

# ‘Financial Performance Measures and Relationship Development Within a Bilateral Governance Structure’

Quamrul Islam

Kingston Business School, Surrey, England

[Quamrul.islam@virgin.net](mailto:Quamrul.islam@virgin.net)

## Abstract

New organisational forms, including strategic partnerships and networks, are replacing simple market-based transactions and traditional, bureaucratic, hierarchical organisations (Webster, 1992). The shift in the way marketing is being organised is accompanied by both environmental and structural changes (Morgan and Hunt, 1994; Palmer, 2000; Investor Digest, 2001). This new emerging paradigm of thought argues that it is more important to focus on the development and management of relationships than on discrete transactions (Ford, 1980; IMP Group, 1982; Webster, 1992; Grönroos, 1994a, 1994b, 1995, 1996, 1997a, 1997b; Berry, 1995).

These business-to-business buyer-seller trading interactions have been revealed to take place under a variety of governance structures (Bradach and Eccles, 1989; Heide, 1994), with each one undergoing different stages of development (Dwyer *et al.*, 1987). Despite this overall agreement, existing relationship marketing literature appears silent regarding the deciding factors that determine whether or not a business relationship is continued.

Consequently, this paper examines trading exchanges within a bilateral governance structure, business relationship development stages and in particular financial performance measures in relationship marketing. This has been achieved through a positivist empirical situational study in the form of scenarios, undertaken within furniture manufacturers in the UK. The results of the study make an original contribution to academia through an evaluation of the relative importance of performance measures as deciding factors in furthering (or not) the development of a business relationship within a bilateral governance structure. In addition, a contribution has been made to business practice, through the development of normative managerial guidelines. The Quintessential Performance Matrix (QPM) has been tested on a group of care homes looking after Older people, people with Mental Health problems and people with Learning Disabilities and Autism in the UK.

Formally implementing the QPM resulted in turning the organisation around from loss-making to profitable within one calendar year, and bed occupancy levels increased from 50% to 100%.

**Keywords:** Business-to-Business Marketing, Buyer-Seller Relationships, Measurements, Performance Measurement, Relationship Marketing, Strategic Decision-Making

**Paper type:** Completed Research Paper

## **INTRODUCTION**

If we could predict the future, then we would maximise our wealth by placing all our money on the most appropriate strategy. Many different strategies are possible in the future, but with the use of scenarios the future can be predicted based on the present conditions (Kahn and Weiner, 1967; Godet, 1982 and 1987). However, many performance measurement systems determine the future based on the past; for example: the Results and Determinants framework (Fitzgerald *et al.*, 1991) measures the performance of service organisations and the European Foundation Quality Model (EFQM, 1997) provides for-profit organisations with a Total Quality Management approach to sharing experience and good practice. Performance measurement and strategic decision-making are important for relationship marketing, where firms are engaged in repeated contract-based transactions of idiosyncratic assets (Morgan and Hunt, 1994).

Grönroos (1989) states that relationship marketing identifies, establishes, maintains and enhances relationships with customers and stakeholders, at a profit, so that the objectives of all parties involved are met, by mutual exchange and fulfilment of promises. Given that organisations pursue a diverse set of objectives', these buyer-seller relationships require co-operation and reciprocal dependencies (Ring and Van De Ven, 1992). Consequently, relationship marketing implies that there are links in the plans and processes of the interacting parties, and mutual interdependence rather than independence. The integrated relationship emphasises co-operation, rather than competition and conflict among the marketing actors (Sheth and Parvatiyar, 1995).

## **LITERATURE REVIEW**

These business-to-business buyer-seller trading interactions take place under a variety of governance structures (Bradach and Eccles, 1989; Heide, 1994; Brennan and Skaates, 2005; Harker and Egan, 2006), with each one undergoing different stages of development in the business relationship (Dwyer *et al.*, 1987). Ongoing evaluation of the outcomes achieved determines whether or not the partners decide to continue their business relationship. The overall structure of the specific relationship provides an overarching evaluation framework, which leads to the identification of the following three key components that define and determine the development (including termination) of the exchange process:

- ***Stages of the interaction process:*** The developmental stages of the trading exchange process which forms the first component of the study (Ganesan, 1994). Although there is some ambiguity as to the exact terms used to define these stages, review of the related literature indicates some agreement regarding (a) the existence of five stages, and (b) the fact that these stages reflect a progression from awareness or initiation to dissolution or termination (Ford, 1980; Palay, 1984). This paper adopts the terminology of Noordewier *et al.* (1987), i.e. initiation, negotiation, monitoring, adaptation and termination.
- ***Types of governance structure:*** Traditionally, the term governance is defined as a mode of organising transactions (Williamson, 1985) and this forms the second component of the study. A more precise delineation of the concept is offered by Palay (1984), who defines governance as a shorthand expression for the trading exchanges between a set of parties which are initiated, ongoing and terminated (Heide, 1994; Brennan and Skaates, 2005; Harker and Egan, 2006). The defining component of the different business trading exchanges is governance type, with the most commonly cited being market, unilateral, bilateral (Heide, 1994; Brennan and Skaates, 2005; Harker and Egan, 2006) and network (Bradach and Eccles, 1989).
- ***Performance measurements.*** The third component is measurements, which are employed in order to evaluate the different aspects of performance of the business trading exchange process. The metrics used to measure performance are mainly financial, marketing and human resource related.

