Trust Dimensions

	Global Trust	Interpersonal	Product/Service	Reputation	Culture	Systems, Policies & Processes	Contract	Future Purchase Intent
<i>Global Trust</i>	1.000	0.719	0.705	0.427	0.691	0.605	0.429	0.664
<i>Interpersonal</i>	0.719	1.000	0.636	0.416	0.687	0.595	0.510	0.688
<i>Product/Service</i>	0.705	0.636	1.000	0.363	0.577	0.614	0.507	0.656
<i>Reputation</i>	0.427	0.416	0.363	1.000	0.474	0.285	0.296	0.370
<i>Culture</i>	0.691	0.687	0.577	0.474	1.000	0.647	0.426	0.602
<i>Systems, Policies & Processes</i>	0.605	0.595	0.614	0.285	0.647	1.000	0.521	0.616
<i>Contract</i>	0.429	0.510	0.507	0.296	0.426	0.521	1.000	0.496
<i>Future Purchase Intent</i>	0.664	0.688	0.656	0.370	0.602	0.616	0.496	1.000

Thus while the framework (Trust versus Reliance) was well motivated by authors such as Mouzas *et al.* (2007), Adobor (2006), and Ellonen *et al.* (2008); and conceptually Blois's (1999) argument that there is a difference between trusting someone and relying on someone to do something was understandable, this was not borne out in the current results. The reasons for

this could have been multiple: from conceptual issues; reliability and validity; and sampling error. Conceptually, a reason for this could lie in that the sources from which we derive a sense of trustworthiness, and the sources from which we derive a sense of reliance, were shown through the data in this study to be interrelated.

While the lack of evidence for the proposed model could perhaps have been an issue of internal consistency, the Cronbach's alpha was at the recommended level for all scales. Questions of reliability are not identical to those of validity; nevertheless, the inter-correlation of dimensions warranted further discussion, as these seemed to have revealed a halo effect among and between Personal and Impersonal dimensions. That is, if you derive trust from one of the dimensions, you tend to derive trust from the others too. This could potentially also have resulted from the specialisation of the sample. With the majority of respondents making relatively small purchase decisions (56% of respondents made typical purchase decisions for projects under R200 000), their need to perceive dimensions as distinct could perhaps be limited, with their level of risk affording a Global Trust perspective as sufficient. With greater value purchase decisions comes greater risk, and potentially more discerned risk in key areas - hence perhaps the benefit of creating and perceiving distinction between dimensions and the potential certainty granted by each.

In an attempt to further understand this halo effect, and the overlap between Personal and Impersonal dimensions, the literature was drawn upon to provide insight and explanation into the highly correlated dimensions and their relationships.

The high correlation between Systems, Policies and Processes and Products and Services (0.614)

Understanding the relationship between Systems, Policies and Processes and Products and Services lies in the recognition that through the Systems, Policies and Processes, the Products and Services are shaped and produced; that is, the operational linkages and routine processes are the means for service delivery (Cannon and Perreault, 1999). Zaheer *et al.* (1998) proposed that practices and routines create a stable environment within which trust develops - internalised norms become socialised trust structures that shape the exchange. In light of the fact exchange between a provider and a buyer is critical to the service design and delivery in the professional services space (Laing and Lian, 2005; and Thakor and Kumar, 2000) one can understand the inter relationship. In addition, Greenberg *et al.* (2008) contended that systems enable innovative relationships to transpire through seeking to protect the parties from intentional or unintentional negative actions and consequences: thus, as the relationship and project develops, Systems, Policies and Processes will hedge the buyer's performance and relational risk at each key phase - by guiding the exchange and service delivery through established norms and routines.

The high correlation between Interpersonal and Products and Services (0.636)

The overlap between the Interpersonal and Product/Service dimensions is also possible to theorise as professionals in the professional services space are critical to the design, production and delivery of the services and products themselves. The foundation for this is well laid out in the literature. The involvement of the provider's professionals in the design and delivery of the

service solution is highlighted by authors such as Gummesson (1978) in Laing and Lian (2005) who stressed the specialist knowledge and problem solving role of the professionals; Van der Valk and Rozemeijer (2008) who emphasised how both provider and buyer co produce the service outcome; Awuah (2007) who defined PSFs as those firms that rely on highly professional staff and people-based services and information; Laing and Lian (2005) who commented on the high degree of interaction between the supplying organisation and the purchaser; and Thakor and Kumar (2000) who cited Hill and Neeley (1988) in asserting that the buyer is dependent on the provider to define the problem and to advise and Bean (1991) who stressed the expertise needed to successfully deliver professional services. The ability of the provider/professional to determine client needs, problem solve with the client, and produce and deliver a customised solution thus implies a high level of correlation between the professional and the Product/Service itself.

For further explanation, one can look to the network of trust dimensions identified by Plank *et al.* (1999), wherein Product trust was listed as a distinct construct, defined as the buyer's belief that the product or service would fulfil obligations as understood by the buyer. Laaksonen *et al.* (2008) used Sako's components for types of trust, namely contractual, competence and goodwill wherein competence trust referred to the ability to deliver according to agreement, amongst other things - the consistent delivery of high quality products (services) in a timely and accurate manner. The competence of the organisation, and consequently its people, is thus related to the ability to deliver services that meet performance expectations. For example, if Coulter and Coulter's (2002) definition of the offer related characteristics of a service

provider are examined (competence and customisation among others), it is difficult to distinguish the trust derived from the people involved on the project, and manner and outcome of the service delivered on the project.

The high correlation between Culture and Interpersonal (0.687)

The overlap between Interpersonal and Culture trust is also comprehensible: if Interpersonal trust is the belief in a counterpart's competence and intent, and culture, according to Welch and Welch (2006), aligns employees with corporate values and objectives through enhanced coordination and control within the firm, improved goal alignment between the firm and its members, and increased employee effort, the correlation is understandable. Both dimensions enable us to trust the ability and integrity of those who will work on the project, hedging relational and performance risk.

If one looks at the empirical evidence, ethical cultures are associated with job satisfaction (Koh and Boo, 2004); job satisfaction is related to organisational commitment (Koh and Boo, 2004); and organisational commitment is associated with organisational performance (Rashid, *et al.*, 2003). Based on this culture-performance link (reinforced by Xenikou and Simosi, 2006), culture is then related to the perception we have of our ability to rely on our counterparts in the provider organisation when under risk (Currall and Judge, 1995) and would make evaluating a consideration set of potential providers dependant on, in part, 'quality of people assigned to the account' from an industry expertise, (Day and Barksdale, 1994) and good intentions perspective (Nooteboom, 2002).

Nooteboom (2002) summarised this relationship and as such, indirectly gives potential reasoning for the correlation the data presented: he referred to culture as a focusing device because of its ability to help external parties trust the people within an organisation in the understanding that intentions and behaviour are shaped, even unintentionally by culture. Building on Nooteboom's (2002) explanation, Structuration theory could potentially further account for this correlation: the BRP's through their actions both re-enact and reproduce the cultural structures that shape their action (Fuchs, 2003), hence the inability to perceive these dimensions and derive trust from them as independent constructs.

The high correlation between Systems, Policies and Processes and Culture (0.647)

The correlation between Systems, Policies and Processes and Culture is also conceptually easy to understand, in that both dimensions are institutional in nature. Harrison Mcknight *et al.* (1998) explained that institution-based researchers maintain that trust reflects the security one feels about a situation because of guarantees, safety nets, or other structures, provided for by both dimensions found in this inter correlated relationship – Systems, Policies and Processes and Culture. Depshande *et al.* (1989) in Hewett *et al.* (2008) described organisational culture as the shared values and beliefs that provide employees with the norms for behaviour in the organisation with Welch and Welch (2006) highlighting three consequences of a strong culture: enhanced coordination and control within the firm, improved goal alignment between the firm and its members, and increased employee effort.

These cultural consequences of coordination and alignment are ultimately the result of the systems, processes and practices within the organisation. Zaheer *et al.* (1998) successfully broke down the construct 'inter-organisational trust' into what they saw as its constituent dimension and linking mechanism with interpersonal trust (and consequently culture) - institutionalised processes. They defined such processes as the codified informal commitments made by individual boundary spanners which over time become established and taken for granted organisational structures and routines – roles that are stable and enduring. Thus the Systems, Policies and Processes dimension translates into standardised social practices that develop and are learned within an organisation. These internalised norms become socialised trust structures that shape the exchange (Zaheer *et al.*, 1998) and institutionalise the business interaction (Mouzas *et al.*, 2007), reinforcing the Culture dimension. The correlation is understandable as per Structuration theory: our trust in Systems, Processes and Practices reinforces our trust in the institution, Culture - and vice versa.

Earned versus Expected Trust - a new two factor solution

In terms of the new two factor solution proposed, the one factor that emerged and explained 16.9% of the total variance was the minor Reputation dimension. In light of the more dominant factor containing only items ending with 'in the future,' the Reputation factor was labelled Earned trust, that is, trust we can derive based on past behaviour, with the second factor named Expected trust, that is, the anticipation of trustworthy and reliable behaviour and performance going forward. Earned Trust could therefore be considered as a proxy for the

firm's reliability going forward, a potential lead factor to Expected trust as per the convention brand model of lead and lag factors. Classifying Global Trust according to time (past integrity and performance versus future integrity and performance) was thus found to be a valid means of grouping and representing the data, explaining 51.3% of variance in total. This, as opposed to a dimension-based approach to trust modelling.

With regards to the more dominant Factor - Expected trust, the extracting of items into this grouping is also understandable: considering that the purchase decision is laden with uncertainty about future relational and performance risks (Mouzas *et al.*, 2007), the expectation of positive future behaviour from a performance and integrity perspective therefore becomes a strongly prompted factor from which perceptions of trust can be sourced. The literature also revealed that trust is underscored by a two dimensional confidence: the 'what' - a confidence that stems from the belief that the other party is reliable and credible to fulfil its duty (Gil-Saura *et al.*, 2009 and Wong *et al.*, 2008); and the 'how', that is - the confidence of one party in a two-way relationship that the other party will act with benevolence, a high degree of integrity and not exploit its vulnerabilities respectively (Gil-Saura *et al.*, 2009; Wong *et al.*, 2008; and Ghosh and Fedorowicz, 2008). The Expected trust factor revealed highly loaded items relating to both competence [Will do everything possible for your company in the future (0.772); Will ensure that the project outcomes are competently delivered on in the future (0.759); Will do everything you want them to in the future (0.704)] and positive intent [Will always use good judgement in the future (0.721); Will ensure that employees act in your best interests in the future (0.719)].

This validated the argument for suppliers to create confidence among buyers as to both their continued goodwill and competent delivery, should they wish to translate buyer interest into concrete sales. Expected Trust could thus be considered the lag factor of Earned Trust as per convention brand modelling, with past performance shaping expectations about suitable trust levels and expectations going forward.

The results could be further understood by considering the potential impact of the time and nature of the market during which respondents were assessed. With the study taking place during the midst of the financial crisis where trust in business was undermined, the sample could perhaps have been influenced by the environment. This could have been aggravated by the fact that 32% of respondents were in the financial services industry, the very industry both triggering and being impacted by a crisis of trust. This would explain why trust was perceived as important (with good business practice and intent perceived as being under threat) and why trust based on the expectation of good performance and integrity going forward would matter significantly, and lag the trust derived from past performance and conduct.

Conclusion

The data therefore offered something new on the dialogue of trust - the grouping of trust into that which is already earned based on past behaviour (the lead factor of Earned Trust), and that which is based on the expectation of positive future behaviour (the lag factor of Expected Trust). With the future by its nature containing more risk as opposed to the past, it is logical that Expected

Trust should account for more of the variance. In terms of the value of this contribution, the literature revealed the tendency of authors to use Global Trust constructs in their studies, in this context - that of 'Company Trust' (Gassenheimer and Manolis, 2001; Plank *et al.*, 1999; Doney and Cannon, 1997). While the research motivation and literature review criticised the authors for this approach, and for their failure to break down 'Company Trust' into its composite dimensions as was the purpose of this study, the data lent support to their use of summative constructs. What the two factor solution did propose however, is that such global constructs should take into account the two factor score of Earned versus Expected trust should they wish to be both efficient and effective measures. The study therefore invalidated the model that was proposed, but presented evidence for a trust scale comprising Earned and Expected trust and laid the foundation of construct validity for this scale.

PROPOSITION 2

The perception of Global Trust would have an impact on a buyer's Purchase Intent with regards to first time buying decisions in professional services.

