

Buyer-Seller Trust Relationships: What Makes Them Work?

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Abstract

The focus of this paper is on “trust” in the interpersonal relationship between buyer and seller. While much of the current literature acknowledges the importance of trust, few go beyond sometimes confusing definition that intermingles behaviors, traits and perceptions of trustworthiness. Researchers have long sought the secret to interpersonal trust in personal selling. This paper uses data from a prior study of buyer-seller communications (Carlson, 2018) to take a deeper dive into the trust construct by Mayer, Davis and Schoorman (1995). While the Mayer model is widely cited in management and organizational behavior literature for its explanatory power, it is rarely cited in personal selling literature receiving only passing mention in the most recent personal selling and trust meta-analysis (Wood, Boles, Johnston, & Bellenger, 2008). Attention is given to the antecedents of ability, integrity, benevolence and the moderating effect of a trustor’s propensity to trust. We find benevolence and propensity to trust of interest as variables contributing to the “secret sauce” in the formation of high quality trust in a buyer-seller relationship. Are there implications for sales representatives and sales managers in their approach to key accounts and strategies for maintaining long-term relationships?

Introduction

This paper focuses on the role of “trust” in personal selling. The level of analysis is the dyadic relationship between a seller and buyer in an organizational setting. Fundamental to the concept of relationship marketing is the proposition that the relationship evolves over time (Dwyer, Schurr & Oh, 1987) and that trust is a critical variable in its evolution (Morgan & Hunt, 1994). Maister, Green, and Galford (2000) posit a sales representative earns the role of “trusted advisor” through development of a strong interpersonal relationship with a buyer. Jap (2001) incorporates the element of time spent in the development of a dyadic trust relationship between the sales representative and buyer in a relationship lifecycle. Attaining the role of “trusted advisor” is the culmination of a continuum as the relationship matures. While there is a rich and diverse body of trust literature, there is little empirical research to provide a model to measure progress along this continuum.

This study differs from previous work by testing a model to measure the extent to which this role has developed as well as the contribution of its respective antecedents (Carlson, 2015). We examined this phenomenon through an organizational lens where the seller is a sales representative assigned to a specific account while the role of buyer may vary within the buying center to include a champion, a user, or a decision-maker. No matter the role within the buying

center, the seller has established a reciprocal interpersonal relationship with the buyer's representative. Using a selected trust model (Mayer, Davis & Schoorman, 1995), can we determine which of the antecedents have the greater impact on the formation of high quality trust relationships? If so, how might these findings differ from prior research? Similarly, do such findings have implications for recruitment, selection, training and management of sales personnel for organizations pursuing a relationship marketing approach.

The paper is organized as follows: the next section provides a summary of relevant trust based literature followed by a description of the author's recent research using a "trusted advisor" measurement model. Next is a discussion of the antecedents in the Mayer trust model and its importance to the buyer-seller relationship follows. Specific attention is given to the antecedents of benevolence and propensity to trust. The paper concludes with a discussion of results, implications for marketing and sales management, and future research.

Background

Continued interest in "trust" is illustrated by the patterns of publication in scholarly journals over the past decade. As this paper focuses on the role of benevolence in trust building behaviors within the buyer-seller relationship, a generic search for "trust" and "benevolence" was conducted on ABI / Inform (ProQuest) yielding 4,426 entries from scholarly journals. Each decade saw increasing interest (1990-1999=304; 2000-2009 = 1,457; 2000-2018 = 2,665) with the largest number of publications in both 2016 and 2017 (367 each year). This search gathered articles from psychology, organizational behavior, management, as well as marketing and sales management. Similarly, the management literature from the humanist movement to the current period counts "trust" as an essential part of the leader-follower relationship. A meta-analysis of trust in leadership found over 100 quantitative studies of the phenomena in 2002 (Dirks & Ferrin, 2002) A similar study from the marketing perspective resulting in an item-level meta-analysis of buyer trust in a sales representative (Wood, Boles, Johnston, & Bellenger, 2008). Both marketing and management literature differentiate interpersonal trust, organizational trust, and trust in product or service from the individual level trust between buyer and seller.