Despite an extensive review of extant literature the author has not been able to identify either conceptual or empirical research that has attempted to combine the above three components. More specifically, the literature does not offer any indication as to the relative importance of performance criteria within and between stages of the interaction process under different governance structures. The identified gap in the extant literature has shown it will be useful to have normative guidelines for practitioners when evaluating performance measures along the relational continuum (Investor Digest, 2001). Nohria *et al.*, (2003) in their 4+2 formula have offered guidelines to form a successful organisation, but have not explicitly given guidelines for measuring the performance of relationships.

## **BILATERAL GOVERNANCE STRUCTURES**

This is by far the most commonly encountered governance structure (Ring and Van De Ven, 1992; Donaldson and O'Toole, 2000). The essence of the bilateral system, as with the unilateral system, lies in the relative strengths of the buyer and seller (*Buyer-Seller Relationship*). However, unlike the unilateral system, both the buyer and seller have similar control of resources (Heide, 1994). They have equal power functionality (*Marketing Strategy*). The bilateral system also serves as a restraint on individual tendencies of opportunistic behaviour to pursue self-interest or guile (Ganesan, 1994; Heide, 1994).

The marketer does not view the buyer as trivial or easily replaced, nor is the business-to-business buyer just a recipient of the seller's offerings and influential moves. Individual goals are reached in a bilateral system through joint accomplishments and concern for long-run benefits (Macneil, 1980). The bilateral governance structure is formalised through a mutual contract (*Agreement Confirmation Process*) and governed by professional norms and rules (*Legitimation/Appeal Process*). Purchases made by the buyer are usually plant and machinery (*Example*) that are bespoke and marketed (*Seller's Orientation*) by the seller.

## **FINANCIAL METRICS**

Sales, gross margins, net profit margins, profit before interest and tax, profit before tax, profit after tax, inventory turnover, return on investment, return on capital employed, return on assets, return on equity, earnings per share, and sales per employee are all well-established among accounting bodies as accepted measurements of performance outcomes for organisations (Eccles and Crane, 1987; Eccles, 1991).

Managers are skilled at maximising objective and unbiased accounting performance measures for individual firms. Nevertheless, accounting earnings are still very poorly correlated with market returns, and limited by the historical information of performance measures (Rappaport, 1981). Other problems occur with the accounting policies used by the organisation in valuing assets and liabilities. These valuations may be based on current market valuations or historical cost valuations and depend on the type of asset or liability being valued. This makes comparison of organisational performance between companies difficult. Economic returns using the discounted cash-flow technique to determine the present value and cash flows to determine the value to the organisation offer alternatives to the traditional accounting returns (Merchant and Bruns, 1986).

## FINANCIAL PERFORMANCE MEASUREMENT CLASSIFICATION

Financial performance measurements are based on turnover or sales, from which gross margins and profitability can be calculated. (e.g., sales, gross margins, profitability, marketing spend).

**Costs:** For any organisation financial performance measures are important, although for private organisations these measures are relatively more important than non-financial performance measures. However, for public organisations the effective utilisation of resources in order to meet social objectives of government is of greater importance, within in a limited budget. During the later stages of the relationship the costs of managing supplier-customer relationships are also expected to decrease over time (Ganesan, 1994) as a result of decreasing levels of investment, adaptations and other marketing expenses (Fiocca, 1982; Frazier *et al.*, 1988; Turnbull and Wilson, 1989).

**Volume:** Economies of scale are achieved by the increased size of an organisation's scale of operations. The number of personnel of one variety from different functional departments or another is the most widely used indicator in assessing if economies of scale are possible in a relationship. Sales volume and assets are also indicators (Heide and John, 1990). A different view is taken by Kimberly (1976), who argues that the size of an organisation is a multidimensional concept consisting of four aspects: physical capacity, personnel available (number of employees), inputs or outputs (sales volume) and discretionary resources (assets).

**Product:** Clearly, product or service exchange is an important aspect of any buyer-seller relationship (Spekman and Strauss, 1986). Numerous product characteristics have been identified, such as product complexity, delivery frequency and product age (Hallén *et al.*, 1991). Various researchers have used different attributes in their attempts to classify products. Robinson *et al.* (1967) proposed three buy classes, whilst Cardozo (1980) suggests a classification by product use, degree of standardisation and the product's importance to the buyer. Williamson (1979) however concentrates on the three dimensions of frequency of transaction, switching costs and uncertainty. The exchange process will be quite different depending on whether or not the product is able to fulfil a buyer's need that is easy to identify and for which the characteristics of an appropriate product are easy to specify. It will also be important when either buyer or seller is uncertain as to the requirements or resources of their opposite number (Håkansson *et al.*, 1977; Metcalf *et al.*, 1992).

**Frequency of purchase:** Buying firms can improve transaction performance simply by issuing orders more frequently. For example, in the case of turnover, improvements can be realised by ordering more often in smaller lot sizes (Noordewier *et al.*, 1990; Dahlstrom *et al.*, 1995; Donaldson

and O'Toole, 2000).