Global trust affirms its impact

Global Trust was found to be responsible for almost half ($r^2 = 44.6\%$) of the variance in Purchase Intent. This aligned with the findings of Laing and Lian (2005) who discovered trust to be a key driver of relationship development in professional services across all of the relationship formats explored; and with the findings of Chia (2005) who found proof for the proposition that trust can assist in the development and maintenance of relationships in professional services when understood and valued in the same way by clients and their

consultants. While the authors reviewed in the literature consistently found a positive relationship between trust and Purchase Intent, the context of their studies often differed slightly in terms of industry, type of purchase decision and research objectives. For example, Kenning's (2008) study took place in a retailing context and focused on the level of repeat purchase and size of order as opposed to first time buyer intent and Laing and Lian's study (2005) looked at trust against specific relationship dyads (for example open tender and closed tender) and was specific to the occupational health sector. The findings of this study thus offered empirical evidence for a positive relationship between Global Trust and first time Purchase Intent in the professional services space. The implication of this is that as per the argument of Day and Barksdale (1994), key to progressing through the initial phases in a relationship, is in part, the variable and converter of trust; and as a professional services provider, the data in this study suggested that as per Hald *et al.* (2008), trust is a fundamental ingredient in positioning oneself as an attractive partner.

In terms of trying to contextualise these results within the sample, the risks inherent to professional services buying decisions provided insight. If one considers the risks as laid out by Mitchell (1994), including significant investments of time, money and personnel without any guarantee of a successful outcome; and Mitchell and Greatorex (1993) in Smeltzer and Ogden (2002): their intangibility complicating the valuation of financial outcomes, the ambiguity of their time based objectives and the psychosocial involvement required - one can understand how trust can assist buyers in dealing with their uncertainty. At the awareness stage, such uncertainty is at an all time high (Claycomb and Frankwick, 2007) hence the value of trust as a motivator of

relationship development, and as such - first time provider selection and purchase. Furthermore, the sample was specialised to small purchase decisions: this could perhaps be interpreted by the fact that with more considerable purchasing decisions, current providers are deemed first ports of call in which case past performance is the key influencer of the purchase decision. With smaller decisions the likelihood of granting projects to new clients is increased, hence bolstering the importance and influence of trust on the buying decision. In addition, with the majority of respondents from financial services, and in light of the timeframe and environment within which the study took place where trust was under threat globally, it is plausible why the influence of trust on the purchase decision would be augmented. Finally, with the majority of respondents having under ten years of purchasing experience, the influence of trust on the buying decision could have been enlarged with buyers using trust as a tool to hedge risk, supplementing their still growing experience base.

Conclusion

It must however be acknowledged that the data for both Global Trust and Purchase Intent was positively skewed: -0.39 and -1.22 respectively. By asking respondents to consider a relationship in its pre commitment phase, a provider with whom they are considering working with in the future, the phrasing of the positioning paragraph could have introduced bias by inviting participants to consider a relationship wherein a positive feeling for the potential provider already existed, and where subconsciously the inclination to purchase was already present. In addition to the above, the data also revealed that the Interpersonal dimension was more highly correlated with Purchase Intent than

Global Trust itself (0.688 versus 0.664). This could either have been a function of the Global Trust scale used in this study (with other scales potentially yielding higher global correlations), or the fact that the Interpersonal dimension might be a legitimately more efficient solution. Either way, a positive relationship was found between the perception of trust in a provider, and the intent to purchase from the provider and initiate a first time relationship. This provided evidence for the argument that providers need to establish their goodwill and reliability with potential clients, proving their intent and ability to act in a responsible manner going forward and consequently - developing confidence among prospective buyers. By building trust in the early phases of engagement, providers will increase the likelihood of securing new business.

PROPOSITION 3

All of the trust dimensions validated in the model would have an influence on the buyer's Purchase Intent in the professional services arena.

Interpersonal trust as the frontrunner

The findings in chapter five revealed that not only do some dimensions have more of an impact on Purchase Intent than others; only three dimensions had a statistically significant impact, the front runner being the Interpersonal dimension. In examining the literature for possible insight as to the leadership of this dimension, authors both proposed the importance of the Interpersonal dimension as being a source of trust at the pre relationship phase, and linked this personal trust to relationship development. For example, Dwyer *et al.* (1987) concluded that direct experience was the principal means for assessing trustworthiness in the exploratory phase of a relationship, with Adobor (2006)

citing Zaheer *et al.* (1998) in their assertion that interpersonal relationships often provide the basis for strong initial trust - with personal ties being key to reducing uncertainty at the pre relationship and purchasing phase. Lapierre (1997) claimed that at the problem recognition stage, relationship quality is a key source of reducing uncertainty, with Lian and Laing (2007) doing well to emphasise the importance of the BRP on the provider's side from a relationship progression perspective. They claimed that the person responsible for providing services is seen to have dual responsibilities, in that in addition to their technical function, they have a significant marketing function centred on the development and maintenance of inter-organisational relationships (Lian and Laing, 2007).

From an empirical perspective, the authors reviewed in the literature scan all found evidence for the importance of the BRP, albeit at times in different industries and in relation to different outcomes. For example evidence was found for the hypothesis that person related characteristics of the service provider were important earlier in the buyer- supplier relationship, although the focus was not at the pre relationship stage (Coulter and Coulter, 2002); and for a positive link between trust in the BRP and future longevity of the relationships, although the focus was not on purchasing intention and first time partner selection (Currall and Judge, 1995).

The findings of this study thus also validated the importance of the BRP and interpersonal relationship, by providing evidence that Interpersonal trust is a key player influencing the first time purchase decision in professional services. When examining the descriptive statistics, it was also interesting to note that one of the three items with the highest percentage of 'believe or strongly

believe' responses, was 'Is a real expert at 89%,' belonging to the Interpersonal dimension. This aligned with the thinking of Day and Barksdale (1994) who asserted that 'quality of people assigned to the account' (in terms of expertise) was a key cue to assess providers in the consideration set. This also supported the findings of Doney and Cannon (1997) who found salesperson expertise to be the key characteristic influencing buyer trust; and Ganesan and Hess (1997) whose results indicated that interpersonal credibility (as opposed to benevolence) was a significant predictor of relationship commitment to a vendor organisation. The focus was however in the business to consumer retail landscape.

In terms of the sample of this study, it is understandable why in the professional services industry, with its heightened risk; and at the pre relationship stage, with its heightened risk - relationships would be an important source of buyer confidence. In addition, with the sample being specialised to smaller purchasing decisions, the potential for the boundary spanning relationship to hold greater sway as opposed to broader and more complex organisational factors, is also comprehensible. Finally with the financial sector crisis as a backdrop in terms of the time orientation of this study, it is perhaps easiest for individuals to place blame for a breakdown in trust on people, as opposed to inanimate Products, Services, Systems and Processes etcetera. This could perhaps have accounted for its importance in this study.

Runner up dimensions

In terms of the runner up dimension, Products and Services, the literature supported its influence, although the studies were seldom at the empirical level

and the contexts were seldom professional services. The one study that did look at Products and Services and Interpersonal trust (Gounaris and Venetis, 2002) found that the cues that signal the company's ability to handle the project were more important in the initial phase of relationship development (which one could well relate to the quality of Products and Services), and the soft process quality cues (related to interpersonal interactions) were more influential in mature relationships - contradictory to this study's findings. This could perhaps be explained by the fact that their study (Gounaris and Venetis, 2002) was in an existing relationship, and the focus was on buying advertising services. As a result of this sample being specialised to business and management consulting services, where the provider is expected to spend considerably more time in the business problem solving, collaborating and consulting, increased social risk is at play. The perception of the provider as both competent and well intentioned would thus weigh heavily on purchasing decisions, potentially elevating the importance of the Interpersonal dimension. The specialised sample could also have influenced the runner up dimension of Products and Services, with significant risk potentially existing with regards to Products and Services because of the need for them to be successfully customised to the address the business problem, and because of their ability to fundamentally impact basic business functioning and performance, as opposed, for example - to architectural services.

While the literature on Systems, Policies and Processes did not provide empirical data for its relationship with Purchase Intent, its value was acknowledged at the pre qualification stage (Mouzas *et al.*, 2007). Lapierre (1997) also proposed that at the problem recognition stage of the purchasing

process, a key buyer source for reducing uncertainty is technical and functional quality, which one could well associate with both dimensions above (Products and Services and Systems, Policies and Processes). In an attempt to account for the insignificance of the remaining dimensions, Homburg and Stebel (2009) provided insight into the Contract dimension. They emphasised the problems of contracts in the professional services industry, in that the details of the service are unclear at the beginning of the relationship and many relevant details are not conclusively established even when a project commences (Homburg and Stebel, 2009). Contracts are therefore frequently incomplete with respect to the service output as well as the input of contracting parties. Due to the complexity of the service, it is also potentially difficult to define performance measures for the service output at the start of the relationship (Homburg and Stebel, 2009). Limited exposure to contracts, and the incompleteness of contracts at the awareness and exploration phase, could therefore account for its inconsequence in the regression. From a Culture dimension perspective, the high correlation with the Interpersonal dimension as explored earlier in the chapter, could perhaps explain its insignificance in the regression: the personal element was already accounted for through the more dominant dimension.

The insignificance of the Reputation dimension

Reputation however was interesting: the dimension was not shown to be correlated with any of the other dimensions, and was consistently revealed by the literature to have an influence on trust and relationship investment in the early stages of the relationship development process. For example, Keh and Xie (2008) explored how corporate reputation influences customer behavioural intention in the business to business services arena and found that it had a

positive relationship with trust and identification; Laaksonen *et al.* (2008) confirmed that in the case of selecting a new supplier, the inter-firm trust created by the seller's reputation and the complementarity of the supplier's resources were found to be the most important criteria; Stock and Zinszer (1987) found that in the logistics-consulting services purchase, reputation was the most important personal source of information; and Lehmann and O'Shaughnessy in Stock and Zinszer (1987) reported in their findings that reputation of a supplier was very important in the selection and evaluation of vendors due to the decision making unit's desires to reduce the risks by selecting products from suppliers with high credibility.

A plausible explanation might therefore be that in the presence of the other dimensions, and particular to the professional services space, its influence on Purchase Intent might be reduced. Alternatively, the sample might have viewed Reputation as a 'permission to play' dimension, an order classifier to have met with the provider in the exploratory phase to begin with. This explanation could potentially be reinforced through the sample: with the sample showing a specialisation toward the purchasing of only one type of purchase, buyers could perhaps know providers in the field considerably well. The implications of this could be that they bypass the Reputation dimension at the awareness stage, giving more credence to the Product and Services and Systems, Policies and Processes dimensions when moving into the exploration phase for the specific project in question. Alternatively, with the sample having been specialised to smaller buying decisions, the role of Reputation could have been reduced. With considerably larger and higher risk decisions, Reputation could potentially play a greater role.

Conclusion

Overall, Interpersonal trust emerged as the key influencer, one of three statistically significant dimensions. The inter-correlation between and among dimensions and apparent halo effect must once again be highlighted: while Interpersonal trust emerged as the key influencer of variance in purchase intent, the data did reveal that a tendency to trust one dimension led to a trust in the other dimensions too.

PROPOSITION 4

The factors identified in the model would have an influence on the first time purchase decision.

Both factors have an impact

The findings in chapter five revealed that both the factors explained considerable variance in Purchase Intent, with the Trust factor (comprising the Interpersonal dimension) explaining 47.4% of the variance in Purchase Intent, and the Reliance factor (comprising the statistically significant Products and Services, Systems, Policies and Processes and Culture dimensions) explaining 49.4% of the variance in Purchase Intent. In terms of the Personal factor, Interpersonal Trust was the only dimension, accounting for just under half of the variance in Purchase Intent. For the Reliance factor, three combined dimensions explained just under half of the variance in Purchase Intent, and only marginally more than the Interpersonal Dimension. Within the Impersonal Factor, Products and Services trust emerged as the key impersonal predictor, explaining 39.9% of the variance in the Purchase Intent variable. The

Impersonal Factor thus cumulatively explained more of the variance in Purchase Intent, but with only one dimension, the Personal Factor was a more efficient solution.

A look at the literature for context

In terms of trying to contextualise the findings through the literature, Stock and Zinszer (1987) looked at the relationship between Personal and Impersonal factors and buying intent. They proposed that Impersonal sources are usually more important early in the process (awareness) and found evidence for Personal sources being more important to the industrial buyer prior to purchase. While both phases outlined by Stock and Zinszer (1987) (awareness and evaluation) were condensed in this inquiry, Personal sources were found to be statistically significant, albeit that their definition in the Stock and Zinszer study (1987) included past experience and recommendations from others in addition to contact with the BRP.