The following table illustrates the limited number of studies reported in scholarly journals in the field of marketing incorporating "trust" and "benevolence". This table lists the number of studies reported in their respective journals specifically dealing with the individual buyer-seller relationship. It excludes articles dealing with supervisor – employee relationships (sales manager – salesperson) or articles at a different level of analysis (organizational – cultural).

Journal Source – 1990-2018	Number
Journal of Relationship Marketing	3
Journal of Personal Selling and Sales Management	4
Journal of Marketing	5
Journal of Marketing Research	2
Journal of the Academy of Marketing Science	3

Table 6: Buyer-Seller Trust Relationship Articles Using "Benevolence"

Trust has often been cited as a critical ingredient to building long-term relationships. Within the marketing literature, we see the application of this construct to buyer-seller relationships. Dwyer, Schurr and Oh (1987) lay the foundations for a systematic view of relationship marketing postulating that exchanges goes beyond a transactional view. The authors apply social exchange theory in defining the dimensions of such a relationship with both real and perceived costs and benefits. Morgan and Hunt (1994) propose a commitment-trust theory of relationship marketing wherein trust functions to enhance the strength of commitment in long-term relationships.

Mayer, Davis and Schoorman (1995) is the model of interest in this study as it provides a focus on the antecedents of trust between one individual and another that includes ability, integrity, and benevolence as antecedents. Additionally, the authors provide a succinct definition of trust that is often referenced in other subsequent studies that incorporate a trust component. Its usefulness is demonstrated by its applicability to different levels of analysis (individual vs organizational) as well as application within a single organization (sales person – sales manager) or between organizations (buyer-seller) (Schoorman, Mayer & Davis, 2007).

While the Mayer model is widely cited in management and organizational behavior literature for its explanatory power, it is rarely cited in personal selling literature receiving only passing mention in the most recent personal selling and trust meta-analysis (Wood, Boles, Johnston, & Bellenger, 2008). In testing an SEM model derived from their item-level analysis, Woods et al. found that benevolence had little relationship to buyer trustworthiness of the sellers' representative. While this was not an explicit test of the Mayer model, it appears to undermine viability of a critical component of the Mayer trust model. Our study provides an explicit test of

the Mayer trust model in the individual level buyer-seller relationship and links it to the evolution of the sales representative's progress to the role of "trusted advisor".

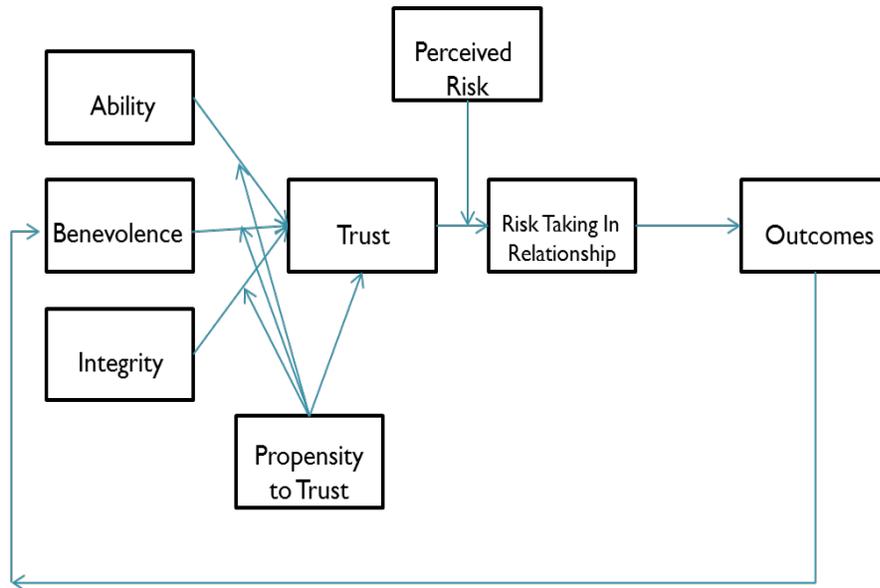


Figure 4: Mayer, Davis and Schoorman Trust Model

Our measurement model incorporates the Mayer, Davis and Schoorman (1995) integrative model of organizational trust. The Mayer model (Mayer et al, 1995) provided the basis for measurement of trust and trust building behaviors. Neu, Gonzalez, and Pass (2011) use the Mayer trust model as a method for measuring trust in a buyer-seller relationship in their "trusted advisor". Use of the Mayer trust model provides a means of measuring the latent construct as well as the contribution each component; ability, benevolence, integrity and propensity to trust.