**Equity:** Judged by comparing each firm's rewards or outputs with its investments. When the ratios of outputs to inputs are similar for each firm, the exchange is perceived to be equitable. If equity is high in the exchange, satisfaction levels are likely to be relatively high. Furthermore, if outcomes such as sales or profits gained from the exchange surpass expectations and standards of comparison for the exchange, satisfaction levels are enhanced. High levels of equity and satisfaction are obviously needed for the relationship to be successful (Frazier *et al.*, 1988).

**Performance ambiguity:** Performance ambiguity is the difficulty of accurately measuring *ex post* the exchange partner's compliance with expected output. Performance ambiguity motivates a firm to find a means of reducing the risks of opportunism. High levels of performance ambiguity require that output-based measures are supplemented with other control mechanisms (Heide and John, 1990; Heide, 1994).

**Switching costs:** In the most severe cases, switching costs lead to the termination of the relationship and the parties involved will seek an alternative relationship, even though high switching costs have been incurred. On the other hand these high termination costs at times may even lead to dependence upon each other, rather than termination (Spekman and Strauss, 1986; Frazier *et al.*, 1988; Heide and John, 1988; Morgan and Hunt, 1994).

These specific constructs in the financial performance measure classification have been researched in the empirical and conceptual studies during the business trading exchanges. The financial performance measures are occurring mainly in the initiation stage of bilateral governance structure trading exchanges.

## CONCEPTUAL MATRIX

Although there is considerable literature there is a paucity of research that attempts to synthesise these three components: stages of the business relationship development, types of governance structures and performance measurement classifications. Although it was desirable to examine the dynamics involved in each type of governance structure, this was considered to be outside the available resources. Consequently, given its documented prevalence (Ring and Van De

Ven, 1992; Cannon and Perreault, 1999; Donaldson and O'Toole, 2000), the investigation focused on the bilateral governance structure. In order to redress this omission the author has synthesised the extant literature to produce the Quintessential Performance Matrix that forms the conceptual framework of this research and this is presented in Figure 1:

- The **horizontal axis** depicts the developmental stages of business/trading exchange. The extensive literature review revealed that the three stage business trading exchange was the most prevalent, initiation, monitoring and termination; as such the research undertook an evaluation of business trading exchanges based on these three stages (Heide and John, 1990; Heide and John, 1992; Ganesan, 1994; Heide, 1994; Donaldson and O'Toole, 2000).
- The **vertical axis** represents performance measurement classifications within the bilateral governance structure. Consequently, a performance measurement system and corresponding classification has been created to measure the performance outcome of bilateral buyer-seller governance structure trading exchanges. As the author has undertaken a holistic evaluation of the performance outcome of business-to-business trading exchanges, the Ambler and Kokkinaki (1997) model was adopted as a starting point and modified, by removing the direct customer performance classification, as this pertained to a business-to-consumer classification. The author's performance measurement classification, based on the Ambler and Kokkinaki (1997) model, has been developed further: incorporating performance measure classifications of strategy, structure and culture (Frazier and Howell, 1982) and internal business processes (Neely *et al.*, 1995). Business-to-business relationship performance measurement is thus accommodated and performance evaluation of the different buyer-seller governance structures facilitated.

From the adopted performance measurement framework (Ambler and Kokkinaki, 1997) seven Performance Measurement Classifications have been developed: Strategy, Structure and Culture, Thoughts and feelings, Behaviour, Innovation, Learning and Growth, Internal Business Processes, Competitive Market and Financial. Initially the seven performance measurement classifications contained a list of sixty performance measures; this list could not be presented to the study population. The conceptual matrix illustrates the seven classifications of performance, with the most representative performance being shown in each classification below in Figure 1.

- The **arrows** reflect the relative importance of performance criteria, with the vertical direction indicating relative importance within a stage and the horizontal direction relative importance between stages.

Figure 1: The Quintessential Performance Matrix (QPM)

		<b>Stages Under a Bilateral Exchange</b>		
		Initiation	Monitoring	Termination
<b>Performance Measurement Classifications</b>	Strategy, Structure and Culture (Distance)	↕	→	→
	Thoughts and Feelings (Trust)			
	Behaviour (Commitment)			
	Innovation, Learning and Growth (Adaptation)			
	Internal Business Processes (Transaction Specific Asset Investments)			
	Competitive Market (Opportunistic Behaviour)			
	Financial Performance (Switching Costs)	↕		

Within each Performance Measurement Classification is the most representative Performance measure.

- ↕ Evaluation of Performance Measures **Within** Stages of the Relationship Development Under a Bilateral Governance Structure.
- Evaluation of Performance Measures **Between** Stages of the Relationship Development Under a Bilateral Governance Structure.

## **HYPOTHESES**

We can now formally define the main research hypotheses that were tested within a bilateral governance structure. The first group of hypotheses relate to the difference in the relative importance of a performance measure **within** a specific stage of the relationship development process.

**Hypotheses 1:** ‘Trust’, ‘Commitment’, ‘Transaction Specific Asset Investments’, ‘Opportunistic Behaviour’, ‘Adaptation’, ‘Switching Costs’ and ‘Distance’ are equally important performance measures **within the** <initiation – H<sub>1a</sub>> <monitoring – H<sub>1b</sub>> <termination – H<sub>1c</sub>> stage of the relationship development process, when deciding **whether to continue or terminate** a business exchange.