In trying to understand the efficiency of the Personal Dimension, Adobor's (2006) citing of Zaheer *et al.* (1998) provided some insight: Zaheer *et al.* (1998) asserted that interpersonal relationships often provide the basis for strong initial trust - with personal ties being key to reducing uncertainty at the pre relationship and purchasing phase. This too was supported by Lian and Liang (2007) who affirmed that inter-firm relationships are anchored in personal relationships, and the provider's BRP has both a technical and a marketing function in terms of promoting commitment to the relationship. From an empirical perspective two studies provided further perspective: Coulter and Coulter (2002) found proof for

the hypothesis that person related characteristics of the service provider were important earlier in the buyer-supplier relationship; with Ganesan and Hess (1997) finding empirical proof that interpersonal credibility was a significant predictor of relationship commitment to a vendor organisation.

In seeking to understand the superior Reliance factor in terms of its greater cumulative explanation of Purchase Intent, theoretical support was offered by Harrison Mcknight *et al.* (1998) who proposed that institution based trust is the belief that the necessary impersonal structures are in place to enable one to act in anticipation of a successful future endeavour, potentially important at the beginning of the relationship. From an empirical perspective, Gounaris and Venetis' (2002) primary focus was on the development of trust, and the role of service quality as an antecedent to trust. Gounaris and Venetis (2002) found that the cues that signal the company's ability to handle the project were more important in the initial phase of relationship development, and the soft process quality cues (related to interpersonal interactions) were more influential in mature relationships.

In addition, the composition of the Impersonal regression was interesting. The importance of the Products and Services dimension was explored through the literature in proposition three (Zolkiewski *et al.*, 2007; Laaksonen *et al.*, 2008; Johnson and Grayson, 2005; Eggert *et al.*, 2006; and Coulter and Coulter, 2002) as was Systems, Policies and Processes (Mouzas *et al.*, 2007; Lapierre, 1997). The appearance however, of Culture as a significant (albeit small) predictor of the variance in purchase intent had yet to be contextualised. In proposition three when run alongside the Interpersonal dimension, Culture did

not emerge as a statistically significant variable. In this regression, when entered alongside its Impersonal counterparts only, this factor surfaced within the top three predictors. This serves to reinforce the explanation given in proposition three: with the high correlation between the Interpersonal and Culture dimensions, an outcome of possible Structuration [whereby as per Nootboom (2002), Culture helps external parties trust the people within an organisation, and the actions of agents serve to reinforce the Culture], Culture materialised in the Impersonal regression to account for the human trust element in light of the dominant Interpersonal dimension being absent.

Understanding the results through the lens of the sample

From a sample perspective, the specialisation of purchase with regards to business management and consulting services could perhaps have explained the Impersonal Factor's influence, in light of its constitution of the Products and Services dimension (potentially important to this professional service subset, as explored earlier). Furthermore, the role of the Personal factor and its importance could be understood, as explored earlier, through the sample's: typical size of purchase decision (the personal relationship holding greater influence in smaller projects); type of service procured (the professional more crucial to this professional service subset due to its collaborative requirements); and time orientation of study (the global climate necessitating a premium on trust based partnerships).

Conclusion

No study had previously been embarked on exploring trust factors in an identical way, that is, in terms of components (the six dimensions and two factors identified in this study); and outcomes (first time purchase intent in professional services). Comparisons to similar theoretical and empirical studies were therefore challenging. The literature did however validate the importance of both Trust and Reliance factors at the pre relationship stage. This study contributed the finding that the Impersonal/Reliance factor accounted for marginally more of the variance in Purchase Intent, but with three composite dimensions, it was a less efficient predictor than the Trust factor, comprising of the singular Interpersonal dimension.

PROPOSITION 5

Empirically derived factors from the data would have an impact on Purchase Intent, shadowed by the disproved Personal and Impersonal Factor solution.

Expected Trust as the dominant factor

The Earned trust factor was reinforced by the literature as having an impact on Purchase Intent. Keh and Xie (2008) found that corporate reputation has a positive influence on customer trust, with Laaksonen *et al.* (2008) confirming through their findings that the role of reputation positively influences trust and partner selection, an iteration of Lehmann and O'Shaughnessy's findings in Stock and Zinszer (1987). In an attempt however to understand the prominence of the Expected trust factor, the literature once again provided context. In order to reason why the trust we have in a provider's performance going forward

accounts for more of the variance in Purchase Intent than the trust we derive from the provider's past performance, the nature of the professional services purchase offered explanation. The professional services purchasing decision is laden with considerable risk: it can involve significant investments of time, money and personnel without any guarantee of a successful outcome (Mitchell, 1994); professional services have far higher risks and profit opportunities and the potential for purchasing to add value is consequently much greater (West, 1997); and professional services are complicated in the valuation of their financial outcomes, the ambiguity of time based objectives and the psychosocial involvement required (Mitchell and Groatorex, 1993 in Smeltzer and Ogden, 2002). In addition, the first time purchase is itself complex as little knowledge of potential providers exists during the awareness phase, and with little experience of their performance in the exploration phase, buyer uncertainty is at an all time high (Claycomb and Frankwick, 2007).

Thus by their very nature, buying professional services involves risk, and the first time purchase decision includes amplified risk. At the core of this risk is the uncertain performance of the provider and service in the future. Taking into account the considerable financial, time and relational investment, it would stand to reason that while the trust we can derive based on the provider's reputation is important, the trust we can derive based on our perceptions of their competence and integrity going forward would influence our decision substantially more. Thus Earned Trust is the lead stepping stone to Expected trust. Atkinson and Butcher (2003) referred to reputation as an impersonal source of trust from which inferences are drawn from the past about one's

ability to act in anticipation of a successful future. Expected Trust, is this lagged anticipation of a successful future outcome.

From a sample perspective, the specialisation of the type of service procured could potentially offer further insight. With buyers of business management and consulting services requiring solutions that are very often unique in their nature due to the level of customisation to their context and business, the trust derived from past performance (on other client projects) would understandably offer less certainty than the anticipation of trust going forward - with the buyer focusing on their own implementation as the focus of the trust. In addition, and against the backdrop of the financial crisis and global erosion of trust, it is comprehensible that buyers would place more value on deriving confidence from future behaviour than from past performance.

Conclusion

In accordance with the thinking of Hald *et al.* (2008) who asserted that trust is a fundamental ingredient in positioning oneself as an attractive partner, the findings of this study inferred that while providers must invest their energy in sharing past performance and track record in order to reduce buyer uncertainty, they must spend considerably more effort in creating confident expectations among potential buyers about how performance and goodwill will be guaranteed going forward. By considering trust more as a past/future construct as opposed to a dimension-based construct, their ability to enhance the strength of trust as a converter to relationship and business development will be intensified.

CHAPTER 7: CONCLUSION AND RECOMMENDATIONS

ACADEMIC CONTRIBUTIONS

The model proposed through the literature was found to be flawed in terms of both its breakdown into composite dimensions, and its separation into two super-organising factors (*proposition 1a and 1b*). While the literature strongly motivated the model in terms of its components and outcomes, the dimensions had yet to be explored as such in combination, and as such the inter-correlation among variables had not surfaced in the trust literature. When studies on Trust and Reliance had taken place, they were at the theoretical level and had not yet evolved into empirical contributions. This study therefore brought to light that the dimensions from which we source either expectations of Trust or Reliance, are related to one another. Building on this, the high inter-correlation among dimensions revealed a halo effect, that the tendency to trust one dimension implied a tendency to trust the rest.

The data did however contribute a new two factor solution to understanding trust in the professional services space - Earned trust (the trust we source from past performance, the minor Reputation dimension), and Expected trust (the trust we source from our perceptions of a provider's ability and integrity under risk, in the future). The literature on trust dimensions was in need of consolidating, empirical testing, and consequently - structuring. The contribution of this study was therefore its presentation of two overarching factors that emerged from the mass. Previous authors using composite scales of 'Company

Trust' were thus using more efficient and valid approaches than the dimension-based approach to trust measurement, but would need to account for the two factor score of Earned versus Expected trust to make their scales more accurate. The study thus laid the foundation for construct validity for a more comprehensive trust scale.

Further contributions were made by this study in offering empirical evidence for the relationship between Global Trust and Purchase Intent (*proposition two*) in the professional services environment. In addition, the study also presented the Interpersonal dimension as the prominent predictor in explaining the variance in Purchase Intent when explored together with the other five dimensions (explaining 47.4% of the variance, *proposition three*); and while the Reliance factor accounted for 49.4% of the variance in Purchase Intent - the Trust factor was a more efficient solution accounting for 47.4% of the variance as a result of its holding of the singular but influential Interpersonal Dimension (*proposition four*). Finally, the study proposed Earned versus Expected trust as the most valid measure, as it contained two independent factors revealed through the data, thus adding precision to the regression and explaining 52% of the variance in Purchase Intent (*proposition five*). The study contributed Expected Trust as the most valid and effective individual factor, in that while accounting for less of the variance in Purchase Intent than the Impersonal Factor (45.9% versus 49.4%) - the data revealed it as a distinct factor, valid in terms of its composite items and uncorrelated with Earned trust.

LIMITATIONS OF THE RESEARCH AND SUGGESTIONS FOR FUTURE STUDY

RESEARCH METHODOLOGY

The usual limitations of a self report research questionnaire applied, namely non response bias and response bias. Non response bias might have been a particular problem in this study with buyers having recently had either a poor or positive experience with a professional service provider feeling more compelled to participate than those who did not. Added to this, the results of this inquiry were not generalisable as a result of using non probability sampling. The fact that the questionnaire assessed respondents' perceptions about their purchasing decisions might also have introduced bias into the data in that issues other than trust might have subconsciously moderated their purchase choice.

DESIGN OF THE RESEARCH INSTRUMENT

The Purchase Intent scale was a single item scale, thus impacting its reliability, accuracy and validity. With regards to future studies, a multi itemed scale must be sourced to measure first time purchase intent. This will strengthen the scale's degree of validity, accuracy, and reliability, allowing it to be both calculated and known. This will consequently improve the reliability of the construct, allowing for more legitimate conclusions to be drawn. It would also be valuable to run the study with amended wording for all future based items. By

rephrasing items to avoid the suffix: 'in the future'- the validity of Expected trust (and Earned trust) as emerging factors will be tested.

In addition, the positioning paragraph of the questionnaire should be reframed for future studies, eliminating the potential bias of asking respondents to consider a current and potential provider with whom an exploratory meeting has already taken place and the potential for first time purchasing exists. Respondents could perhaps be asked to consider all the exploratory meetings they have had with potential providers for a specific project. They could then rate, per provider, their perceptions of trust against the dimensions, and their intention to purchase. This will eliminate recall of a positive provider for which the inclination to purchase from already existed.

Finally, the Global Trust scale used in this study was found to be less correlated with Purchase Intent than the Interpersonal dimension. Going forward it would be valuable to source another Global Trust scale, or create a summative scale and score from the dimensions in the model. This will help test if the results were merely a result of the specific Global Trust scale used in this study (with other scales potentially yielding higher global correlations), or if the Interpersonal dimension might be a legitimately more efficient solution.

SAMPLE OF THE STUDY

By accessing individuals in companies of diverse size and from diverse industries, this study used a relatively heterogeneous sample. It would be valuable to explore the trust and purchase intent relationship in both small and

large companies and from an industry specific perspective. This would enable the assessment of differences in perceived risk, and the differences in the impact and influence of trust.

The sample was also specialised, and thus limited to the dominant procurement of one type of professional service - business and management consulting services. Further insight into this specific subset of professional services could perhaps shed light on the findings of the current study, that is, the dominance of the Interpersonal dimension followed by the Product/Service dimension. In addition, running the current study using a more balanced sample in terms of number and type of service procured could be a meaningful extension of the present inquiry. The sample was also specialised in terms of recency of purchase decision and size of purchase decision. Exploring the role of trust in more considerable first time investment decisions could be an interesting follow on to this research.

In terms of the service context, this study also focused exclusively on professional services and other service market contexts were not explored. Business services could be a setting in which future research on trust and first time purchasing intent is explored. Finally, those who influence and those who ultimately make the purchasing decision might have different choice processes. This study did not take this into account. Going forward, assessing the different perceptions of decision-makers and influencers - in addition to managers versus professionals - could reveal subtleties in the use of trust in the purchasing process.

