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Examining the Impact of Salespeople’s Relational Behaviors and Organizational Fairness on Customer Loyalty

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Abstract
Although customer loyalty has proved to be a powerful determinant of firms’ profits, the drivers of customer loyalty in B-to-B relationships are still unclear. Recognizing that both interpersonal and interorganizational level variables are needed to predict customer loyalty, the aim of this study is to investigate the combined and interactive effects of salespersons’ relational behavior (customer orientation and team selling) and institutional treatment (distributive and organizational fairness) in predicting satisfaction and customer loyalty. Results from a field survey in BtoB (n=130) show that customer loyalty is largely determined by the quality of interpersonal relationship. Salesperson’s customer orientation is a strong determinant of satisfaction with the salesperson which in turn is a determinant of global satisfaction and loyalty. Moreover, the results show that perceived fairness is central for building overall satisfaction and customer loyalty toward the firm. This study has both managerial and research implications in particular in service and salesforce management.

Keywords: Customer loyalty, Salesperson relational behaviors, Fairness

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Introduction
An increasing number of contributions grounded on justice theories have recently appeared to predict customer satisfaction, especially in the service and complaining behavior literature (Maxham III and Netemeyer, 2003; Vázquez-Casielles et al., 2010). However, although selling is central to service delivery processes, to the best of our knowledge, no empirical study has investigated the role played by perceptions of justice in the buyer-seller relationship. This absence is particularly regrettable, since the selling process itself implies implicit promises of fairness that will be assessed by the customer. In the sale service experience or “servuction” as defined by Langeard and Eiglier (1996), the customer expect to be treat fairly not only regarding the tangible elements but also on intangibles aspects and the way the service is delivered. Indeed, Oliver and Swan (1989) have highlighted the significant impact of interpersonal equity in satisfaction judgments.

Research on salesperson management suggests that salespeople’s behavior not only shapes the seller-buyer relationship but also the selling firm-buying firm partnership. More specifically, a salesperson’s customer orientation has been shown to influence customer satisfaction with the salesman, satisfaction with the retailer, and ultimately satisfaction with the selling firm (Goff et al., 1997).

Existing research on the analysis of business-to-business relationships suggests, however, that relationship quality and loyalty can be defined at two levels: an interpersonal level (relationship with the salesperson) and an institutional level (relationship with the firm). Contributions concerned with multi-level loyalty emphasize that the interpersonal and the interorganizational level are not independent. Indeed, customer loyalty toward the salesperson has been shown to increase loyalty toward the selling firm (Macintosh and Lockshin, 1997; Reynolds and Beatty 1999). Likewise, customer loyalty to the selling firm is dependent upon salesperson-related variables (Beatty et al., 1996; Berry, 1995).

The present study investigates the combined and interactive effects of interpersonal and interorganizational variables on customer loyalty. More specifically, the aim of this paper is to develop a conceptual framework that considers salesperson relational behaviors (customer orientation and team selling) and organizational treatment (distributive and procedural justice) as antecedents of relationship quality (satisfaction with the salesperson and with the firm) and customer loyalty (anticipation of future interactions with the salesperson and loyalty toward the firm) in a B-to-B setting. Consistent with the meta-analysis on relationship marketing (Palmatier et al., 2006), the proposed model integrates relational antecedents (salesperson relational behaviors and justice), relational outcomes (loyalty) and one relational mediator (satisfaction).

This article is structured as follows. First, we offer a brief overview of the literature on key conceptual issues regarding relationship processes at the interpersonal and interorganizational levels. We subsequently develop and test a two-level model to determine whether salesperson behaviors and institutional treatment influence customer satisfaction and loyalty. We conclude by discussing the theoretical and practical implications of the research.
Theoretical background
This section describes the theoretical underpinnings and empirical evidence supporting the proposed framework (see Figure 1). After examining interpersonal interactions in commercial relationships, we focus on the institutional level by looking at the role played by justice assessments. Finally, the interactions between the interpersonal and organizational levels are investigated.

Figure 1: Theoretical Model

Interpersonal Level
- Customer Orientation
  - H1 (+)
- Team Selling
  - H2 (+)
- Satisfaction with the Salesperson
  - H3 (+)
- Anticipation of Future Interactions
  - H7 (+)
  - H8 (+)

Interorganizational Level
- Distributive Fairness
  - H4 (+)
- Procedural Fairness
  - H5 (+)
- Overall Satisfaction
  - H6 (+)
- Loyalty Toward the Firm

Interpersonal determinants of customer loyalty
In B-to-B relationships, the selling process is not limited to a punctual exchange between two independent firms. Rather it is the outcome of an ongoing relationship between two business partners. Instead of simply negotiating, parties are motivated by the so-called 'pie expansion', i.e. the collaborative process of creating mutually beneficial strategic outcomes between the two partners (Jap, 1999). In this context, salespeople play a strategic interface shaping service quality and ultimately customer loyalty (Grewal and Sharma, 1991, Biong and Selnes, 1996; Humphreys and Williams, 1996). Salesperson relational actions and behaviors thus have a significant impact on customer satisfaction and relationship quality (Oliver and Swan, 1989). Humphreys and Williams (1996) even demonstrated that the attributes of the interpersonal process (consideration for the customer, responsiveness, etc.) have a greater influence on customer satisfaction than the attributes of the product itself. According to Williams and Attaway (1996), the salesperson's customer orientation (CO) is a key factor in explaining how customers assess salespeople's behaviors and is thus central to the development of long-term relationships. Based on the seminal model of Schultz and Evans (2002), Guenzi et al. (2009) demonstrated that CO and team selling are prime determinants of customer satisfaction. Following their conclusions, this research proposes that salesperson relational behaviors encompass both CO and team selling.
**Customer Orientation** – Consistently with the seminal definition proposed by Saxe and Weitz (1982), Williams and Attaway (1996) define customer orientation (CO) as “a philosophy and behavior directed toward determining and understanding the needs of the target buyer and adapting the selling organization’s response in order to satisfy those needs better than the competition” (p. 39). CO has been shown to have a significant influence on customer purchasing decisions. Saxe and Weitz (1982) indicate that CO provides customers with the required information to make the decisions that will best satisfy their long-term needs. CO may thus be considered as a segmentation criterion since it enables customers to distinguish good from bad salespeople. Hence CO is a major antecedent of customer satisfaction and relationship quality (Dorsch et al., 1998).