The second group of hypotheses relates to the difference in the relative importance of a performance measure **between** successive stages of the relationship development process.

**Hypotheses 2:** ‘Trust’, ‘Commitment’, ‘Transaction Specific Asset Investments’, ‘Opportunistic Behaviour’, ‘Adaptation’, ‘Switching Costs’ and ‘Distance’ are equally important performance measures **when moving between the** <initiation and monitoring – H<sub>2a</sub>> <monitoring and termination – H<sub>2b</sub>> <initiation through the monitoring and into the termination – H<sub>2c</sub>> stages of the relationship development process.

The performance of each performance measure represents the independent variable. While the decision as to whether or not to continue or terminate a business relationship at the end of the initiation, monitoring and termination stages are the dependent variables.

## **METHODOLOGY**

The performance outcomes of buyer-seller governance structures have been examined in the extensive literature in strategic marketing management and have contributed to increased productivity, increased efficiency and more effective organisations (Heide, 1994). The outcomes have been measured mainly through human resources, financial and marketing metrics (Mintzberg, 1978; Clark, 1999; Brand Finance Report, 2000). In the author’s opinion, these metrics have not been used as effective measurement tools. To create a performance measurement system classification, various performance measurement frameworks were critiqued (Keegan *et al.*, 1989; Fitzgerald *et al.*, 1991; Lynch and Cross, 1991; Brown, 1996; Kaplan and Norton, 1992, 1993, 1996a, 1996b, 1996c, 2000, 2001, 2005; Ambler and Kokkinaki, 1997; EFQM, 1997). A classification of performance measures based on the framework of Ambler and Kokkinaki (1997) has been developed, and in this author’s opinion, this framework was the best starting point to measure the performance of relationship marketing trading exchanges.

Briefly, a thorough understanding of the issues relating to stages of the interaction process, governance structure types and performance measurements was developed through an extensive and intensive literature review. From this a conceptual framework was developed and related hypotheses formulated. Appropriate measurements and measures were developed and the research-instrument/questionnaire designed. The hypotheses were tested using scenarios in a contrived cross-sectional study of furniture manufacturers in the UK. A mail survey was employed as the primary data collection method with the aid of the Internet as another source.

This research study has followed a systematic methodological approach, which ensures the minimisation of errors arising from measurement, collection, analysis and interference (Simon, 1969). Adopting the research design framework of Sekaran (2003). The adoption of a research design framework ensured that the study was relevant to the research problem, and it used economic procedures in fulfilling its aim and objectives (Churchill, 1979).

The researcher also spoke to practitioners in order to validate the need to investigate the under-researched area in the extant literature (Investor Digest, 2001). The researcher found no single performance measurement model had holistically examined the Buyer-Seller Governance Structure exchanges during each stage of the exchange process, a composite classification in terms of productivity, efficiency and effectiveness using human resources, financial and marketing performance measures was developed.

There was concern regarding possible response bias occurring because of differential experiences of the target population and definitional variations. In order to minimise variations of definitions expert opinions of practitioners was sought about the understanding of scenarios. The basis of their answers was used to clarify the scenarios (Chandler and Cockle, 1982; Godet, 1987; Reibnitz, 1988; Schwartz, 1991; Van Der Heijden, 1996; Fahey and Randall, 1998; Ringland, 1998; Lindgren and Bandhold, 2002). Scenario planning offered a structured method in order to minimise researcher interference for constructing possible decision-making and the testing of strategy to anticipate real world behaviour, where respondents are asked to give their views about the decisions they would make given different possible future strategic scenarios (Fahey and Randall, 1998; Ringland 1998).

## **EMPIRICAL RESULTS**

In this study respondents were asked about the relative importance of performance measures as determinants in movements along the relational continuum of business trading exchanges

in the form of scenarios. Where organisational decisions could be played out, an internal consistent view of what the future might turn out to be was developed in order to reduce variations of definitions and uncertainty (Porter, 1985; Schoemaker, 1995).

A total of 3,000 questionnaires were delivered to UK furniture manufacturers using a six-step sampling process, a total of 500 questionnaires were sent out for each of the six scenarios, making a total of 3,000 questionnaires delivered in the initial mail-shot survey. A total of 325 responses were received via the postal service and the Internet, 37 of the postal questionnaires were not usable, as the respondents had either gone into receivership or administration. A variety of inducements was used to improve response rates with a 9.6% response rate being obtained. This resulted in 288 usable responses, which were assessed for survey errors such as non-response error, office-processing error and random error. Finally, the accuracy of the measurements was assessed for reliability and validity, along with the evaluation of the proposed structural model.

## DATA ANALYSIS

The researcher views that the performance of business-to-business trading exchanges can be measured and has thus measured the outcome. Therefore the research reflected the adopted methodology, i.e. starting with a theoretical framework, development of a research model, formulation of hypotheses, empirical research, data analysis and, finally, logical deductions based on the results of this study. Thus, from the scenarios that have been created, a hypothetico-deductive positivist approach was followed to empirically test the research hypotheses (Warburton, 2000; Sekaran, 2003).