CONTEXT AND SCOPE OF THE STUDY

Different elements of trust impact at the different stages of the relationship development process, from relationship initiation to decline. In addition, the influence of trust on relationship development may potential change throughout the key phases of the relationship lifecycle. This study looked only at the pre relationship phase. In addition, the study was limited by the fact that it simplified the buying process into one consolidated pre relationship phase - 'pre purchase.' This meant that differences in the sub phases of the pre relationship phase, namely recognition, awareness and evaluation were not taken into account. Differences in perceived risk might well be at play at each stage, thus impacting the relative weighting of the trust dimensions and Global Trust itself. This study was therefore limited by the cross sectional nature of the research design. A longitudinal perspective, in terms of how inter-organisational trust and trust dimensions change their relative weight in relation to purchase intentions over time, was left out. Going forward, it would be valuable to test for the respective importance of Earned versus Expected trust and Global Trust across time and the minor phases of relationship development, from awareness and exploration to commitment and maturity. This would also imply that the two factors, trust dimensions and Global Trust construct are assessed in relation to outcomes other than first time Purchase Intent, such as repeat purchase intent, moderated by relationship length and past performance.

This study also did not explore what the various procurement processes were in the respondent companies. In light of the fact procurement processes vary from company to company and very often impact the selection criteria and

procedure, which in turn might influence decision-making, this was a potential shortfall to the study. In future studies it would be meaningful to explore the level of formalised procurement process, in addition to the nature of the process and how this impacts the trust and purchase intent relationship.

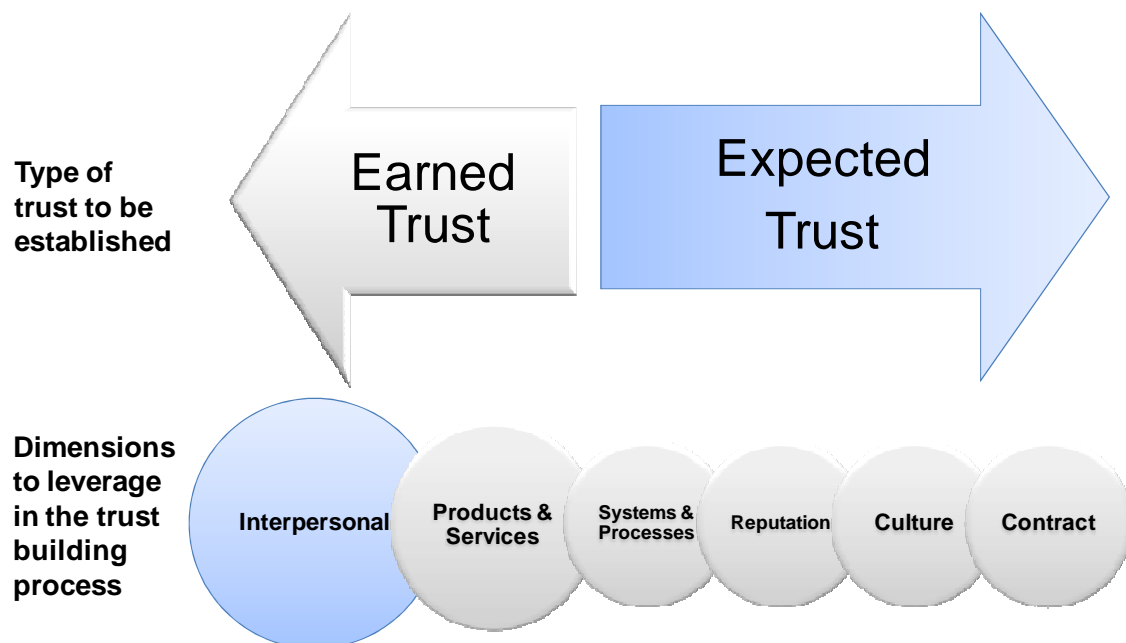
In addition, several members of a buying center usually participate in purchasing decisions and developing long-term relationships with suppliers. This research relied on individual managers and professionals as respondents. Thus, exploring how several members of the buying center or business unit interact with the seller and consequently make shared decisions could be an extension of the present research. Finally, the study focused solely on the buyer-seller relationship to the exclusion of horizontal relationships. The opportunity exists to explore, therefore, the Earned and Expected trust factor model in addition to the Global Trust construct in the joint ventures and strategic alliances space - assessing to what degree these trust measures impact relationship commitment.

MANAGERIAL IMPLICATIONS

The findings of this study have considerable implications for business, in terms of how providers should be positioning themselves to earn trust and business. These implications are rooted in the discovery of the two factor trust score of Earned and Expected trust, and the leadership among dimensions of Interpersonal trust. In the exploratory pre-purchase phase of relationship development, providers therefore need to establish why they are reliable and trustworthy - using, firstly, their past behaviour and performance to reduce

buyer uncertainty. Taking this focus into account, they must spend, however, considerably more time on educating and convincing clients how they will continue to perform with excellence and integrity going forward. The prioritisation of efforts must therefore be directed at creating a clear understanding and perception among potential buyers as to how the sustained trustworthiness and reliability of the PSF is guaranteed going forward. In addition, firms must ensure that all dimensions serve to reduce buyer uncertainty (as they are all interrelated) but precedence should be given to the interpersonal dimension - convincing potential buyers of the ability and integrity of consultants.

Figure 7.1: Pre relationship trust building imperatives



RECOMMENDATIONS FOR TRUST BUILDING

General strategies to translate trust into a business advantage

Firms need to ensure that central to their client value propositions is the expertise and integrity of their consultant teams (the basis of Interpersonal trust) and the continued delivery of project and relationship performance in the future (the basis of Expected trust). Such a value proposition could help shape perceptions among the potential market as to how monetary, performance and social risks will be addressed, enabling them to visualise a trust based partnership going forward. Such value propositions need to be integrated into all marketing communications and touchpoints that potential buyers might use in their information gathering process (websites, company profiles, annual reports, advertisements, newsletters etcetera). Such a value proposition also places fundamental expectations on the client engagement process, in terms of how the client experiences the firm and its people during the exploratory stages of the provider selection process (See 'recommendations to establish and leverage Interpersonal trust in the client engagement process' later on in this section).

Furthermore, the findings in this study justify the need for firms to research how the market perceives their organisation and its associated risks, and in particular how it perceives their people. This will enable firms to better adjust the positioning of themselves and their professionals in order to leverage trust as a kick-starter to relationship development. In addition, PSFs need to include in the criteria against which they evaluate and monitor their peer set, how

competitors are attracting, retaining and marketing their key talent. This will keep them abreast as to threats to their trust based initiatives.

Finally, the findings also provide support for the need for consultants to receive development opportunities that grow their personal impact and professionalism, their interpersonal skills and their client engagement competence. This could be in the form of training, coaching and mentoring solutions - working with individuals' unique strengths and styles (such that they come across as authentic) and working with realistic client scenarios (such that real world ability is developed to earn client trust). Pure technical expertise is not enough, consultants need the self insight, communication impact and people management skills to understand how they are projecting themselves, to empathise with the client's context, and to then bring their expertise to life in a way that builds client confidence. For more junior consultants, this necessitates opportunities to work on immersion projects with more seasoned consultants in order fast track both their technical and their consulting experience and exposure.

Recommendations to develop Earned and Expected trust

In terms of establishing Earned Trust, firms should construct a portfolio of references and case studies based on past work done. Client references could speak directly to the credibility of consultants on the project, and to their competence and commitment to business outcomes. In addition, firms could share past awards and industry recognition, including cooperation with other

respected partner companies that clients may hold in high regard, and approved supplier status for other clients buyers may respect.

The findings of this study also have implications for allocating resources to projects. Firms should pay careful attention to assigning consultants to potential clients and exploratory meetings. By understanding the buyer's needs at a high level, firms must assess their levels of perceived risk in the provider company, and must place consultants who are experts in the areas which will dictate successful project implementations and the building of high initial Earned and Expected trust.

Furthermore, as a means of building both Earned and Expected trust, firms should use all media at their disposal to actively communicate the credibility of their consultant team. This includes highlighting both their capabilities, and the depth of the team. This could, for example, include profiling their consultants and their respective credentials and past successes on website pages, in newsletters and in advertisements.

Recommendations to establish and leverage Interpersonal trust in the client engagement process

In the initial meetings with the potential client at the pre purchase stage, the consultant faces the challenge of needing to earn trust, building a perception of their know-how and good intent. By virtue of the fact the buyer has qualified the firm into the consideration set, the firm has already marketed itself. The consultant now has the challenge of selling themselves, leveraging trust as a

tool to achieve this end by demonstrating and allowing the buyer to experience their sincerity and skill.

To build the perception of competence, consultants could:

- Share past experience and successes (leveraging Earned trust), and lessons learned to be applied to future projects (thereby building Expected trust).
- Ensure thorough preparation for meetings: demonstrating initiative and competence by gathering and analysing company, competitor and industry information pertinent to the client, thus shaping informed initial discussions. Such meeting preparation would also assist consultants to pre-empt client concerns and curveballs and think through the relevant responses. This would ensure that during the face-to-face meeting, they are able to handle challenges and resistance in a way that builds buyer confidence.
- Spend more time listening than talking, asking questions that show both their insight as a result of their experience and preparation, but also their commitment to include and involve the client in the process.
- Use initial meetings as an opportunity to educate potential buyers. By sharing with buyers what their competitors are doing, what clients in other industries are doing that might be relevant, and any industry best practice, consultants could therefore leverage this as an illustration of the value they could add should the client grant them their business (further building Expected trust).

To build the perception of integrity, consultants could:

- Share projects that were less successful, and the learnings derived to be applied to future projects to ensure avoidance of same project pitfalls. This would assist in building Expected trust and provide a tangible way of consultants to demonstrate their integrity.
- Refer the client elsewhere if they felt they were not the expert or firm ideally suited to the project. This would assist in building Expected trust by creating the impression that they would always act in the client's overall best interest going forward, and that the long term relationship would always be more valued than current potential business.
- Help frame for the buyer a range of options if they are interested, rather than punting a set solution. This would make the buyer feel heard and valued, both personally and professionally. This could also involve sharing with them how options could be adapted to their context to ensure successful outcomes should they wish to proceed with the project (thereby generating Expected trust)

In terms of building Expected Trust, providers need to give the potential buyer guarantees as to how performance and trustworthiness would be maintained going forward. From a performance perspective, this could involve: outlining for the client the problem solving and solution design process the firm would embark on to ensure an effective and tailored solution; agreements such as linking remuneration to key performance milestones; the level of integration of systems and processes with that of the client; or the consequences of provider contract violation.

From a relationship perspective, providers could help frame buyer expectations, collaboratively exploring with the client issues such as how and when feedback would be given, when they would be available for client touchpoints, and who else would be working on the account.

IN SUMMARY

The findings of this study thus proposed that in positioning oneself as an attractive potential partner, firms must approach client engagement and firm activities with a view to build certainty based on past performance, and lag this into the expectation of continued performance going forward. Given unconstrained resources, firms should invest in the entire set of trust building activities in order to translate potential into new business. However if providers are to realistically make tradeoffs, then these findings have implications in terms of the direction of their efforts. Firms need to direct their attention and investment toward those activities that will help buyers visualise how their risks going forward will be managed, and how the competence and intent of the firm's professionals can be a source of buyer confidence should the contract be awarded. By doing so, providers will more effectively convince potential buyers about the merits of partnering with their firm - building and earning trust as a source of new business generation and competitive advantage.

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APPENDICES

APPENDIX A: BLANK QUESTIONNAIRE

Section 1 Background to research and respondent consent



In partial fulfilment of the requirements of an MBA degree at The Gordon Institute of Business Science (University of Pretoria), all students are required to submit a research project. In this regard, I am looking at some of the dimensions that influence our first time purchase intent of a professional services provider in the business to business space.

To this end, you **have been sent** a link to a website to complete an online questionnaire that explores your personal purchasing experience and perceptions. The questionnaire should take no more than 15 minutes to complete. **Participation is voluntary**, and should you wish to provide feedback, you can still withdraw at any time.

The questionnaire is **anonymous**, and all data gathered will be kept highly **confidential**. (You are asked for neither your name nor your employer details- data gathered is averaged across all respondents getting an overall view as to individuals in general and their buying motivations.)