Goff et al. (1997) showed that customers are more likely to be satisfied with salespeople as the perceived level of CO increases. By being customer-oriented, salespersons are more likely to identify customer needs and to match their presentation to those requirements, thereby increasing customer satisfaction. Likewise, William and Attaway (1996) and Liu and Leach (2001) have demonstrated that the buyer-seller relationship quality as perceived by customer improves as the salesperson’s relational behaviors directed toward the customer increase. Following this reasoning, we hypothesize the following:

**H1:** Salesperson CO has a positive influence on customer satisfaction with the salesperson.

**Team selling** - For Workman et al. (2003) team use is defined as the extent to which teams are formed to coordinate activities for key accounts. Guenzi et al. (2009) underline the importance of team selling for strategic account managers. A good salesperson as perceived by the buyer is one that is able to work closely with colleagues and to coordinate the working team. According to Perry et al. (1999), under conditions of high task complexity, the need for an effective team selling process is heightened. Team selling is usually adopted in complex buyer-seller situations, where dedicated and individualized treatment is required. In view of the characteristics of B-to-B relationship (especially durability and complexity), buying firms do not interact with a single sales representative. Consequently, coordination and leadership competencies seem to be crucial for the quality of the relationship. Coordination efforts may be manifested in the formation team selling in an ongoing effort to work together.

In line with the preceding considerations, we put forward the following hypothesis:

**H2:** Team selling has a positive impact on customer satisfaction with the salesperson.

**Salesperson relationship** - The positive impact that satisfaction with the salesperson has on anticipation of future interactions has been empirically documented in the literature (Crosby et al. 1990; Biong et Selnes, 1993). For example, Crosby et al. (1990) demonstrated that a customer’s likelihood of seeking future contact with a salesperson is mainly determined by the quality of the prior customer-salesperson relationship. They propose that relational behaviors positively impact future interactions through satisfaction with the salesperson. Consequently, we postulate the following:

**H3:** Customer satisfaction with the salesperson has a positive impact on the customer’s anticipation of future interactions with the salesperson.
Interorganizational determinants of customer loyalty

Satisfaction and loyalty toward the selling firm have proved to be key indicators of the health of interorganizational relationships (Palmatier et al., 2006). Satisfaction has been defined as an overall evaluation of the relationship based on the outcomes of previous experiences (Oliver, 1981; Bitner and Hubbert, 1994), while loyalty has conative consequences such as positive word of mouth, patronage and repurchase intentions. Within the consumer and the marketing channel literature, a growing body of evidence suggests that justice perceptions are significant determinants of customer satisfaction with and loyalty toward firms. For example, Maxham III and Netemeyer (2003) demonstrated how different levels of fairness may affect a firm's profits. According to Bagozzi (1975) and Berry et al. (1994), each exchange within a particular relationship implies implicit promises of fair play and expectations of fair treatment. Indeed, if customers believe they are treated unfairly, they are more likely to become hostile, to distrust their partner and to end the relationship. Justice theories are thus useful in explaining the nature of interfirm interactions. Since organizations develop specific policies and procedures to deliver services or products, they can be perceived as more or less fair according to how commercial exchanges are conducted. Studies in the marketing and organizational behavior literature indicate that individuals who are involved in commercial exchanges base their perceptions of justice on relational outcomes and processes. Moreover, existing contributions suggest that customers evaluate their suppliers mainly in terms of distributive and procedural fairness.

Distributive Justice - Based on equity theory (Adams, 1963; 1965), distributive justice perceptions refer to judgments about the fairness of the outcomes individuals receive compared to their initial input (internal equity). At the same time, distributive justice implies an interpersonal comparison (external equity), which has been defined as the "fairness, rightness, or deservingness comparison to other entities, whether real or imaginary, individual or collective, person or non-person" (Oliver, 1997).

In the B-to-C setting, the positive relationship between distributive justice and consumer satisfaction is well established, especially in the service recovery literature. Indeed, existing contributions indicate that distributive justice assessments have a significant impact on satisfaction with complaint handling (Goodwin and Ross, 1992; Tax et al., 1998) and on transactional satisfaction with service delivery (Bolton and Lemon, 1999).

Likewise, in the marketing channel literature, Frazier et al. (1988) define distributive justice as “the division of benefits and burdens”. This definition, however, does not imply that inputs or outcomes are necessarily equally divided between parties; rather it suggests that fairness requires profits to be distributed proportionally, based on the investments made by each partner. Research on the topic makes it clear that equity is a key aspect for long-term cooperation. Indeed equity (or fair dealing) has been shown to be an important criterion for assessing interorganizational relationships (Gundlach and Murphy, 1993; Ring and Van de Ven, 1994) and a powerful antecedent of overall relationship satisfaction (Jap, 2001 Brown, Cobb, and Lusch, 2006).