The '*true score model*', shown below in Equation 1, provides a framework for understanding the accuracy of measurement, where  $\mathbf{X}_O$  represents the sum of the observed characteristics being measured, whilst,  $\mathbf{X}_T$  represents the true mean value of the characteristics being measured. The sum of  $\mathbf{X}_S$  and  $\mathbf{X}_R$  represents the total measurement error, which includes the systematic error ( $\mathbf{X}_S$ ), which is also known as bias, and random error ( $\mathbf{X}_R$ ). With total error being the variation between the true mean value in the population of the variable of interest and the observed value obtained during the research study (Churchill and Iacobucci, 2005).

$$\mathbf{X}_O = \mathbf{X}_T + \mathbf{X}_S + \mathbf{X}_R$$
$$\text{Total Error} = (\mathbf{X}_S + \mathbf{X}_R)$$

Where:  $\mathbf{X}_O$  represents the sum of the observed characteristics being measured  
 $\mathbf{X}_T$  represents the true mean value of the characteristic being measured  
 $\mathbf{X}_S$  represents systematic error  
 $\mathbf{X}_R$  represents the random error

#### Equation 1: True Score Model

Source: Malhotra, N. K. and Birks, D. F., (2000), '*Marketing Research - An Applied Approach*'. European Edition, Harlow: Pearson Education, p. 312.

Structural Equation Modelling (SEM) was the analytical technique that was used to examine the hypothesised structural relationships depicted in the research model. SEM techniques are examples of a second generation of multivariate analysis used in social and behavioural sciences. In addition to marketing SEM has been used in traditional areas of sociology, psychology and economics (Jöreskog and Sörbom, 1982). SEM offers researchers greater flexibility when compared against first generation techniques such as multiple regression analysis and factor analysis (Bagozzi and Yi, 1989; Netemeyer *et al.*, 2001). In addition, Chin and Newsted (1999) summarise these advantages as being:

- Model relationships among multiple predictor and criterion variables
- Construct unobservable latent variables
- Model errors in measurements for observable variables
- Statistically test *a priori* substantive/theoretical and measurement assumptions against empirical data

## CONCLUSION

A classification of performance measures that can be used to evaluate the performance of buyer-seller governance structure trading exchanges has been developed for business-to-business trading exchanges. Also given are the definitions of the specific constructs within each performance measurement classification. Many interpretations of these terms have been made but, for the purposes of this discussion, definitions consistent with those of the economics school of thought have been used (Ingham, 1995), where classical economists theorised that prices are determined by the costs of land, labour and capital as the three factors of production and the major contributors to a nation's

wealth. Whilst, Marginalist economists emphasised that prices also depend upon the level of demand, which in turn depends upon the amount of consumer satisfaction provided by individual goods and services. There are many other economic theories and these are not discussed in this study as they are outside the scope of the research.

Both soft and hard variables have been used based on the Measures of Marketing Success model of Ambler and Kokkinaki (1997). The 'hard' end of the spectrum includes measures that are objective and easy to quantify, such as sales, gross profit, production, commissions and services rendered, the financial performance classifications. However, it is more difficult to assign a numerical value to 'soft' issues, which are subjective and more open to interpretation. These soft measures are largely related to behavioural aspects such as satisfaction, communications issues and commitment in the relationship, the thought and feelings and behaviour classification. Both hard and soft measures are used to determine if outcomes result promote productivity, effectiveness and efficiency in an organisation and whether relationships are continued or not (Noordewier *et al.*, 1987; Brown *et al.*, 1991).

The literature review found that the studies mainly focused on examining subsets of buyer-seller governance mechanisms, typically studying one or two buyer-seller governance structures in any one study. For the bilateral governance structure the marketplace was competitive, but there was a co-operative orientation to meet end goals. The buyer and seller were operationally equivalent in resource dependency, bargaining and negotiation, products and services sold were bespoke plant and machinery (Ganesan, 1994; Heide, 1994; Brennan and Skaates, 2005; Harker and Egan, 2006).

A rational and evidence-based attempt has been made in building and testing the model that incorporates key performance measures used during decisions made along movements on the relational continuum of business-to-business relationships under a bilateral governance structure. However, relationship formation is a dynamic and processional phenomenon where many factors play important roles and it is very difficult to separate and represent the key critical performance measures in order to build a theoretical/conceptual model at the necessary level of parsimony. This is specially so where time was considered a modelling constraint. Although efforts based on extant literature have been made to develop a theoretically grounded framework, the inevitable level of parsimony is considered a limitation.