Should you wish to participate, I would love to share with you the full report once completed. This should provide you with insights as to how buyers make trust based decisions with regard to professional services, and inversely- how suppliers need to position themselves as attractive partners-leveraging trust as a critical business asset. By completing the survey you indicate that you voluntarily participate in this research. Should you have any concerns, please contact myself or my supervisor, Kerry Chipp. Our contact details are provided below.

I would be so grateful for your participation!
Lisa

	Researcher	Supervisor
Name	Lisa Orleow	Kerry Chipp
Email	lisaorleow@iburst.co.za	chippk@gibs.co.za
Phone	083 415 3921	011 771 4175

Section 2 A (Screening questions to determine eligibility to complete questionnaire)

1. In your current role, are you responsible for the purchasing of one or more of the professional services below for your company or department?

- 1) Accounting, auditing, and bookkeeping services;
- 2) Advertising agencies;
- 3) Business and management consulting services;
- 4) Engineering and architectural services; and
- 5) Legal services
- 6) Other services (please specify) _____

Yes	No
-----	----

**those who answer yes to the above will short-circuit Q2 and go straight to Q3*

2. If you answered no to the above question, please consider the following: do you, in your current role, have an influence on the purchase decision of professional services as a support to the key buyer?

Yes	No
-----	----

**those who answer no to both of the above questions will be excluded from completing the questionnaire that follows*

Section 2 B (Global trust)

Think of a **professional services provider** you are **considering using** for the **first time**. You must have already made initial contact with this provider, either in terms of an initial telephone call or an exploratory meeting. For ease of reference, insert their name here: _____

3. Below is a series of statements. I would like you to indicate, on a scale of 1 to 5, where '1' means 'not at all believe' and '5' means 'strongly believe', the extent to which you believe that this company _____:

	Not at all	Hardly	Slightly	Considerably	Strongly
	1	2	3	4	5
Would stand behind you and your organisation in the future					
Could be counted upon to do the right thing by you in the future					
Has good quality people working for them					
Has a positive reputation					
Would do what it takes to make you and your organisation happy in the future					

Section 2 C (Trust dimensions)

4. Below are statements referring to the **products and services** of the provider _____. I would like you to indicate, on a scale of 1 to 5, where '1' means 'not at all believe' and '5' means 'strongly believe', the extent to which you believe that the **products and services** of this provider will:

	Not at all	Hardly	Slightly	Considerably	Strongly
	1	2	3	4	5
Unreservedly meet your needs in the future					
Please all those in your company who will use them and be responsible for them in the future					
Do everything you want them to in the future					

5. Below are statements referring to the **key person you are dealing with at the provider** _____. I would like you to indicate, on a scale of 1 to 5, where '1' means 'not at all believe' and '5' means 'strongly believe', the extent to which you believe that **this person**:

	Not at all	Hardly	Slightly	Considerably	Strongly
	1	2	3	4	5
Will do everything possible for your company in the future					
Will always use good judgement in the future					
Is a real expert					
Will be like a good friend					
Will only tell you the truth in the future					

6. Below are statements referring to the **reputation** (word of mouth, press coverage, industry awards) of the provider _____. I would like you to indicate, on a scale of 1 to 5, where '1' means 'not at all believe' and '5' means 'strongly believe', the extent to which you believe that the company is a:

	Not at all	Hardly	Slightly	Considerably	Strongly
	1	2	3	4	5
Highly regarded company					
Successful company					
Well established company					

7. Below are statements referring to the **culture** of the provider company _____. I would like you to indicate, on a scale of 1 to 5, where '1' means 'not at all believe' and '5' means 'strongly believe', the extent to which you believe that the **culture** of the provider company:

	Not at all	Hardly	Slightly	Considerably	Strongly
	1	2	3	4	5
Is governed by ethical values					
Will encourage employees to perform on the project					
Will encourage employees to deal with you in a way that is in your best interests					

8. Below are statements referring to the **systems, processes and procedures of** the provider _____. I would like you to indicate, on a scale of 1 to 5, where '1' means 'not at all believe' and '5' means 'strongly believe', the extent to which you believe that the systems, practices and processes that the provider uses in designing and delivering the services to their clients:

	Not at all	Hardly	Slightly	Considerably	Strongly
	1	2	3	4	5
Will ensure that the project outcomes are competently delivered on in the future					
Will ensure that employees act in your best interests in the future					

9. Below are statements referring to the **contractual practices of** the provider. I would like you to indicate, on a scale of 1 to 5, where '1' means 'not at all believe' and '5' means 'strongly believe', the extent to which you believe that the way the provider _____ engages with their clients **contractually** (what they include in their contracts, whether or not they uphold contractual agreements):

	Not at all	Hardly	Slightly	Considerably	Strongly
	1	2	3	4	5
Will allow for everything to be spelt out in the contract					
Will abide by everything spelt out in the contract					

Section 2 D purchase intent

10. When you consider the provider _____, where '1' means 'very unlikely' and '5' means 'highly likely':

	Very unlikely	Unlikely	Undecided	Likely	Highly likely
	1	2	3	4	5
How likely are you to purchase from them in the future?					



Section 3 Personal data

11. Industry		
12. Designation (job position)		
13. Age	18-24	
	25-30	
	31-35	
	36-40	
	41-46	
	47-55	
	56-65	
	66-75	
14. Number of years in current role		
15. Total number of years in a role/s that had an influence on professional services purchasing		
16. Type/s of professional services purchased in current role (please mark with an x)	Accounting, auditing, and bookkeeping services;	
	Advertising agencies;	
	Business and management consulting services;	
	Engineering and architectural services;	
	Legal services	
	Other (please specify)	
17. How long ago was your last purchase and selection of a first time provider (please mark with an x)	Within the last month	
	1- 3 months ago	
	4- 6 months ago	
	7 months to a year ago	
	More than a year ago	
18. What is the typical value of a project for which you contract with a new supplier (please mark with an x)	<R50 000	
	R50 000- R100 000	
	R100 000-R200 000	
	R200 000-R300 000	
	R300 000-R400 000	
	R400 000-R500 000	
	R500 000- R1000 000	
	R1000 000- R2000 000	
	≥R2000 000	

APPENDIX B: QUESTION – PROPOSITION MATRIX

TITLE: Exploring the dimensions of inter-organisational trust in the professional services space, and their relative impact on purchase intent

PROPOSITIONS	LITERATURE REVIEW	DATA COLLECTION TOOL (RESEARCH METHODOLOGY)	PROPOSED METHOD OF ANALYSIS		
<p>Inter-organisational trust comprises the following dimensions: interpersonal trust; product and services trust; contractual trust, processes, policies and systems trust; cultural trust; and reputational trust.</p> <p>Dimensions are best discriminated and grouped against a trust versus reliance based framework, with interpersonal trust being the only personal trust dimension, and the other dimensions being classified under impersonal trust</p>	<p>Trust in the professional services industry</p> <ul style="list-style-type: none"> • Awuah (2007) • Bagdoniene & Jakstaite (2009) • Chia (2005) • Fitzsimmons, Noh & Thies (1998) • Laing & Lian (2005) • Lapierre (1997) <p>Super-organising framework- trust versus reliance based dimensions</p> <ul style="list-style-type: none"> • Adobor (2006) • Blois (1999) • Ellonen, Blomqvist & Puumalainen (2008) • Mouzas, Henneberg & Naude (2007) <p>Dimensions of trust identified in the literature</p> <table border="0" style="width: 100%;"> <tr> <td style="vertical-align: top;"> <p><u>Interpersonal trust</u></p> <ul style="list-style-type: none"> • Adobor (2006) • Chia (2005) • Chow & Holden (1997) • Coulter & Coulter (2002) • Covin & Fisher (1991) • Currall & Judge (1995) </td> <td style="vertical-align: top;"> <p><u>Cultural trust</u></p> <ul style="list-style-type: none"> • Ardichvili, Mitchell & Jondle (2009) • Barney & Hanson (1994) • Beugelsdijk, Koen & Noorderhaven (2008) • Bibb & Kourdi (2004) • Firestein (2006) </td> </tr> </table>	<p><u>Interpersonal trust</u></p> <ul style="list-style-type: none"> • Adobor (2006) • Chia (2005) • Chow & Holden (1997) • Coulter & Coulter (2002) • Covin & Fisher (1991) • Currall & Judge (1995) 	<p><u>Cultural trust</u></p> <ul style="list-style-type: none"> • Ardichvili, Mitchell & Jondle (2009) • Barney & Hanson (1994) • Beugelsdijk, Koen & Noorderhaven (2008) • Bibb & Kourdi (2004) • Firestein (2006) 	<p>Web based self administered questionnaire</p> <p>Questions 4-9 in the questionnaire</p>	<p>Exploratory factor analysis</p> <ul style="list-style-type: none"> • Principal components analysis • Orthogonal rotation
<p><u>Interpersonal trust</u></p> <ul style="list-style-type: none"> • Adobor (2006) • Chia (2005) • Chow & Holden (1997) • Coulter & Coulter (2002) • Covin & Fisher (1991) • Currall & Judge (1995) 	<p><u>Cultural trust</u></p> <ul style="list-style-type: none"> • Ardichvili, Mitchell & Jondle (2009) • Barney & Hanson (1994) • Beugelsdijk, Koen & Noorderhaven (2008) • Bibb & Kourdi (2004) • Firestein (2006) 				



PROPOSITIONS	LITERATURE REVIEW		DATA COLLECTION TOOL (RESEARCH METHODOLOGY)	PROPOSED METHOD OF ANALYSIS
	<ul style="list-style-type: none"> • Day & Barksdale (1994) • Doney & Cannon (1997) • Dwyer, Schurr & Oh (1987) • Fullerton & West (1996) • Ganesan & Hess (1997) • Gassenheimer & Manolis (2001) • Bagdoniene & Jakstaite (2009) • Lian & Laing (2007) • Tubin & Levin-Rozalis (2008) • Zaheer, McEvily & Perrone (1998) • Zolkiewski, Lewis, Yuan & Yuan (2007) <p><u>Institutional trust- policies, processes & systems</u></p> <ul style="list-style-type: none"> • Cannon & Perreault (1999) • Dillard, Rigsby & Goodman (2004) • Greenberg, Greenberg & Antonucci (2008) • Harrison McKnight, Cummings & Chervany (1998) • Nootboom (2002) • Mouzas, Henneberg & Naude (2007) • Zaheer, McEvily & Perrone (1998) 	<ul style="list-style-type: none"> • Hatch & Schultz (1997) • Hewett, Money & Sharma (2008) • Koh & Boo (2004) • Nootboom (1999) • Nootboom (2002) • Rashid, Sambasivan & Johari (2003) • Welch & Welch (2006) • Xenikou & Simosi (2006) <p><u>Product/service trust</u></p> <ul style="list-style-type: none"> • Coulter & Coulter (2002) • Eggert, Ulaga & Shultz (2006) • Laaksonen, Pajunen & Kulmala (2008) • Plank, Reid & Pullins (1999) • Zolkiewski, Lewis, Yuan & Yuan (2007) 		