In line with this reasoning, we hypothesize the following:

*H4: Distributive justice has a positive influence on the buying firm's satisfaction with the selling firm.*
Procedural Justice – In examining various dispute resolution processes, Thibaut and Walker (1978) demonstrated that individuals could accept less favorable outcomes when they felt that decision-making processes were fair and that they had been treated fairly. In other words, individuals are more likely to consent to sacrifices if they believe that procedural justice has been respected. Procedural justice refers to judgments made about the fairness of the rules or policies used to make decisions or allocate resources. Within the marketing channel literature, procedural justice has been defined as a “reseller’s perception of the fairness of the supplier’s procedures and processes in relation to its resellers” (Kumar et al., 1995).

In a study examining the different aspects of service recovery policies, Clemmer (1993) identified flexibility, waiting time and efficiency as aspects of procedural justice. Furthermore, the literature provides numerous examples showing that procedural justice matters in post-complaint behavior. Consumers who views procedures and policies as fair are satisfied. Previous research supports this relationship in B-to-C (Saxby, Tat, and Thompson Johansen, 2000; Sparks and McColl-Kennedy, 1998; Tax, Brown, and Chandrashekaran, 1998) and B-to-B settings (Kumar, Scheer, and Steenkamp, 1995; Brown, Cobb, and Lusch, 2006).

In line with the preceding conclusions, we hypothesize the following:

H5: Procedural justice has a positive influence on the buying firm’s satisfaction with the selling firm.

Justice and long-term relationship - The intimate relationship connecting satisfaction to loyalty is widely acknowledged in the marketing literature. Research shows that satisfied customers are more likely to be loyal than dissatisfied ones (Fornell, 1992; Fornell and Wernefelt, 1987; Parasuraman et al., 1991; Reichheld and Sasser, 1990). Indeed satisfaction has proved to be a major antecedent to loyalty (Bitner, 1990; Dick and Basu, 1994; Fornell et al., 1996). The same conclusions apply in B-to-B relationships. For example, based on the results of a meta-analysis, Geyskens et al. (1999) found that customer satisfaction is a key driver of long-term interfirm partnerships. Moreover, prior contributions (Ganesan, 1994; Mittal and Kamakura, 2001) indicate that customer satisfaction not only affects customer loyalty directly but also influences behavioral variables indicative of a customer's long-term orientation toward a relationship (e.g., patronage intentions, positive WOM intentions, etc.).

Based on the above findings, we hypothesize the following:

H6: The buying firm’s overall satisfaction has a positive impact on its loyalty toward the selling firm.

Interaction between the interpersonal level and the institutional level

In addition to the individual effects of the salesperson and organizational treatment on customer loyalty, the proposed framework assumes an interactive effect between the interpersonal and the interorganizational levels. More specifically, the present model suggests that satisfaction at the institutional level is partly conditioned by the extent to which interpersonal interactions are satisfying. As previously mentioned, customers evaluate suppliers on the basis of the various benefits offered by the supplier, including the salesperson. Satisfaction with interpersonal process has even proved to be more effective in explaining customer satisfaction than the characteristics of the product itself (Humphreys and Williams, 1996). Given its significant impact in predicting customer assessments, we propose that salesperson-derived satisfaction is associated with the overall level of company satisfaction. Previous research gives credence to the idea that customers’ positive feelings toward
the salesperson can be “transferred” to the company (Beatty et al., 1996). For example, in a study involving automobile purchases, Goff et al. (1997) found, that satisfaction with the salesperson is an antecedent of overall satisfaction with a dealer. Likewise, Oliver and Swan (1989), Crosby et al. (1990) and Reynolds and Beatty (1999) observed that satisfaction toward the salesperson has a positive influence on satisfaction with the supplier.

We therefore put forward the following hypothesis:

H7: Satisfaction toward the salesperson has a positive influence on the buying firm’s overall satisfaction.

As previously mentioned, loyalty has received considerable attention from both academics and practitioners because building customer relationship and firm loyalty yields positive returns in the form of word-of-mouth, turnover, and patronage intentions. Defined as a buyer’s overall attachment or deep commitment to a product, service, brand or organization (Oliver, 1999), customer loyalty may thus take different forms and may be directed to different objects. This is particularly true in business-to-business relationships where loyalty may be defined at the interpersonal (loyalty toward the salesperson) and interorganizational (loyalty toward the firm) levels. Nevertheless, the links between “interpersonal” loyalty and company loyalty are complex. Indeed, customer loyalty toward the salesperson has been shown to increase loyalty toward the selling firm (Macintosh and Lockshin, 1997; Reynolds and Beatty 1999). At the same time, the customer may decide to end a relationship with a company in order to stay loyal to a salesperson that would switch to a competitor. Likewise, Goff et al. (1997) found that positive feelings toward salespeople can be transferred to the firm.

Consequently, the proposed model suggests that a loyalty toward the salesperson has a positive influence on loyalty toward the firm. In other words, we propose that a customer who is highly loyal to his/her salesperson and anticipates having future interactions with him/her is also highly loyal to the firm that supports and employs this salesperson. Therefore, we test the following hypothesis: H8: Anticipation of future interactions with the salesperson has a positive impact on a customer’s loyalty toward the selling firm.

Research Method
To test our research hypotheses we carried out a field survey and engaged in structural equation modeling to determine the validity of the path model presented in Figure 1. Data was collected from 130 buyers working in the French bio-diagnostic sector.

Research setting and Sample
The bio-diagnostic sector was chosen as a research setting because of the complex nature of the services involved. The selling process usually involves long-term negotiations aimed at building a unique selling proposal to customers (in terms of products/services, financial terms, etc.) and extended after-sale services. Furthermore, suppliers provide customers with significant information regarding the probable evolution of the sector (in terms of practices, competences, technology, etc.). Salespeople consequently serve as key contact points for the buyer before, during and after purchase episodes. In view of the complex nature of these services, both salesman and purchasers are highly involved in the commercial exchange. The
salesforce is mobilized far beyond the individual salesperson, with the possible intervention of a number of the company’s product managers.
In all, 220 buyers were eventually reached and invited to answer the web survey. 130 usable questionnaires were electronically returned, for a response rate of 59%. Because the respondents are experts in the field, they are very familiar with the products and devices used in this sector. The majority of respondents were male (62%), aged between 31-50 (58%), and had worked in SMEs (85.3%) as buyers for at least 6 years (61.1%).