## BIBLIOGRAPHY

- Ambler, T. and Kokkinaki, F., (1997), 'Measures of Marketing Success'. *Journal of Marketing Management*, Vol. 13, Issue 7, pp. 665-678.
- Bagozzi, R. P. and Yi, Y., (1989), 'On the Use of Structural Equation Models in Experimental Designs'. *Journal of Market Research*, Vol. 26, Issue 3, pp. 271-284.
- Berry, L. L., (1995), 'Relationship Marketing of Services - Growing Interest, Emerging Perspectives'. *Journal of the Academy of Marketing Science*, Vol. 23, No. 4, pp. 236-246.
- Bradach, J. L. and Eccles, R. G., (1989), 'Price, Authority and Trust: From Ideal Types to Plural Forms'. *Annual Review of Sociology*, Vol. 15, Issue 1, pp. 97-118.
- Brand Finance Report, (2000), 'Demand for Detailed Marketing Disclosure Rises'. *International Journal of Retail & Distribution Management*, Vol. 28, No. 9, pp. 389-403.
- Brennan, R. and Skaates, M. A., (2005), 'An International Review of the Business-to-Business Marketing Curriculum', *Marketing Education Review*, Vol. 15, Number, 3, pp. 77-89.
- Brown, J. R., Lusch, R. F. and Smith, L. P., (1991), 'Conflict and Satisfaction in an Industrial Channel of Distribution'. *International Journal of Physical Distribution and Logistics Management*, Vol. 21, No. 6, pp. 15-27.
- Brown, M., (1996), *Keeping Score: Using the Right Metrics to Drive World Class Performance*. New York: Quality Resources.
- Cannon, J. P. and Perreault, W. D. Jr., (1999), 'Buyer-seller relationships in business markets'. *Journal of Marketing Research*, Vol. 36, Issue 4, pp. 439-460.
- Cardozo, R. N., (1980), 'Situational Segmentation of Industrial Markets'. *European Journal of Marketing*, Vol. 14, Issue 5/6, pp. 264-277.
- Chandler, J. and Cockle, P., (1982), *Techniques of Scenario Planning*. New York: McGraw-Hill.
- Chin, W. W. and Newsted, P. R., (1999), 'Structural Equation Modeling Analysis With Small Samples Using Partial Least Squares'. In Rick Hoyle (Editor), *Statistical Strategies for Small Sample Research*, New York: Sage Publications, pp. 307-341.
- Churchill, G. A. Jr., (1979), 'A Paradigm for Developing Better Measures of Marketing Constructs'. *Journal of Marketing Research*, Vol. 16, Issue 1, pp. 64-73.
- Churchill, G. A. Jr. and Iacobucci, D., (2005), *Marketing Research: Methodological Foundations*. 9th edition, Brattleboro, VT: Stratford Publishing Services.
- Clark, B., (1999), 'Marketing Performance Measures: History and Inter-relationships'. *Journal of Marketing Management*, Vol. 15, Issue 8, pp. 711-732.

- Dahlstrom, R., Dwyer, F. R. and Chandrashekar, M., (1995), 'Environment, Structure and Performance in Interfirm Exchange'. *Journal of Business to Business Marketing*, Vol. 2, No. 2, pp. 37-58.
- Donaldson, B. and O'Toole, T., (2000), 'Classifying Relationship Structures: Relationship Strength in Industrial Markets'. *Journal of Business & Industrial Marketing*, Vol. 15, Issue 7, pp. 491-506.
- Dwyer, F. R., Schurr, P. H. and Oh, S., (1987), 'Developing Buyer-Seller Relationships'. *Journal of Marketing*, Vol. 51, Issue 2, pp. 11-27.
- Eccles, R. G., (1991), 'The Performance Measurement Manifesto'. *Harvard Business Review*, Vol. 69, Issue 1, pp. 131-137.
- Eccles, R. G. and Crane, D., (1987), 'Managing through networks in investment banking'. *California Management Review*, Vol. 30, Issue 1, pp. 176-195.
- EFQM, (1997), *Self-Assessment Guidelines for Companies*. The Netherlands: Pabo Print BV.
- Fahey, L. and Randall, R. M., (1998), *Learning from the Future: Competitive Foresight Scenarios*. New York: John Wiley and Sons.
- Fiocca, R., (1982), 'Account Portfolio Analysis for Strategy Development'. *Industrial Marketing Management*, Vol. 11, Issue 1, pp. 53
- Fitzgerald, L., Johnston, R., Brignall, S., Silvestro, R. and Voss, C., (1991), *Performance Measurement in Service Business*. London: CIMA.
- Ford, D., (1980), 'The Development of Buyer-Seller Relationships in Industrials Markets'. *European Journal of Marketing*, Vol. 14, Issue 5/6, pp. 339-354.
- Frazier, G. L. and Howell, R. D., (1982), 'Intra-industry Marketing Strategy Effects on the Analysis of Firm Performance'. *Journal of Business Research*, Vol. 10, Issue 4, pp. 431-443.
- Frazier, G. L., Spekman, R. E. and O'Neal, C. R., (1988), 'Just-In-Time Exchange Relationships in Industrial Markets'. *Journal of Marketing*, Vol. 52, Issue 4, pp. 52-67.
- Ganesan, S., (1994), 'Determinants of Long-Term Orientation in Buyer-Seller Relationships'. *Journal of Marketing*, Vol. 58, Issue 2, pp. 1-19.
- Godet, M., (1982), 'From forecasting to 'La Prospective': A new way of looking at futures'. *Journal of Forecasting*, Vol. 1, Issue 3, pp. 293-301.
- Godet, M., (1987), *Scenarios and Strategic Management*. London: Butterworths Scientific.
- Grönroos, C., (1989), 'Defining Marketing: A Market-Orientated Approach'. *European Journal of Marketing*, Vol. 23, Issue 1, pp. 52-60.