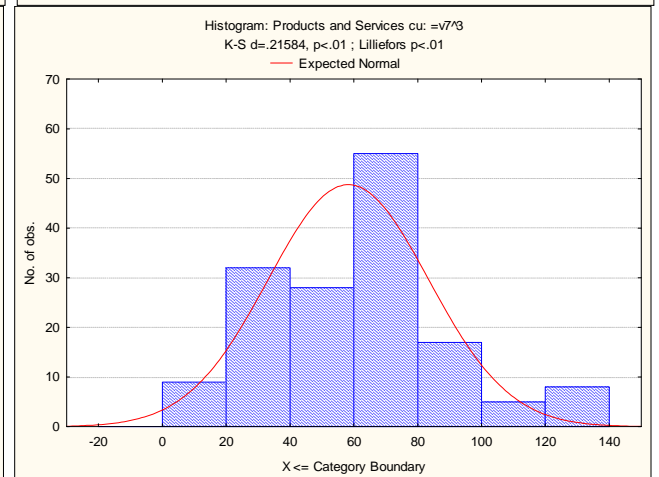
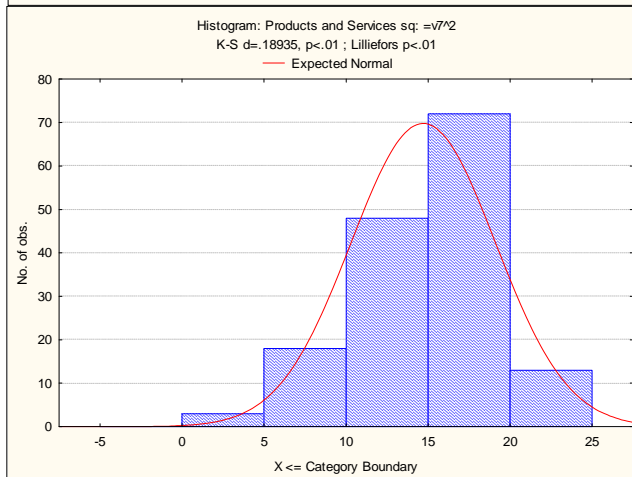
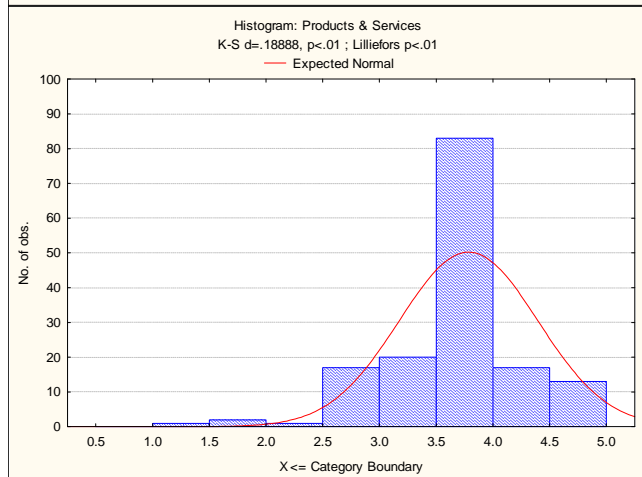
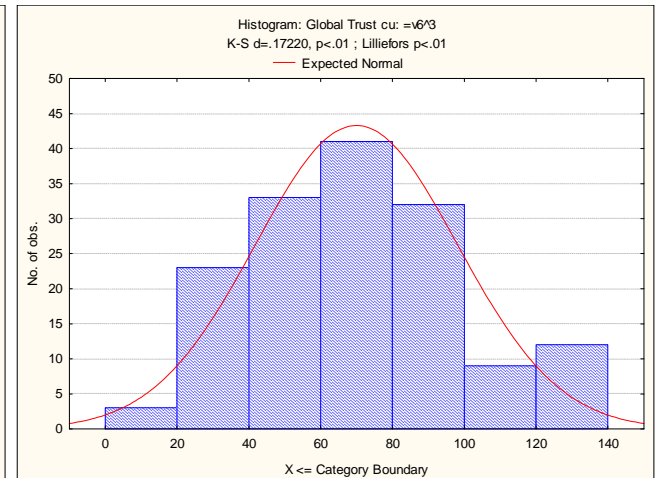
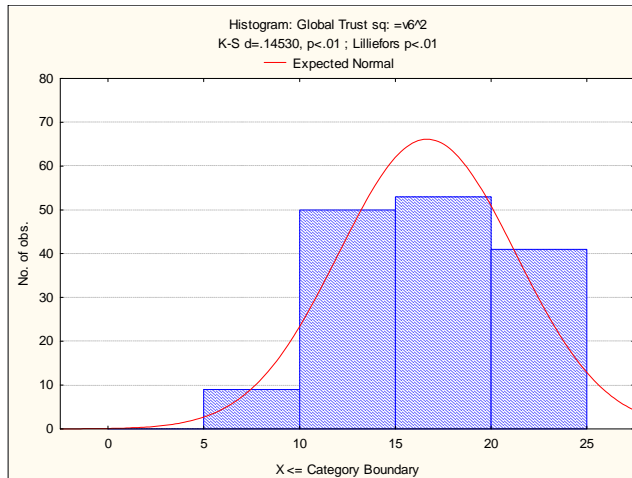
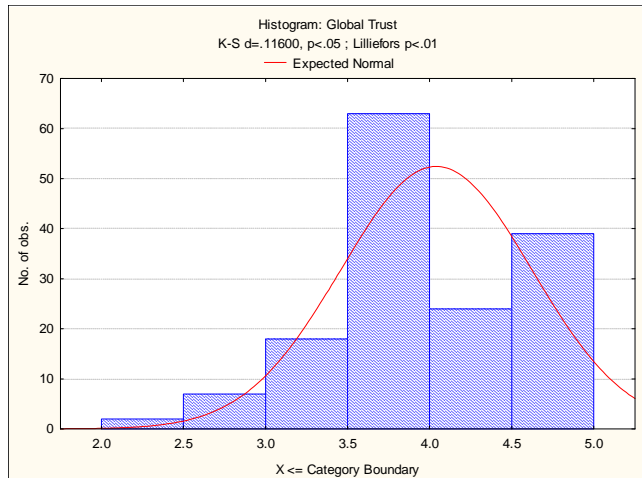
PROPOSITIONS	LITERATURE REVIEW		DATA COLLECTION TOOL (RESEARCH METHODOLOGY)	PROPOSED METHOD OF ANALYSIS
	<u>Contractual trust</u> <ul style="list-style-type: none"> • Adobor (2006) • Cannon & Perreault (1999) • Fullerton & West (1996) • Ghosh & Fedorowicz (2008) • Homburg & Stebel (2009) • Laaksonen, Pajumen & Kulmala (2008) • Mellewigt, Madhok, Weibel (2007) • Mouzas, Henneberg & Naude (2007) • Nooteboom (2002) • Poppo & Zenger (2002) 	<u>Reputational trust</u> <ul style="list-style-type: none"> • Blois (1999) • Claycomb & Frankwick (2008) • Day & Barksdale (1994) • Johnson & Grayson (2005) • Keh & Xie (2008) • Laaksonen, Pajumen & Kulmala (2008) • Lui, Ngo & Hon (2006) • Mitchell (1994) • Smeltzer & Ogden (2002) • Stock & Zinszer (1987) 		
<p>The perception of trust has an impact on a buyer's purchase intent with regards to professional services</p>	<p>Trust- global concept</p> <ul style="list-style-type: none"> • Adobor (2006) • Chow & Holden (1997) • Doney & Cannon (1997) • Eisingerich & Bell (2008) • Gassenheimer & Manolis (2001) • Ghosh & Fedorowicz (2008) • Gil-Saura, Frasquet-Deltoro & Cervera-Taulet (2009) • Johnson & Grayson (2005) • Morgan & Hunt (1994) 	<ul style="list-style-type: none"> • Mouzas, Henneberg & Naude, (2007) • Pinnington & Scanlon (1999) • Plank, Reid & Pullins (1999) • Rousseau, Sitkin, Burt, & Camerer (1998) • Schoorman, Meyer & Davis (2007) • Seppanen, Blomqvist & Sundqvist (2007) • Wong, Chan, Leung & Pae (2008) • Young (2006) • Young-Ybarra & Wiersema (1998) • Zaheer, McEvily & Perrone (1998) 	<p>Web based self administered questionnaire</p> <p>See question 3 & 10 of the questionnaire</p>	<p>Simple linear regression</p> <ul style="list-style-type: none"> • The correlation coefficient (r) was examined • The r^2 was also scrutinised as a measure of the total variance