**Questionnaire Development and Data Collection**
Following agreement by the respondents, the survey was attached to an email sent to active and knowledgeable buyers in the bio-diagnostic sector. Respondents were asked to state the reason for their choice, the duration of the relationship and the frequency of contact methods (mail, phone, visit, etc.). They were also asked to assess the quality of salesperson behavior and of organizational treatment as well as their level of satisfaction with and loyalty toward the salesperson and the firm. Demographic questions included gender, the respondent’s position in the company, the firm’s size and its main business activities.
In all, 220 buyers were eventually reached and invited to answer the web survey. 130 usable questionnaires were electronically returned, for a response rate of 59%.
All the constructs used in this study were based on prior contributions and measured using five-point Likert scales ranging from “totally disagree” to “totally agree”. Appendix 1 details the final scale items. Customer orientation was measured with the scale developed by Thomas et al. (2001). Team selling was operationalized using the Guenzi et al. (2009) scale. We used Ramsey and Sohi’s (1997) scales to measure satisfaction with the salesperson and anticipation of future interaction. Cannon and Perreault’s (1999) instruments were used to measure satisfaction with the firm and loyalty toward the firm. Distributive and procedural justices were estimated with items from the scales of Kumar and al. (1995).
To assess the face validity of the constructs, the initial questionnaire was first pre-tested with several marketing academics and managers in the pharmaceutical industry as well as with ten professional buyers working in the bio-diagnostic industry. On the basis of their responses, a number of adjustments were made to the measurement scales to fit the specific characteristics of the sector.
In addition, the effects of four selected variables on the dependent constructs included in the proposed model were controlled for. Since research suggests that the relationship history shapes subsequent interactions between exchange partners (Doney and Cannon, 1997), we controlled for the effect of the duration of the prior relationship. Moreover, since firm size, operationalized as the number of employees, has been shown to influence partners’ attitude and behaviors (Boyle et al., 1992), its effects were also controlled for. Likewise, the effects of competitive intensity and market turbulence were also taken into account. Such environmental variables have proved to be strongly explanatory of the intentions of exchange partners in business-to-business relationships (Achrol, Reve and Stern, 1983; Dwyer, Schurr, and Oh, 1987; Geyskens, Steenkamp, and Kumar, 1998; Jaworski and Kohli, 1993) and are thus related to their loyalty levels. Competitive intensity (the level of differentiation between competitors) and market turbulence (the rate of change in the composition of customers and their preference) were both measured using a six-item scale developed by Jaworski and Kohli (1993).
Data analysis
In accordance with the two-step approach suggested by Anderson and Gerbing (1988), the testing and evaluation of PLS path models requires assessing the quality of the measurement model before analyzing the structural model and the proposed structural regression equations (Tenenhaus et al., 2005). Before examining the structural model, we thus evaluated the reliability and validity of our measurements. As detailed in Table 1, all the item loadings are significant and greater than the .70 threshold. The AVE coefficients are well above the .50 threshold (Fornell and Larcker, 1981), indicating adequate convergence. Taken as a whole, the preceding results confirm the convergent validity of the constructs used in this research.
Table 1: Psychometric Properties of the Measurement Model

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<th>Constructs/Items</th>
<th>Original Sample</th>
<th>Bootstrap Sample</th>
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<th>p-value</th>
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<td>AFI1</td>
<td>.960</td>
<td>.958</td>
<td>.015</td>
<td>63.465</td>
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<tr>
<td>AFI2</td>
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<td>25.768</td>
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<tr>
<td>AFI3</td>
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<td>.956</td>
<td>.016</td>
<td>61.395</td>
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<tr>
<td><strong>Loyalty Toward the Firm</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>.752</td>
<td>.889</td>
<td>.801</td>
<td>.895</td>
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<tr>
<td>Loyalty1</td>
<td>.906</td>
<td>.914</td>
<td>.023</td>
<td>39.730</td>
<td>.000</td>
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<tr>
<td>Loyalty2</td>
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<td>.882</td>
<td>.063</td>
<td>14.014</td>
<td>.000</td>
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<tr>
<td><strong>Competitive Intensity</strong></td>
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<td></td>
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<td></td>
<td>.885</td>
<td>.926</td>
<td>.807</td>
<td>.898</td>
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<tr>
<td>Compet1</td>
<td>.930</td>
<td>.914</td>
<td>.074</td>
<td>12.547</td>
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<tr>
<td>Compet3</td>
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<td>.824</td>
<td>.085</td>
<td>9.736</td>
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<td>.944</td>
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<td>Market1</td>
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<td>.898</td>
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<td>7.013</td>
<td>.000</td>
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<td>13.014</td>
<td>.000</td>
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</table>

Construct reliability was assessed using the Cronbach’s alpha (α) and composite reliability (CR) indices. On the basis of these coefficients, a construct is considered reliable if α and CR are above the .70 threshold. As indicated in Table 1, all constructs are above these thresholds, thus validating construct reliability.
According to the Fornell-Larcker criterion (Fornell and Larcker, 1981), a construct is deemed discriminately valid if it shares more variance with its assigned indicators than with other latent variables. In statistical terms, this test compares the square root of AVE with the correlations among latent variables. The results presented in Table 2 demonstrate discriminant validity, since all diagonal elements are greater than the non-diagonal elements in the corresponding rows and columns.