Unpacking the Mayer, Davis and Schoorman Trust Model

Mayer et al. define trust "the willingness of a party to be vulnerable to the actions of another party based on the expectation that the other will perform a particular action important to the trustor, irrespective of the ability to monitor or control that other party" (p. 712). The key element of this definition that differentiates trust from cooperation is the element of risk and the willingness of the parties to accept a level of risk. The authors address this through three dimensions; abilities, integrity, benevolence. Propensity to risk is used to explain variance. The authors make the case that propensity of the parties to accept risk is an equally important component to understanding the variation in trust in the presence of similar abilities, integrity and benevolence. The following figure illustrates how we have adapted this model to the research subject.

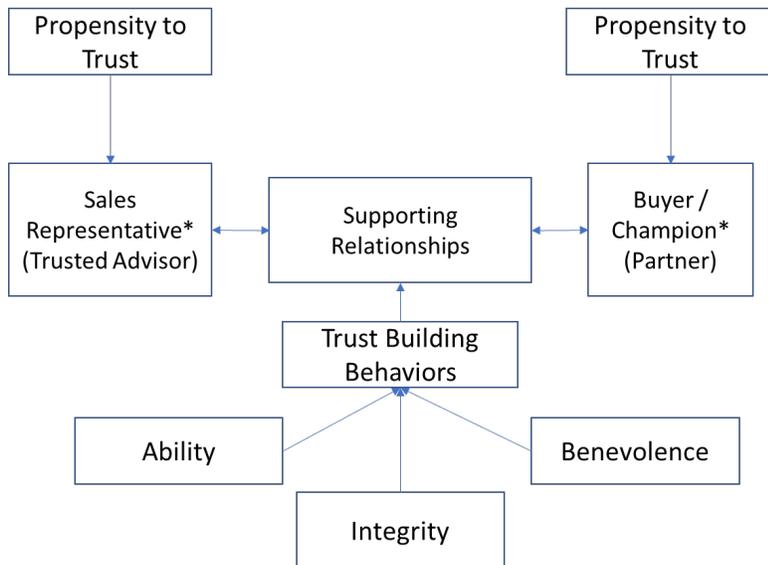


Figure 5: Adapted Trust Model

Abilities: Ability is a domain specific set of skills, capabilities, and competencies in the Mayer trust framework. It may also be expressed as perceived expertise. Ability as competence or expertise is the most frequently cited antecedent for trust in an organizational setting. Interestingly, this attribute is also related to expert or referent power in French and Raven’s model of social power (1959).

Integrity: According to Mayer et al. (1995), integrity is the “perception that the trustee adheres to a set of principles that the trustor finds acceptable” (p. 719). Much as been written about the importance of integrity in a long-term business relationship often in the context of truthfulness, transparency, and commitment to ethical behavior. The authors follow a similar path noting the difference between personal integrity (commitment to a set of principles) versus the trustor’s view of acceptability of the trustee’s principles as a moral view of integrity. They note that a high level of commitment by the trustee to earning profit or recognition no matter the cost to the relationship may not be viewed as moral high ground by the trustor.

Benevolence: Mayer, et al. (1995) define benevolence as the “perception of a positive personal orientation of the trustee toward the trustor” (p. 719) noting that perceived intentions and motives have an influence on the trustor. The authors also suggest a personal attachment between the trustor and trustee. Wang (2006) proposes a three-component model of benevolence in a buyer-seller relationship. The model incorporates perceived affective benevolence, normative benevolence, and calculative benevolence. The study raises the question whether perceptions of benevolence are influenced by an asymmetrical power relationship between firms. Levine (2016) notes the importance of benevolence in personal relationships focuses on dealing with concerns about exploitation. “Individuals who are perceived to have benevolent motives are perceived to be less likely to exploit a potential trustor, and consequently, are more likely to be trusted”.

While approach appear in prior work as forbearance against exploitation, Mayer et al. focused on the positive interpretation that benevolence was a behavior with intent to help others with no expectation of immediate reciprocal reward.