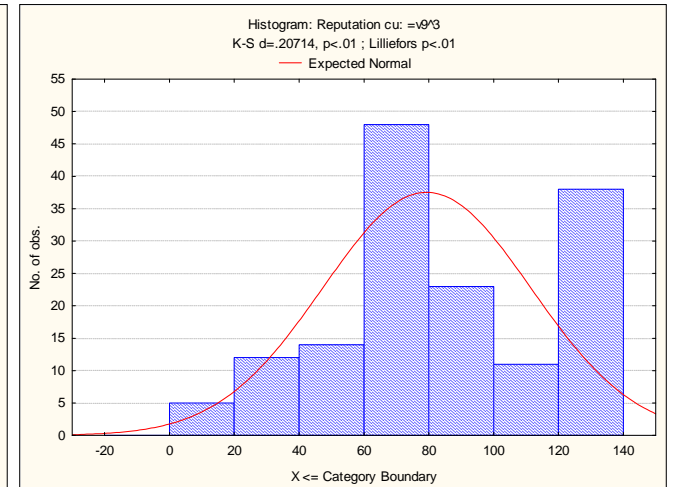
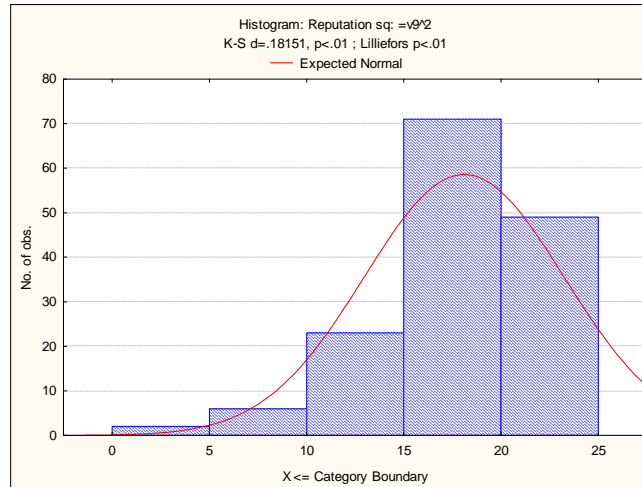
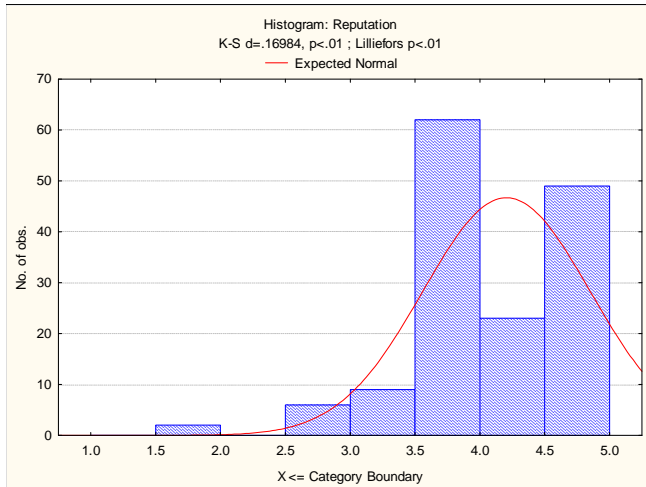
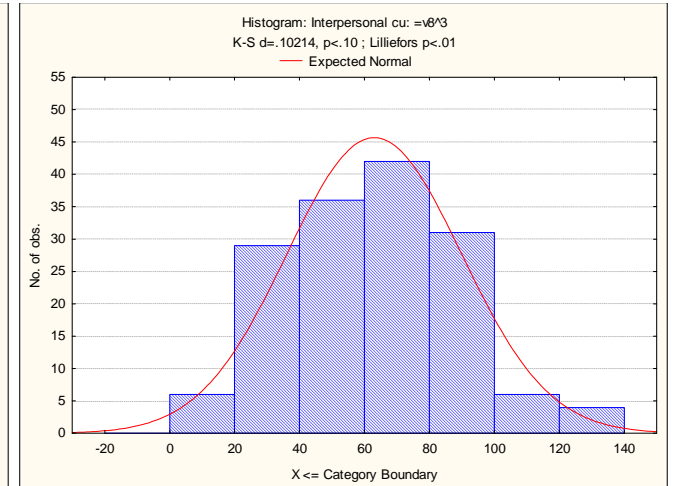
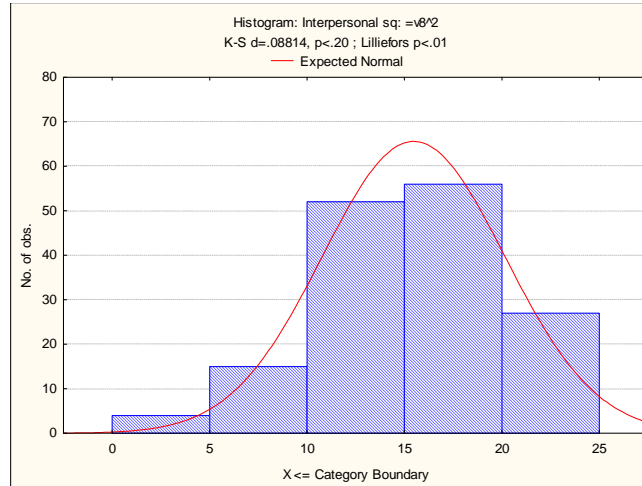
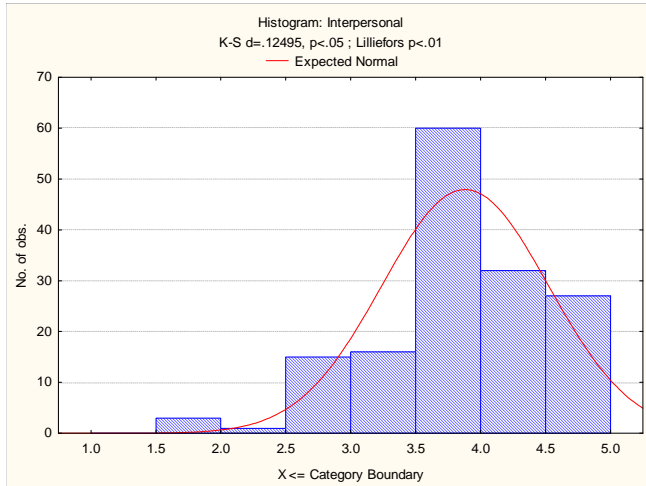
PROPOSITIONS	LITERATURE REVIEW	DATA COLLECTION TOOL (RESEARCH METHODOLOGY)	PROPOSED METHOD OF ANALYSIS		
	<p>Trust & its impact on buyer behaviour & partner selection</p> <ul style="list-style-type: none"> • Claycomb & Frankwick (2008) • Day & Barksdale (1994) • Day & Barksdale (2003) • Dwyer, Schurr, & Oh (1987) • Edvardsson, Holmlund & Strandvik (2008) • Hald, Cordon & Vollmann (2008) • Kenning (2008) 				
<p>All of the trust dimensions validated in the model have an influence on the buyer's purchase intent in the professional services arena</p>	<p>Dimensions of trust identified in the literature</p> <table border="0"> <tr> <td data-bbox="613 644 994 1350"> <p><u>Interpersonal trust</u></p> <ul style="list-style-type: none"> • Adobor (2006) • Chia (2005) • Chow & Holden (1997) • Covin & Fisher (1991) • Coulter & Coulter (2002) • Currall & Judge (1995) • Day & Barksdale (1994) • Doney & Cannon (1997) • Dwyer, Schurr & Oh (1987) • Fullerton & West (1996) • Ganesan & Hess (1997) • Gassenheimer & Manolis (2001) • Bagdoniene & Jakstaite (2009) • Lian & Laing (2007) • Tubin & Levin-Rozalis (2008) • Zaheer, McEvily & Perrone (1998) • Zolkiewski, Lewis, Yuan & Yuan (2007) </td> <td data-bbox="1025 644 1469 1158"> <p><u>Cultural trust</u></p> <ul style="list-style-type: none"> • Ardichvili, Mitchell & Jondle (2009) • Barney & Hanson (1994) • Beugelsdijk, Koen & Noorderhaven (2008) • Bibb & Kourdi (2004) • Firestein (2006) • Hatch & Schultz (1997) • Hewett, Money & Sharma (2008) • Koh & Boo (2004) • Nooteboom (1999) • Nooteboom (2002) • Rashid, Sambasivan & Johari (2003) • Welch & Welch (2006) • Xenikou & Simosi (2006) </td> </tr> </table>	<p><u>Interpersonal trust</u></p> <ul style="list-style-type: none"> • Adobor (2006) • Chia (2005) • Chow & Holden (1997) • Covin & Fisher (1991) • Coulter & Coulter (2002) • Currall & Judge (1995) • Day & Barksdale (1994) • Doney & Cannon (1997) • Dwyer, Schurr & Oh (1987) • Fullerton & West (1996) • Ganesan & Hess (1997) • Gassenheimer & Manolis (2001) • Bagdoniene & Jakstaite (2009) • Lian & Laing (2007) • Tubin & Levin-Rozalis (2008) • Zaheer, McEvily & Perrone (1998) • Zolkiewski, Lewis, Yuan & Yuan (2007) 	<p><u>Cultural trust</u></p> <ul style="list-style-type: none"> • Ardichvili, Mitchell & Jondle (2009) • Barney & Hanson (1994) • Beugelsdijk, Koen & Noorderhaven (2008) • Bibb & Kourdi (2004) • Firestein (2006) • Hatch & Schultz (1997) • Hewett, Money & Sharma (2008) • Koh & Boo (2004) • Nooteboom (1999) • Nooteboom (2002) • Rashid, Sambasivan & Johari (2003) • Welch & Welch (2006) • Xenikou & Simosi (2006) 	<p>Web based self administered questionnaire</p> <p>Questions 4-10 in the questionnaire</p>	<p>Multiple regression Stepwise regression</p> <ul style="list-style-type: none"> • Coefficient of partial regression examined • The coefficient of multiple determination was then investigated • The coefficient's β 's were also examined
<p><u>Interpersonal trust</u></p> <ul style="list-style-type: none"> • Adobor (2006) • Chia (2005) • Chow & Holden (1997) • Covin & Fisher (1991) • Coulter & Coulter (2002) • Currall & Judge (1995) • Day & Barksdale (1994) • Doney & Cannon (1997) • Dwyer, Schurr & Oh (1987) • Fullerton & West (1996) • Ganesan & Hess (1997) • Gassenheimer & Manolis (2001) • Bagdoniene & Jakstaite (2009) • Lian & Laing (2007) • Tubin & Levin-Rozalis (2008) • Zaheer, McEvily & Perrone (1998) • Zolkiewski, Lewis, Yuan & Yuan (2007) 	<p><u>Cultural trust</u></p> <ul style="list-style-type: none"> • Ardichvili, Mitchell & Jondle (2009) • Barney & Hanson (1994) • Beugelsdijk, Koen & Noorderhaven (2008) • Bibb & Kourdi (2004) • Firestein (2006) • Hatch & Schultz (1997) • Hewett, Money & Sharma (2008) • Koh & Boo (2004) • Nooteboom (1999) • Nooteboom (2002) • Rashid, Sambasivan & Johari (2003) • Welch & Welch (2006) • Xenikou & Simosi (2006) 				

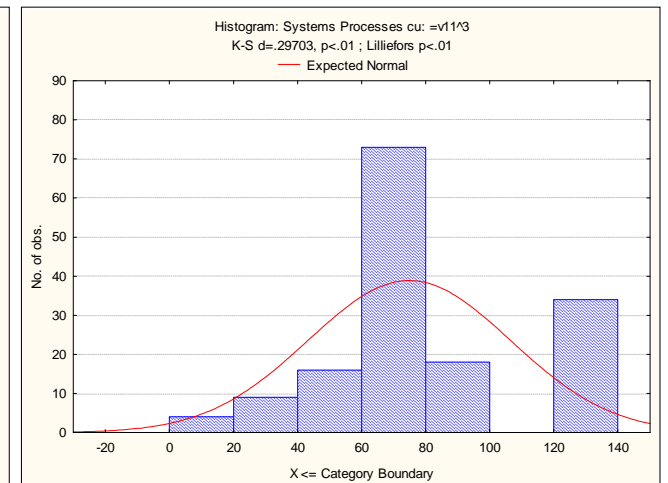
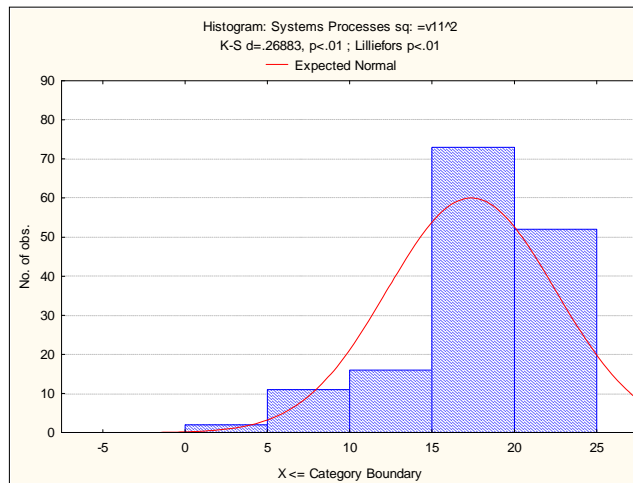
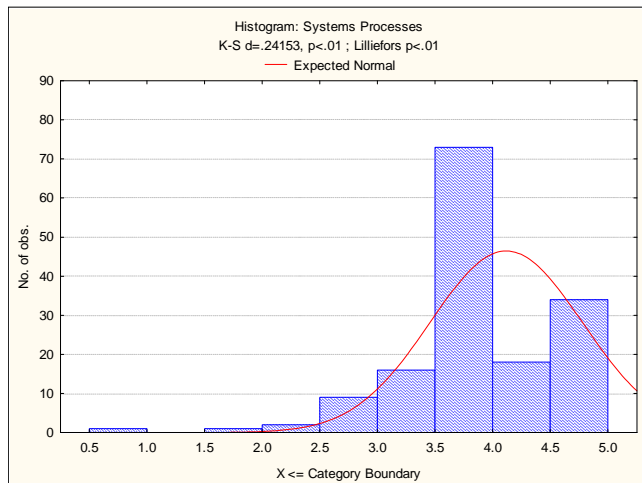
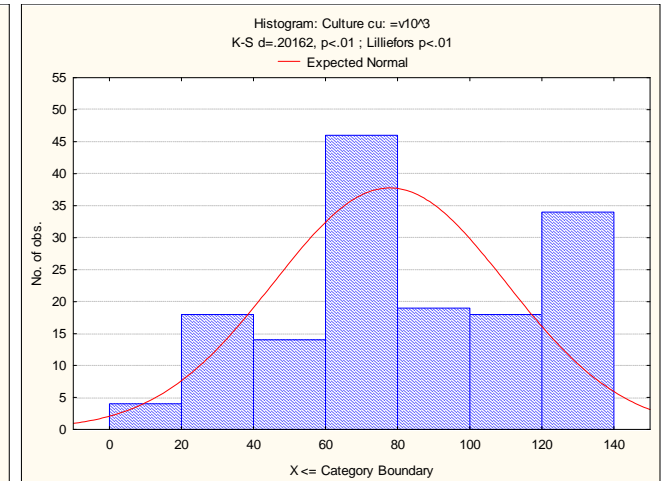
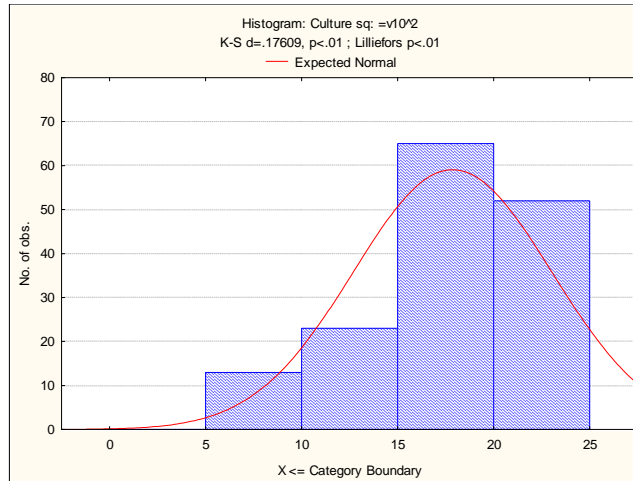
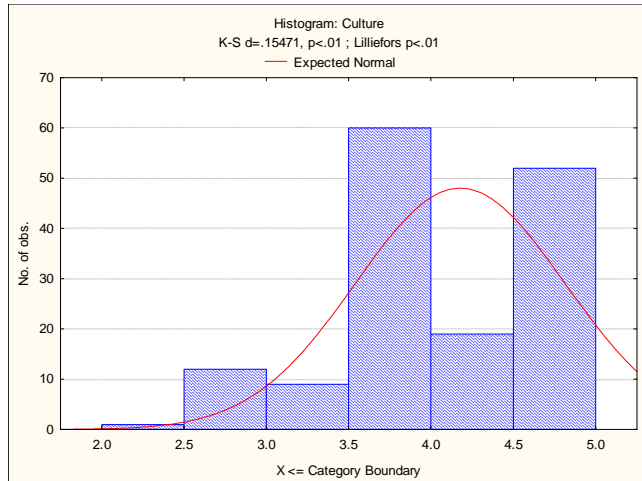
PROPOSITIONS	LITERATURE REVIEW		DATA COLLECTION TOOL (RESEARCH METHODOLOGY)	PROPOSED METHOD OF ANALYSIS
	<p><u>Institutional trust- policies, processes & systems</u></p> <ul style="list-style-type: none"> • Cannon & Perreault (1999) • Dillard, Rigsby & Goodman (2004) • Greenberg, Greenberg & Antonucci (2008) • Harrison McKnight, Cummings & Chervany (1998) • Nooteboom (2002) • Mouzas, Henneberg & Naude (2007) • Zaheer, McEvily & Perrone (1998) <p><u>Contractual trust</u></p> <ul style="list-style-type: none"> • Adobor (2006) • Cannon & Perreault (1999) • Fullerton & West (1996) • Ghosh & Fedorowicz (2008) • Homburg & Stebel (2009) • Laaksonen, Pajumen & Kulmala (2008) • Mellewigt, Madhok, Weibel (2007) • Mouzas, Henneberg & Naude (2007) • Nooteboom (2002) • Poppo & Zenger (2002) <p>Trust & its impact on buyer behaviour & partner selection</p> <ul style="list-style-type: none"> • Claycomb & Frankwick (2008) • Day & Barksdale (1994) 	<p><u>Product/service trust</u></p> <ul style="list-style-type: none"> • Coulter & Coulter (2002) • Eggert, Ulaga & Shultz (2006) • Laaksonen, Pajumen & Kulmala (2008) • Plank, Reid & Pullins (1999) • Zolkiewski, Lewis, Yuan & Yuan (2007) <p><u>Reputational trust</u></p> <ul style="list-style-type: none"> • Blois (1999) • Claycomb & Frankwick (2008) • Day & Barksdale (1994) • Johnson & Grayson (2005) • Keh & Xie (2008) • Laaksonen, Pajumen & Kulmala (2008) • Lui, Ngo & Hon (2006) • Mitchell (1994) • Smeltzer & Ogden (2002) • Stock & Zinszer (1987) 		