- Grönroos, C., (1994a), 'From Marketing Mix to Relationship Marketing Towards a Paradigm Shift in Marketing'. *Management Decision*, Vol. 32, Issue 2, pp. 4-21.
- Grönroos, C., (1994b), 'Quo Vadis, Marketing? Toward a Relationship Marketing Paradigm'. *Journal of Marketing Management*, Vol. 10, Issue 5, pp. 347-360.
- Grönroos, C., (1995), 'Relationship Marketing: The Strategy Continuum'. *Journal of the Academy of Marketing Science*, Vol. 23, No. 4, pp. 252-255.
- Grönroos, C., (1996), 'Relationship marketing: strategic and tactical implications'. *Management Decision*, Vol. 34, Issue 3, pp. 5-14.
- Grönroos, C., (1997a), 'Keynote paper From marketing mix to relationship marketing - towards a paradigm shift in marketing'. *Management Decision*, Vol. 35, Issue 4, pp. 322-340.
- Grönroos, C., (1997b), 'Value-Driven Relational Marketing: from Products to Resources and Competencies'. *Journal of Marketing Management*, Vol. 13, Issue 5, pp. 407-419.
- Håkansson, H., Johanson, J. and Wootz, B., (1977), 'Influence Tactics in Buyer-Seller Processes'. *Industrial Marketing Management*, Vol. 3, Issue 5, pp. 319-332.
- Hallén, L., Johanson, J. and Seyed-Mohamed, N., (1991), 'Interfirm Adaptation in Business Relationships'. *Journal of Marketing*, Vol. 55, Issue 2, pp. 29-37.
- Harker, M. J. and Egan, J., (2006), 'The Past, Present and Future of Relationship Marketing'. *Journal of Marketing Management*, Vol. 22, pp. 215-242.
- Heide, J. B., (1994), 'Interorganisational Governance in Marketing Channels'. *Journal of Marketing*, Vol. 58, Issue 1, pp. 71-85.
- Heide, J. B. and John, G., (1988), 'The Role of Dependence Balancing in Safeguarding Transaction-Specific Assets in Conventional Channels'. *Journal of Marketing*, Vol. 52, Issue 1, pp. 20-35.
- Heide, J. B. and John, G., (1990), 'Alliances in Industrial Purchasing: The Determinants of Joint Action in Buyer-Supplier Relationships'. *Journal of Marketing Research*, Vol. 27, Issue 1, pp. 24-36.
- Heide, J. B. and John, G., (1992), 'Do Norms Matter in Marketing Relationships?' *Journal of Marketing*, Vol. 56, Issue 2, pp. 32-44.
- IMP Group, (1982), 'An Interaction Approach', in *International Marketing and Purchasing of Industrial Goods*. Chichester, UK: John Wiley and Sons.
- Ingham, B., (1995), *Economics and Development*, Maidenhead, Berkshire: McGraw-Hill.
- Investor Digest (2001), 'B2B Poised for Strong Growth'. *Investor Digest*, Feb 16.

- Jöreskog, K. G. and Sörbom, D., (1982), Recent Developments in Structural Equation Modelling. *Journal of Market Research*, Vol. 19, Issue 19, pp. 404-416.
- Kahn, H. and Weiner, A., (1967), *The Year 2000*. New York: MacMillan.
- Kaplan, R. S. and Norton, D. P., (1992), 'The Balanced Scorecard - Measures that Drive Performance'. *Harvard Business Review*, Vol. 70, Issue 1, pp. 71-79.
- Kaplan, R. S. and Norton, D. P., (1993), 'Putting the Balanced Scorecard to Work'. *Harvard Business Review*, Vol. 71, Issue 5, pp. 134-140.
- Kaplan, R. S. and Norton, D. P., (1996a), *The Balanced Scorecard: Translating Strategy into Action*. Boston, MA: Harvard Business School Publishing.
- Kaplan, R. S. and Norton, D. P., (1996b), 'Using the Balanced Scorecard as a Strategic Management System'. *Harvard Business Review*, Vol. 74, Issue 1 pp. 75-85.
- Kaplan, R. S. and Norton, D. P., (1996c), 'Linking the Balanced Scorecard to Strategy'. *California Management Review*, Vol. 39, Issue 1, pp. 53-79.
- Kaplan, R. S. and Norton, D. P., (2000), 'Having Trouble with Your Strategy? Then Map it'. *Harvard Business Review*, Vol. 78, Issue 5, pp. 167-176.
- Kaplan, R. S. and Norton, D. P., (2001), 'The Strategy-Focused Organisation'. *Strategy and Leadership*, Vol. 29, Issue 3, pp. 41-42.
- Kaplan, R. S. and Norton, D. P., (2005), 'The Balanced Scorecard: Measures That Drive Performance'. *Harvard Business Review*, Vol. 83, Issue 7/8, pp. 172-179.
- Keegan, D. P., Eiler, R. G. and Jones, C. R., (1989), 'Are your Performance Measures Obsolete?' *Management Accounting*, Vol. 67, Issue 12, pp. 45-50.
- Kimberly, J. R., (1976), 'Organisational Size and the Structuralist Perspective - A Review, Critique and Proposal'. *Administrative Science Quarterly*, Vol. 21, Issue 4, pp. 571-598.
- Lindgren, M. and Bandhold, H., (2002), *Scenario Planning: The Link between Future and Strategy*. Basingstoke, UK: Palgrave.
- Lynch, R. L. and Cross, K. F., (1991), *Measure Up - The Essential Guide to Measuring Business Performance*. London: Mandarin.
- Macneil, I., (1980), *The New Social Contract*. London: Yale University Press.
- Malhotra, N. K. and Birks, D. F., (2000), *Marketing Research - An Applied Approach*. European edition, Harlow, England: Pearson Education.
- Merchant, K. A. and Bruns, W. J. Jr., (1986), 'Measurements to Cure Management Myopia'. *Business Horizons*, Vol. 29, Issue 3, pp. 56-64.