Table 2: Constructs Mean, Standard Deviation, and Correlations

<table>
<thead>
<tr>
<th>Constructs</th>
<th>M</th>
<th>SD</th>
<th>1</th>
<th>2</th>
<th>3</th>
<th>4</th>
<th>5</th>
<th>6</th>
<th>7</th>
<th>8</th>
<th>9</th>
<th>10</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Customer Orientation</td>
<td>3.80</td>
<td>.86</td>
<td>.90</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2. Team Selling</td>
<td>2.96</td>
<td>1.18</td>
<td>-.01</td>
<td>.88</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
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<td></td>
<td></td>
</tr>
<tr>
<td>3. Distributive Fairness</td>
<td>3.04</td>
<td>.69</td>
<td>.07</td>
<td>.46</td>
<td>.85</td>
<td></td>
<td></td>
<td></td>
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</tr>
<tr>
<td>4. Procedural Fairness</td>
<td>3.34</td>
<td>.77</td>
<td>.22</td>
<td>.40</td>
<td>.36</td>
<td>.79</td>
<td></td>
<td></td>
<td></td>
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<td></td>
<td></td>
</tr>
<tr>
<td>5. Satisfaction Salesperson</td>
<td>4.15</td>
<td>.81</td>
<td>.61</td>
<td>-.18</td>
<td>.07</td>
<td>.17</td>
<td>.89</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>6. Overall Satisfaction</td>
<td>3.95</td>
<td>.81</td>
<td>.44</td>
<td>.07</td>
<td>.28</td>
<td>.39</td>
<td>.64</td>
<td>.86</td>
<td></td>
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</tr>
<tr>
<td>7. Anticipation Future</td>
<td>4.30</td>
<td>.84</td>
<td>.35</td>
<td>.03</td>
<td>.27</td>
<td>.45</td>
<td>.47</td>
<td>.59</td>
<td>.95</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Interactions</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>8. Loyalty toward the Firm</td>
<td>4.00</td>
<td>.79</td>
<td>.20</td>
<td>.07</td>
<td>.35</td>
<td>.52</td>
<td>.42</td>
<td>.56</td>
<td>.69</td>
<td>.86</td>
<td></td>
<td></td>
</tr>
<tr>
<td>9. Competitive Intensity</td>
<td>3.15</td>
<td>1.06</td>
<td>.06</td>
<td>.38</td>
<td>.32</td>
<td>.41</td>
<td>-.10</td>
<td>.07</td>
<td>.14</td>
<td>.24</td>
<td>.90</td>
<td></td>
</tr>
<tr>
<td>10. Market Turbulence</td>
<td>2.80</td>
<td>1.01</td>
<td>-.11</td>
<td>.40</td>
<td>.45</td>
<td>.31</td>
<td>-.16</td>
<td>.07</td>
<td>.09</td>
<td>.16</td>
<td>.35</td>
<td>.94</td>
</tr>
</tbody>
</table>

Note: Bold numbers on the diagonal show the square root of AVE for each construct. Numbers below the diagonal represent construct correlations.

Given that PLS path modeling lacks a global scalar function to optimize, it does not provide any kind of fit indices. The structural PLS model is thus mainly evaluated based on prediction-oriented measurements (Chin, 1998). Table 3 details the coefficients used to assess the quality of the proposed framework.

Table 3: $R^2$, Communality, Redundancy, Cross-Validated, and GoF Indices

<table>
<thead>
<tr>
<th>Constructs</th>
<th>$R^2$</th>
<th>Communality</th>
<th>$H^2$</th>
<th>Redundancy</th>
<th>$F^2$</th>
<th>GoF</th>
</tr>
</thead>
<tbody>
<tr>
<td>Customer Orientation</td>
<td>-</td>
<td>.804</td>
<td>.804</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Team Selling</td>
<td>-</td>
<td>.766</td>
<td>.766</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Distributive Fairness</td>
<td>-</td>
<td>.722</td>
<td>.722</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Procedural Fairness</td>
<td>-</td>
<td>.628</td>
<td>.628</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Satisfaction Salesperson</td>
<td>.469</td>
<td>.790</td>
<td>.790</td>
<td>.370</td>
<td>.370</td>
<td>-</td>
</tr>
<tr>
<td>Overall Satisfaction</td>
<td>.568</td>
<td>.739</td>
<td>.739</td>
<td>.420</td>
<td>.420</td>
<td>-</td>
</tr>
<tr>
<td>Anticipation Future</td>
<td>.436</td>
<td>.907</td>
<td>.907</td>
<td>.396</td>
<td>.396</td>
<td>-</td>
</tr>
<tr>
<td>Interactions</td>
<td>.514</td>
<td>.807</td>
<td>.807</td>
<td>.412</td>
<td>.412</td>
<td>-</td>
</tr>
<tr>
<td>Loyalty toward the Firm</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Competitive Intensity</td>
<td>-</td>
<td>.807</td>
<td>.807</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Market Turbulence</td>
<td>-</td>
<td>.891</td>
<td>.891</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>Average</strong></td>
<td><strong>.497</strong></td>
<td><strong>.785</strong></td>
<td><strong>.785</strong></td>
<td><strong>.399</strong></td>
<td><strong>.399</strong></td>
<td><strong>.625</strong></td>
</tr>
</tbody>
</table>

According to Chin (1998b), $R^2$ values of .67, .33, and .19 in PLS path models are indicative of substantial, moderate, and weak performance, respectively. The average variance explained by the present model is .50, which, based on Chin's thresholds, is a good value. Redundancy coefficients, measuring the quality of the structural model for each endogenous variable, confirm these conclusions.
In PLS path modeling, the model’s ability to predict may be evaluated using Stone-Geisser’s Q2. This blindfolding procedure provides cross-validated indices. While the cv-communality (H2) coefficient measures the capacity of the model to predict the manifest variables directly from their own latent variables, the cv-redundancy (F2) index estimates the capacity of the model to predict the endogenous manifest variables indirectly from their own latent variables using the related structural relations (Tenenhaus et al., 2005). In other words, H2 assesses the quality of the measurement model for each block while F2 evaluates the quality of each structural equation. Overall, cross-validated values above zero provide evidence that the observed values are well reconstructed by the model and demonstrate its predictive relevance (Wold, 1982). Blindfolding results all meet this requirement (Table 3).