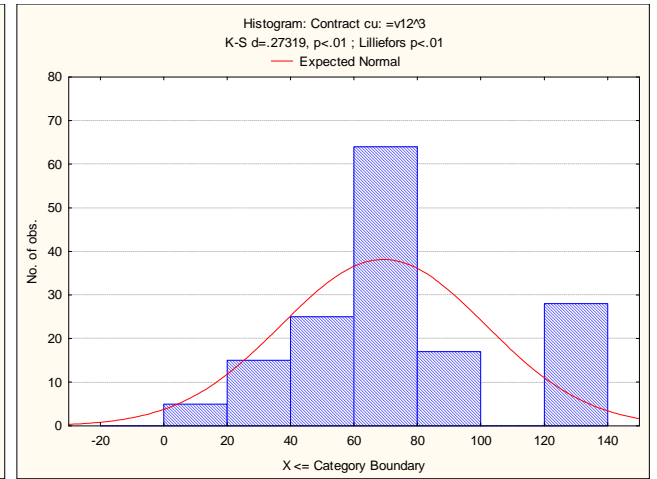
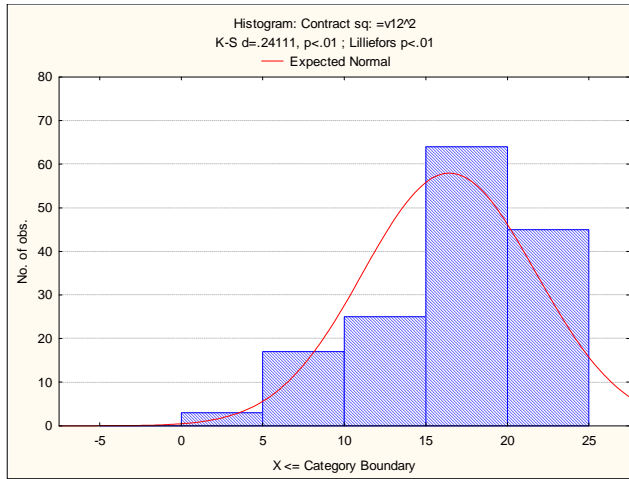
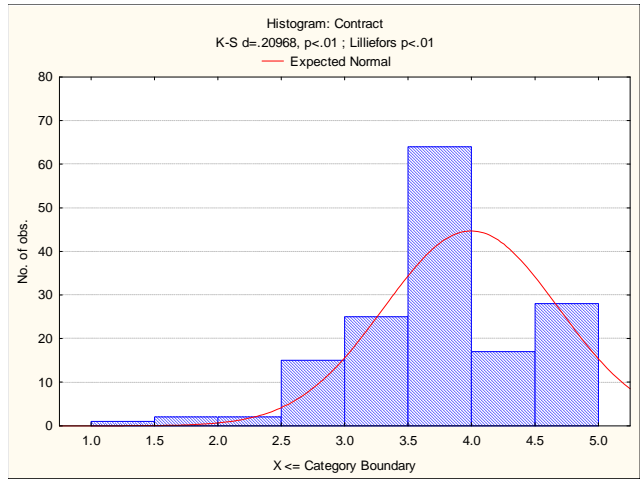
PROPOSITIONS	LITERATURE REVIEW	DATA COLLECTION TOOL (RESEARCH METHODOLOGY)	PROPOSED METHOD OF ANALYSIS
	<ul style="list-style-type: none"> • Day & Barksdale (2003) • Dwyer, Schurr, & Oh (1987) • Edvardsson, Holmlund & Strandvik (2008) • Hald, Cordon & Vollmann (2008) • Kenning (2008) 		
<p>The trust factors- Trust & Reliance- identified in the model have an influence on the first time purchase decision</p>	<p>Super-organsing framework- trust versus reliance based dimensions</p> <ul style="list-style-type: none"> • Adobor (2006) • Blois (1999) • Ellonen, Blomqvist & Puumalainen (2008) • Mouzas, Henneberg & Naude (2007) <p>Trust & its impact on buyer behaviour & partner selection</p> <ul style="list-style-type: none"> • Claycomb & Frankwick (2008) • Day & Barksdale (1994) • Day & Barksdale (2003) • Dwyer, Schurr, & Oh (1987) • Edvardsson, Holmlund & Strandvik (2008) • Hald, Cordon & Vollmann (2008) • Kenning (2008) 	<p>Web based self administered questionnaire</p> <p>Questions 4-10 in the questionnaire</p>	<p>Multiple regression Stepwise regression</p> <ul style="list-style-type: none"> • Coefficient of partial regression examined • The coefficient of multiple determination was then investigated • The coefficient's β 's were also examined

APPENDIX C: HISTOGRAMS PER VARIABLE, TRANSFORMED AS PER TUKEY'S LADDER (RAW DATA, DATA ², DATA ³)









APPENDIX D: TABLE OF TRUST DIMENSIONS & PURCHASE INTENT, TRANSFORMED AS PER TUKEY'S LADDER (RAW DATA, DATA ², DATA ³)

raw purchase intent	raw	sq	cu	purchase intent²	raw	sq	cu	Purchase intent³	raw	sq	Cu
<i>Global Trust</i>	0.64	0.63	0.60	<i>Global Trust</i>	0.64	0.63	0.61	<i>Global Trust</i>	0.62	0.62	0.61
<i>Products & Services</i>	0.63	0.60	0.57	<i>Products & Services</i>	0.61	0.59	0.57	<i>Products & Services</i>	0.58	0.58	0.56
<i>Interpersonal</i>	0.65	0.64	0.62	<i>Interpersonal</i>	0.65	0.64	0.63	<i>Interpersonal</i>	0.63	0.63	0.62
<i>Reputation</i>	0.34	0.34	0.34	<i>Reputation</i>	0.35	0.35	0.35	<i>Reputation</i>	0.35	0.36	0.35
<i>Culture</i>	0.56	0.56	0.55	<i>Culture</i>	0.57	0.57	0.57	<i>Culture</i>	0.57	0.57	0.57
<i>Systems Processes</i>	0.60	0.58	0.55	<i>Systems/ Processes</i>	0.59	0.57	0.55	<i>Systems/ Processes</i>	0.57	0.56	0.55
<i>Contract</i>	0.49	0.47	0.45	<i>Contract</i>	0.49	0.48	0.46	<i>Contract</i>	0.48	0.47	0.46

APPENDIX E: INTERNAL CONSISTENCY PER DIMENSION SPECIFIC SCALE

Global trust	Summary for scale: Mean=20.1216 Std.Dv.=2.98273 Valid N:148 (Spreadsheet4) Cronbach alpha: .859648 Standardized alpha: .861139 Average inter-item corr.: .559725					
	Mean if	Var. if	StDv. if	ltm-Totl	Alpha if	
Would stand behind you and your organisation in the future	16.28378	5.500548	2.345325	0.679161	0.831668	
Could be counted upon to do the right thing by you in the future	16.23649	5.923804	2.433887	0.707406	0.823316	
Has good quality people working for them	16.03378	5.856967	2.420117	0.650863	0.837201	
Has a positive reputation	15.85811	6.459596	2.541574	0.618444	0.845642	
Would do what it takes to make you and your organisation happy in the future	16.07432	5.528260	2.351225	0.744320	0.812282	
Products and services	Summary for scale: Mean=11.3333 Std.Dv.=1.88135 Valid N:153 (Spreadsheet4) Cronbach alpha: .820031 Standardized alpha: .820416 Average inter-item corr.: .606270					
	Mean if	Var. if	StDv. if	ltm-Totl	Alpha if	
Unreservedly meet your needs in the future	7.405229	1.875005	1.369308	0.637384	0.789210	
Please all those in your company who will use them and be responsible for them in the future	7.660131	1.662267	1.289289	0.656384	0.771484	
Do everything you want them to in the future	7.601307	1.573070	1.254221	0.734315	0.688138	
Interpersonal	Summary for scale: Mean=19.3203 Std.Dv.=3.40791 Valid N:153 (Spreadsheet4) Cronbach alpha: .821128 Standardized alpha: .832532 Average inter-item corr.: .507139					
	Mean if	Var. if	StDv. if	ltm-Totl	Alpha if	
Will do everything possible for your company in the future	15.33987	8.002136	2.828805	0.684930	0.770595	
Will always use good judgement in the future	15.22876	7.470546	2.733230	0.768645	0.744290	
Is a real expert	15.05229	8.010338	2.830254	0.593274	0.791920	
Will be like a good friend	16.12418	7.520526	2.742358	0.507648	0.826305	
Will only tell you the truth in the future	15.53595	7.568969	2.751176	0.580614	0.797041	



Reputation	Summary for scale: Mean=12.5762 Std.Dv.=1.94743 Valid N:151 (Spreadsheet4) Cronbach alpha: .860361 Standardized alpha: .870993 Average inter-item corr.: .697772				
	Mean if	Var. if	StDv. if	Itm-Totl	Alpha if
Highly regarded company	8.350993	1.830446	1.352940	0.760851	0.782634
Successful company	8.331126	1.943336	1.394036	0.791836	0.768766
Well established company	8.470199	1.600105	1.264953	0.689338	0.871944
Culture	Summary for scale: Mean=12.5098 Std.Dv.=1.98719 Valid N:153 (Spreadsheet4) Cronbach alpha: .869071 Standardized alpha: .871502 Average inter-item corr.: .698837				
	Mean if	Var. if	StDv. if	Itm-Totl	Alpha if
Is governed by ethical values	8.307190	1.833739	1.354156	0.689972	0.875460
Will encourage employees to perform on the project	8.366014	1.839890	1.356426	0.788516	0.780590
Will encourage employees to deal with you in a way that is in your best interests	8.346405	1.899611	1.378264	0.778117	0.791940
Systems Processes	Summary for scale: Mean=8.21290 Std.Dv.=1.34351 Valid N:155 (Spreadsheet4) Cronbach alpha: .843244 Standardized alpha: .843730 Average inter-item corr.: .729700				
	Mean if	Var. if	StDv. if	Itm-Totl	Alpha if
Will ensure that the project outcomes are competently delivered on in the future	4.012903	0.541769	0.736050	0.729700	
Will ensure that employees act in your best interests in the future	4.200000	0.495484	0.703906	0.729700	
Contract	Summary for scale: Mean=7.98052 Std.Dv.=1.38371 Valid N:154 (Spreadsheet4) Cronbach alpha: .810409 Standardized alpha: .810457 Average inter-item corr.: .681317				
	Mean if	Var. if	StDv. if	Itm-Totl	Alpha if
Will allow for everything to be spelt out in the contract	4.084415	0.557809	0.746866	0.681317	
Will abide by everything spelt out in the contract	3.896104	0.573621	0.757378	0.681317	

APPENDIX F: RESIDUALS FOR THE TWO FACTOR SOLUTION: EARNED & EXPECTED TRUST