- Metcalf, L. E., Frear, C. R. and Krishnan, R., (1992), 'Buyer-Seller Relationships: An Application of the IMP Interaction Model'. *European Journal of Marketing*, Vol. 26, No. 2, pp. 27- 46.
- Mintzberg, H., (1978), 'Patterns in Strategy Formulation'. *Management Science*, Vol. 24, Issue 9, pp. 934 -948.
- Morgan, R. M. and Hunt, S.D., (1994), 'The Commitment-Trust Theory of Relationship Marketing'. *Journal of Marketing*, Vol. 58, Issue 3, pp. 20-38.
- Neely, A. D., Gregory, M. and Platts, K., (1995), 'Performance Measurement System Design: A Literature Review and Research Agenda'. *International Journal of Operations & Production Management*, Vol. 15, Issue 4, pp. 80-117.
- Netemeyer, R., Bentler, P., Bagozzi, R., Cudeck, R., Cote, J., Lehmann, D., McDonald, R., Heath, T., Irwin, J. and Ambler, T., (2001), 'Structural Equations Modelling'. *Journal of Consumer Psychology*, Vol. 10. Issue 1/2, pp. 83-100.
- Nohria, N., Joyce, W. and Roberson, B. (2003), What Really Works. *Harvard Business Review*, Vol. 81, Issue 7, pp. 42-52.
- Noordewier, T. G., John, G. and Nevin, J. R., (1987), 'Performance Outcomes of Purchasing Arrangements in Industrial Buyer-Vendor Relationships'. *Journal of Marketing*, Vol. 54, Issue 4, pp. 80-93.
- Palay, T. M., (1984), 'Comparative Institutional Economics: The Governance of Rail Freight Contracting'. *Journal of Legal Studies*, Vol. 13, Issue 2, pp. 265-288.
- Palmer, A., (2000), 'Co-operation and Competition: A Darwinian Synthesis of Relationship Marketing'. *European Journal of Marketing*, Vol. 34, Issue 5/6, pp. 687-705.
- Porter, M. E., (1985), *Competitive Advantage*. New York: The Free Press.
- Rappaport, A., (1981), 'Selecting Strategies that Create Shareholder Value'. *Harvard Business Review*, Vol. 59, Issue 3, pp. 139-149.
- Reibnitz, I., (1988), *Scenario Techniques*. Hamburg, Germany: McGraw-Hill.
- Ring, P. S. and Van De Ven, A. H., (1992), 'Structuring Cooperative Relationships between Organisations'. *Strategic Management Journal*, Vol. 13, Issue 2, pp. 483-498.
- Ringland, G., (1998), *Scenario Planning: Managing for the Future*. Chichester, UK: John Wiley and Sons.
- Robinson, P. J., Faris, C. W. and Wind, Y., (1967), *Industrial Buying and Creative Marketing*. Boston, MA: Harvard Business Publications.
- Schoemaker, P. J. H., (1995), 'Multiple scenario development: Its conceptual and behavioural foundation'. *Strategic Management Journal*, Vol. 14, Issue 3, pp. 193-213.

- Sekaran, U., (2003), *Research Methods for Business Students: A Skill Building Approach*. 4<sup>th</sup> Edition, New York: John Wiley and Sons.
- Sheth, J. N. and Parvatiyar, A., (1995), 'Relationship Marketing in Consumer Markets: Antecedents and Consequences'. *Journal of the Academy of Marketing Science*, Vol. 23, No. 4, pp. 255-272.
- Spekman, R. E. and Strauss, D., (1986), 'An Exploratory Investigation of a Buyer's Concern for Factors Affecting more Co-operative Buyer-Seller Relationships'. *Industrial Marketing & Purchasing*, Vol. 1, Issue 3, pp. 26-43.
- Turnbull, P. W. and Wilson, D. T., (1989), 'Developing and Protecting Profitable Customer Relationships'. *Industrial Marketing Management*, Vol. 18, Issue 3, pp. 233-239.
- Van der Heijden, K., (1996), *Scenarios: The Art of Strategic Conversation*. Chichester, UK: John Wiley and Sons.
- Warburton, N., (2000), *Philosophy: The Basics*, 3<sup>rd</sup> Edition, Routledge: London.
- Webster, F. E. Jr., (1992), 'The Changing Role of Marketing in the Corporation'. *Journal of Marketing*, Vol. 56, Issue 4, pp. 1-17.
- Williamson, O. E., (1975), *Markets and Hierarchies: Analysis and Antitrust Implications*. New York: The Free Press.
- Williamson, O. E., (1979), 'Transaction-Cost Economics: The Governance of Contractual Relations'. *Journal of Law & Economics*, Vol. 22, Issue 2, pp. 233-262.