Although PLS path modeling lacks an index that can provide a global validation of the model fit, a global criterion of goodness-of-fit (GoF) can be computed as the geometric mean of the average communality and the average R2 (Tenenhaus et al., 2005). The proposed theoretical framework achieves a GoF index of .63, which is indicative of substantive performance (Tenenhaus et al., 2005; Wetzels, Odekerken-Schröder and Van Oppen, 2009).

**Results**

Table 4 summarizes the results of the PLS analysis performed to test the significance of each regression equation included in the proposed model.

Table 4: Parameter Estimation of the Theoretical Model

<table>
<thead>
<tr>
<th>Hypotheses</th>
<th>Original Sample</th>
<th>Bootstrap Sample</th>
<th>Standard Error</th>
<th>t-value</th>
<th>p-value</th>
<th>Result</th>
</tr>
</thead>
<tbody>
<tr>
<td>H1 C. Orientation → Sat. with. Salesp.</td>
<td>.647</td>
<td>.644</td>
<td>.058</td>
<td>11.224</td>
<td>.000</td>
<td>Sig.</td>
</tr>
<tr>
<td>H2 T. Selling → Sat. with. Salesp</td>
<td>-.141</td>
<td>-.141</td>
<td>.077</td>
<td>1.835</td>
<td>.069</td>
<td>Not Sig.</td>
</tr>
<tr>
<td>H3 Sat. with. Salesp → Future Interactions</td>
<td>.621</td>
<td>.615</td>
<td>.097</td>
<td>6.413</td>
<td>.000</td>
<td>Sig.</td>
</tr>
<tr>
<td>H4 Distri. Fairness → Overall Sat.</td>
<td>.102</td>
<td>.107</td>
<td>.050</td>
<td>2.032</td>
<td>.044</td>
<td>Sig.</td>
</tr>
<tr>
<td>H5 Proced. Fairness → Overall Sat.</td>
<td>.241</td>
<td>.248</td>
<td>.077</td>
<td>3.124</td>
<td>.002</td>
<td>Sig.</td>
</tr>
<tr>
<td>H6 Overall Sat. → Loyalty</td>
<td>.318</td>
<td>.338</td>
<td>.122</td>
<td>2.602</td>
<td>.010</td>
<td>Sig.</td>
</tr>
<tr>
<td>H7 Sat. with. Salesp → Overall Sat.</td>
<td>.634</td>
<td>.620</td>
<td>.064</td>
<td>9.908</td>
<td>.000</td>
<td>Sig.</td>
</tr>
<tr>
<td>H8 Future Interactions → Loyalty</td>
<td>.435</td>
<td>.408</td>
<td>.164</td>
<td>2.652</td>
<td>.009</td>
<td>Sig.</td>
</tr>
</tbody>
</table>

**Control Variables**

- Market Turb. → Future Interactions | .083 | .077 | .066 | 1.270 | .206 | Not Sig. |
- Market Turb. → Loyalty | -.034 | -.037 | .072 | .475 | .635 | Not Sig. |
- Relationship Age → Future Interactions | .207 | .215 | .055 | 3.760 | .000 | Sig. |
- Relationship Age → Loyalty | .016 | .027 | .061 | .271 | .787 | Not Sig. |
- Compet. Intens. → Future Interactions | .071 | .064 | .099 | .721 | .472 | Not Sig. |
- Compet. Intens. → Loyalty | .130 | .111 | .096 | 1.349 | .180 | Not Sig. |
- Firm Size → Future Interactions | .039 | .035 | .039 | 1.006 | .316 | Not Sig. |
- Firm Size → Loyalty | .045 | .043 | .072 | .625 | .533 | Not Sig. |

As regards the interpersonal level, two of the three proposed assumptions are confirmed. Indeed, according to H1, the salesperson’s CO has a positive impact on the customer’s satisfaction with the salesperson ($\gamma = .647; p < .000$). As the
salesperson’s CO increases, customers are more likely to be satisfied with their counterpart. In turn, consistently with H3, the results show that satisfaction with the salesperson has a positive influence on the customer’s anticipation of future interactions with the salesperson ($\beta = .621; p < .000$). As their level of satisfaction increases, customers are more likely to seek future contact with their counterpart. However, inconsistently with H2, no significant relationship was found between team selling and satisfaction with the salesperson ($\gamma = -.141; p = .069$).

With respect to the interorganizational level, the proposed hypotheses are fully verified. As postulated, distributive fairness ($\beta = .102; p < .05$) and procedural fairness ($\beta = .241; p < .01$) both have a positive effect on the overall level of company satisfaction, which, in turn, has a positive influence on the buying firm’s loyalty toward the selling firm ($\beta = .318; p < .01$). As the perceived level of distributive and procedural fairness increases, buying firms are more likely to be satisfied and ultimately loyal to their supplier.

Hypotheses H7 and H8, postulating interaction effects between the interpersonal and the interorganizational level, were also confirmed. According to H7, the level of customer’s satisfaction with the salesperson has a positive influence on overall company satisfaction with the selling firm ($\beta = .634; p < .000$). As the level of a customer’s satisfaction with the salesperson increases, buying firms are more likely to be satisfied with the overall relationship with their supplier. Likewise, according to H8, anticipation of future interactions with the salesperson has a positive impact on a customer’s loyalty toward the selling firm ($\beta = .435; p < .01$). A buying firm is more likely to be loyal to the selling firm as the buyer anticipates having future interactions with the salesperson.