Integrity vs. Benevolence: In the context of the Mayer model, integrity and benevolence are treated as two separate constructs. Research results confirm the separation of the Levine (2006) distinguishes between integrity and benevolence noting that the two terms are often conflated. The author makes a case that integrity and benevolence are two potential opposing constructs. Integrity violations occur to benefit the cause of benevolence. Similarly, extreme “honesty” without empathy for the recipient has a higher negative impact on trust.

Propensity to Trust: Mayer et al introduced the concept of “propensity to trust” to the interpersonal trust literature as a psychological variable reflecting the trustor’s willingness to take risks. Attitudes are conditioned by prior experiences as well as the personality trait of openness. Frazier, Johnson and Fainshmidt (2013) have recently developed a revised scale that shows promise for its strong psychometric properties for both future academic research as well as adaptation to recruiting and selection processes for person-organization fit.

Trust Model Test Results

This report uses a dataset collected in 2017 with survey data including items 21 items from the Mayer trust model (Carlson, 2018). Confirmatory factor analysis produced results reported in Table 2. Two separate components in the propensity to trust construct were identified where the first component questioned the respondent about general conditions, events or people using phrases such as “most people...” while the second component employed a second-person personal pronoun to gage individual willingness to accept risk in an exchange relationship.

Scale / Subscale	Items	% Variance Explained	Cronbach's Alpha	
			Alpha	Standardized
Abilities	5	85.619	0.957	0.958
Benevolence	5	79.957	0.937	0.937
Integrity	5	72.408	0.89	0.897
Propensity (General)	3	71.094	0.796	0.797
Propensity (Specific)	2	77.583	0.711	0.711

Table 7: Confirmatory Factor Analysis – Trust

In summary, the CFA results suggest that each of the components of the are reliable measures of a latent variable with Cronbach’s alpha in the acceptable range of .70 to .95. Notably, the measurement of benevolence provides explanation of 79.7% of the variance with a Cronbach’s standardized alpha of .937 indicating a high level of consistency and reliability.

Variable	Items	Mean	SD	1	2	3	4	5
Trust 1. Ability	5	4.159	0.821	1				
2. Benevolence	5	3.879	0.844	0.8045	1			
3. Integrity	5	3.786	0.880	0.7766	0.7290	1		
4. Propensity (General)	3	3.103	0.866	0.5527	0.5372	0.7004	1	
5. Propensity (Specific)	2	3.543	0.929	0.4569	0.4423	0.5913	0.5911	1

Table 8: Correlation Matrix - Trust Components

For purposes of building and testing the buyer-seller trusted advisor model (Carlson,2018), the authors computed three second order scales scores. A mean score was computed for each response for the four components of each of the three constructs of interest; trust, communication quality, and role development. Results of the reliability analysis and correlation matrix are shown below.

Construct	Items	% Variance Explained	Cronbach's Alpha	
			Alpha	Standardized
Role	4	49.24	0.808	0.808
Communication Quality	4	71.502	0.866	0.866
Trust	4	73.293	0.877	0.877

Table 9: Reliability Analysis - Second Order Scales

Variable	1	2	3
1. Communication Quality	1	.389**	0.259
2. Trust	.389**	1	.271*
3. Role	0.259	.271*	1

Table 10: Trusted Advisor Correlation Matrix

Therefore, based on both the confirmatory factor analysis (CFA) and correlation matrix, one can conclude that ability is the single most important contributor to development of trust followed by benevolence. Benevolence explains 79.957% of the variance with a Cronbach's alpha of .937 indicating a high level of reliability. In the correlation matrix, benevolence has the second highest mean and is highly correlated with abilities (.844) suggesting that perception of abilities and benevolent behaviors go hand-in-hand in a buyer-seller relationship. However, we examined trust in the context of three independent variables of communication quality, role, and trust. Trust was highest in percent of variance explained and highest in reliability with a standardized Cronbach's alpha of .877. Correlation coefficients among the three constructs are low (less than

.40) but statistically significant when trust is correlated with either of the other two variables suggesting little overlap among the three variables.