Regarding the effects of the proposed control variables, only one of the paths included in the proposed framework was significant. The results suggest that as the duration of the buyer-seller relationship increases, buyers are more likely to interact with the salesperson in the future ($\gamma = .207; p < .000$).
Discussion, implications and limitations

The results of this study show that considering the combined and interactive effects of employee contact performance and organizational treatment allows a better understanding of the dynamics of business relationships. Overall, the reported findings underscore the incremental value of a two-level approach and indicate that both interpersonal level and organizational level variables are needed to predict customer loyalty.

At the interpersonal level, the present research shows that the salesperson’s CO has both a direct and an indirect impact on the buyer-seller relationship. CO is a powerful determinant of satisfaction with the salesperson, which in turn, has a strong positive impact on overall satisfaction and loyalty toward the salesperson. The impact of team selling on satisfaction with the salesperson is not significant, possibly because team building is not perceived by the buyer as a salient aspect of motivation since team selling is often a norm in this arena, it is then a necessary but not sufficient condition. While all members of the team participate to find the best solution for the buying firm, the salesperson still needs to be customer oriented. The salesperson’s CO is a key factor in B-to-B successful relationships.

At the interorganizational level both distributive and procedural fairness have a positive effect on overall satisfaction with and loyalty toward the supplier. The impact of procedural fairness is greater than that of distribution fairness. More so than the output, it is the way the product is acquired that is the most important for the long-term relationship. Furthermore, our results reveal the significant influence of satisfaction with the salesperson on customer loyalty. Indeed, satisfaction with the salesperson directly influences customer loyalty at the interpersonal level and has an indirect impact on customer loyalty at the interorganizational level. In other words,
satisfaction with the salesperson is a good predictor of encounter performance, but is also a boundary variable between the interpersonal and interorganizational levels. These findings have important implications for marketing theory and practice.

Theoretical implications
A number of theoretical implications can be derived from our findings. Our first contribution stems from considering both interpersonal level and organizational level antecedents of long-term relationships. As already mentioned, previous research has focused independently on the role played by the salesperson and the perceived fairness of organizational treatment. Only a handful of studies have investigated the combined effects of the two levels. The present study thus offers additional insight into the determinants of customer loyalty. The theoretical development of our model and the study findings suggest a complex interplay of salesperson relationship and firm relationship.

At the interpersonal level, this research confirms that CO is a major antecedent of customer satisfaction. Indeed, in line with prior contributions (Saxe and Weitz, 1982; Goff et al. 1997), the present findings confirm the strong positive association linking CO to customer satisfaction. Customer satisfaction with the salesperson is proportional to the extent to which the salesperson adopts a customer-oriented attitude aiming at understanding and satisfying customer needs better than the competition.

However, contrary to our prediction, team selling was not significantly associated with customer satisfaction with the salesperson. This result is particularly intriguing because it is inconsistent with prior research. Based on existing contributions (Workman et al., 2003; Guenzi et al., 2009), the proposed model assumed a positive effect of team selling on customer satisfaction. But no significant effect was found. This result may be explained by the nature of buyer-seller interactions in this particular setting. Indeed, since the bio-diagnostic sector involves highly complex products and services, coordination and team building may be perceived as minimal expectancies. Because of the complexity and technological sophistication involved, team selling may thus be considered to be a requirement for operating in this sector. This possibility would explain why team selling has no influence on customer satisfaction.

Our findings also contribute to the relationship marketing literature by further documenting how salespersons may act as relationship enhancers. Indeed, consistent with previous findings (Crosby et al., 1990), the present results reveal that satisfied customers are more likely to seek future contact with the salesperson. Moreover, the findings show that salespersons are key drivers of customer loyalty. In line with prior research (Beatty et al., 1996; Goff et al., 1997; Reynolds and Beatty, 1999), the present study proves that satisfaction with the salesperson is a prime determinant of satisfaction with the organization, which, in turn, has a strong influence on firm loyalty.

With respect to organizational treatment, this research confirms that firm satisfaction and loyalty are dependent upon justice perceptions. Indeed, distributive and procedural fairness are positively related to satisfaction with the firm. Such findings are consistent with much of the existing literature, suggesting that fairness develops through tangible aspects of the firm’s service and policies. However, the results show that procedural fairness is more important than distributive fairness in developing satisfaction. Consequently, while economic rewards that flow from the relationship
are crucial, the way benefits and burdens are distributed is a more powerful driver of customer satisfaction.

Managerial implications

As previously mentioned, customers are more likely to be satisfied and subsequently loyal when they interact with customer-oriented salespersons. Customer orientation entails a relational attitude directed toward understanding the customer’s needs. Because CO is a powerful driver of customer loyalty, suppliers are advised to invest substantially in actions intended to increase CO. The reported effect of salesperson relational behaviors on the buyer-seller interaction process and outcome (overall company satisfaction and loyalty) raises one fundamental question: How to turn salesforce toward customer orientation? One possible answer is related to salesperson recruiting procedures. Indeed, Brown et al., (2002) suggested that CO is a personality trait that can be identified using personality tests. Supplier are thus advised to select salespeople who score high on the agreeability component and who score low on the neuroticism dimension of the Big Five Personality Test. Likewise, following Humphreys and Williams (1996) suggestions, we argue that CO may be cultivated through dedicated training programs and specific motivating and rewarding procedures. Moreover, we believe that managers have a crucial role in developing a customer oriented culture (Schwepker and Good, 2004).