Finally, the question of whether the Mayer model has any relationship to a measure of outcome, we incorporated the construct in a regression model to estimate the degree of attainment of a “trusted advisor” in the buyer-seller relationship journey (Carlson, 2018). The regression model used scale scores for latent variables of trust, communication quality, and role. Trust and communications coefficients were high (.594 and .590 respectively) with an adjusted R2 of .962 (F = 477.716, p=.000). The following table summarizes the output of an SPSS multiple regression analysis.

Model Summary							
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate			
1	.982 ^a	.964	.962	.13275			

ANOVA						
Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	25.256	3	8.419	477.716	.000 ^b
	Residual	.934	53	.018		
	Total	26.190	56			

a. Dependent Variable: Trusted_Advisor,
b. Predictors: (Constant), Trust_Score, Role_Score, CommQuality_Score

Model Coefficients								
Model		Unstandardized Coefficients		Standardized Coefficients		Collinearity Statistics		
		B	Std. Error	Beta	t	Sig.	Tolerance	VIF
1	(Constant)	-5.975	.215		-27.741	.000		
	CommQuality_Score	.590	.031	.541	18.910	.000	.823	1.215
	Role_Score	.397	.051	.215	7.845	.000	.899	1.112
	Trust_Score	.594	.032	.530	18.481	.000	.818	1.223

Correlation Matrix				
		CommQuality	Trust	Role
CommQuality	Pearson Correlation	1	.389**	.259
	Sig. (2-tailed)		.003	.052
Trust	Pearson Correlation	.389**	1	.271*
	Sig. (2-tailed)	.003		.042
Role	Pearson Correlation	.259	.271*	1
	Sig. (2-tailed)	.052	.042	

n= 58

** . Correlation is significant at the 0.01 level (2-tailed).

* . Correlation is significant at the 0.05 level (2-tailed).

Table 11: Trusted Advisor Regression Model

Conclusions and Implications

From an academic perspective, the Mayer, Davis and Schoorman model presents a viable approach to operationalizing the trust construct in a buyer-seller relationship. Our findings provide support for incorporating the Mayer model as the measure of interpersonal trust in a buyer-seller ‘trusted advisor’ relationship. It confirms the applicability of ability, integrity, and benevolence as components of the trusted advisor model by Neu, Gonzalez, and Pass (2011). The analysis also supports the importance of role attainment and communication quality in the development of a high-quality interpersonal relationship between buyer and seller.

Evidence is also presented that counters the position that benevolence has little relationship to trust or trustworthiness (Woods et al., 2008). These findings suggest that benevolence is an integral part of trust building behaviors. This is consistent with We also believe it confirms the assertion that benevolence starts with a psychological trait that couples with propensity to trust that is consistent with openness and agreeableness that is subsequently an intent based behavior in the context of interpersonal relationships. Colquitt, Scott, and LePine (2007) describe benevolence as a separate phenomenon that couples with integrity to form character.

From a practitioner perspective, the Mayer, Davis and Schoorman model presents a viable approach to operationalizing the trust construct in supporting strong “trusted advisor” focused buyer-seller relationships as the face of the organization’s relationship marketing. The abilities and integrity dimensions are behavioral and can be taught. While behavioral in its expression, the benevolence dimension is indicative of underlying attitudes including a willingness to empathize with the other party. Propensity to trust is partly influenced by life experiences. However, both propensity to trust and benevolence are strongly related to the “big five” personality traits of agreeableness and openness as well as variables associated with emotional intelligence.

Recruiting and growing an effective sales force with a focus on long-term buyer-seller relationships is a critical issue for business-to-business sales managers. This paper has focused on trust in the buyer-seller relationship. While education, training and experience can address two of the dimensions of trust, consideration must be given to screening and testing for “emotional intelligence” as a proxy for benevolence and propensity to trust. From an academic standpoint, further research should be conducted using more recent scales for propensity to trust and their potential application in recruiting and selection.

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Keywords: Buyer-Seller, Trust, Ability, Benevolence, Integrity, Personal Selling

Relevance to Marketing Educators, Researchers and Practitioners:

This paper reports recent research that confirms use of the Mayer, Davis and Schoorman (1995) model is appropriate to describing trust the buyer-seller interpersonal relationship and further affirms applicability of the benevolence construct to interpersonal relationships across organizational boundaries. From an academic standpoint, further research should be conducted using more recent scales for benevolence and propensity to trust in the context of interorganizational interpersonal relationships.

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