The second set of implications is related to the means a firm can use to set up “fair” treatment. The results related to fairness also suggest practical implication as to the conditions required in order to be perceived as a fair exchange partner. Indeed, the reported findings suggest that both distributive and procedural justice have important implications for the way customers assess their relationship. To be perceived as a fair partner thus requires suppliers to develop margins and outcomes, as well as fair procedures and policies. As the literature suggests, more than the output, it is the way that the product/service is acquired that is most important for establishing a long-term relationship. More importantly, our results also show that procedural fairness is a more powerful driver of customer satisfaction than distributive justice. In other words, the procedure and processes that suppliers implement in relation to their customers are more important in building customer satisfaction and loyalty than simply the earnings and outcomes that customers receive from the relationship with their supplier. Consequently, firms are advised to develop frequent contact and demonstrate that the same policies apply to all their customers (equity of treatment).

Limitations and future research

Although this research sheds light on important issues, several limitations must be noted. First, the data used in was collected from buyers operating in a specific industry (the bio-diagnostic sector). This setting inevitably restricts the generalizability of this study. Thus cross-validation in other contexts is required. For example, the banking or insurance sectors should be considered, since they involve less complexity and technological sophistication. Second, as previously mentioned, the study sampled only French SMEs. Because SMEs have idiosyncratic characteristics compared to larger organizations, the reported buying behavior and attitudes may not apply to the whole population of business-to-business buyers. Indeed, the development of customer loyalty in larger firms may be very different. Third, the present results suggest the need for further investigation into the customer-employee relationship. Our study only took into account two antecedents of salespeople’s relational behavior (CO and team selling). However, existing contributions suggest that salespeople’s relational behaviors include other dimensions such as listening
and conflict resolution. Future research should broaden the proposed framework by investigating the impact of these variables on customer satisfaction and loyalty. Likewise, while this study adds to our understanding of the effects of justice in the B-to-B relationship, the determinants of perceived fairness were not considered. Our results show that perceived justice has a positive and significant influence on satisfaction and loyalty toward the firm, but further research should include other determinants and consequences such as recovery policies, trust or commitment. Overall, the present study focused on the consequences of CO and perceived justice. Additional investigations aimed at exploring the antecedents of these concepts – such as the firm’s selling orientation, sales force control systems, or pay and incentives policies – may add to our understanding.

We also believe that further development of our model is needed. There are still many unresolved issues related to the topic addressed in this paper. For example, the literature on emotions in business relationships increasingly recognizes that affect, not just cognition, influences decision-making processes. Even in the B-to-B marketing literature, a growing number of studies highlight the role played by emotions (Andersen and Kumar 2006, Wang and Huff 2007, Tähtinen and Blois 2011). However, to date, only a handful of scholars have expressly investigated the effects of affective states in B-to-B relationship dynamics. The few existing studies, however, offer very stimulating avenues for research. Indeed, their contributions reveal how emotions that emerge at the individual level may shape the level of cooperation at the interorganizational level (Andersen and Kumar 2006, Tähtinen and Blois 2011). Consequently, future studies on the topic should aim to extend the proposed framework by examining the potential influence of emotions.

Furthermore, investigating why and when customers may decide either to enhance or to end a business relationship could complement the present findings. More specifically, while the marketing literature has paid considerable attention to the development of business relationships, a growing body of evidence shows that dissolutions are quite common in B-to-B partnerships (Geyskens and Steenkamp 2000, Ping 1993). Although a growing interest has emerged in the literature regarding the so-called “dark side” of business relationships (e.g., Alajoutsijärvi et al., 2000, Halinen and Tähtinen 2002, Tähtinen 2002), problematic episodes deserve further examination. Within this perspective, the effects of salesperson behavior and organizational treatment may be considered as significant drivers of customer defection.
APPENDIX 1: FINAL SCALE ITEMS

Customer orientation
CO3- This salesperson tries to offer me the product/service that corresponds to my expectancies
CO4- This salesperson always offers me the product/service that is best suited to my needs
CO5- This salesperson tries to find out what kind of product/service would be most helpful to me

Team selling
Team5- When there is a problem, this salesperson brings in a team to solve it
Team7- This salesperson has a team to plan and coordinate our activities

Customer’s satisfaction with salesperson
SalSat1- The contacts I have with this salesperson are adequate
SalSat2- I am satisfied with the level of service this salesperson provides
SalSat3- In general, I am pretty satisfied with my dealings with this salesperson

Customer’s anticipation of future interaction with salesperson
AIFV1- It is probable that I will contact this salesperson again
AIFV2- I am willing to discuss business with this salesperson again
AIFV3- I plan to continue doing business with this salesperson

Distributive fairness
How fair are your firm’s outcomes and earnings compared to:
DisFair1- The effort and investment your company has made to support the supplier’s line
DisFair2- The roles and responsibilities the supplier assigns to your organization
DisFair4- What the supplier earns from selling to your company
DisFair5- The contributions your company makes to this supplier’s marketing effort

Procedural fairness
ProcFair1- The supplier and their personnel promote bilateral communication with customers
ProcFair2- We have many exchanges with this supplier
ProcFair3- A high level of two-way communication exists
ProcFair4- The supplier and their personnel apply consistent policies and procedures across all customers

Satisfaction with supplier
GlobSat2- Overall, I am very satisfied with this supplier.
GlobSat3- I am very pleased with what this supplier does for us.
GlobSat4- Our firm is not completely happy with this supplier

Loyalty
Loyal1- I will buy this product or service the next time I buy this product/service category
Loyal2- I intend to continue to buy this product or service

Competitive intensity
Compet2- There are many “promotion wars” in our industry
Compet4- Price competition is a hallmark in our industry
Compet5- One hears of a new competitive move almost every day

Market turbulence
Market4- We are witnessing demand for our products and services from customers who never bought them before
Market5- New customers tend to have product-related needs that are different from those of our existing customers
References


