

# THE CRITICAL ROLE OF INTERPERSONAL LIKING IN BUILDING TRUST IN LONG TERM CHANNEL RELATIONSHIPS

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## ABSTRACT

Most research devoted to trust in long term channel relationships has focused on trust between the buyer firm and the seller firm, i.e., trust as a firm-level construct. This firm-level focus tends to obscure and underestimate the power of the day-to-day relationship that emerges within the buyer-seller dyad. On a regular basis, the interpersonal relationship between individuals who carry out sales and other boundary liaison tasks is likely to influence the strength or weakness of the ties between firms, since it is through this dyad that the "relationship" is actually manifested. Here, we explore the development of buyer trust in the sales rep.

Previous research has generally focused on more cognitive antecedents of trust between buyers and sellers, i.e., more impersonal, detached, and dispassionate analytical antecedents such as a common value system and frequency of interaction. Researchers have paid less attention to the role of personal and emotional factors such as the buyers liking for the rep. Liking, as a basis for trust, creates a personal attachment, thus reinforcing economic bonds, and its role in the dyad should not be overlooked. The role of liking is richer and qualitatively different from these more cognitive factors. It is not that these other factors (e.g., common interests and shared outlook) become irrelevant for trust; they may still play an important role in enhancing liking and thus, may indirectly influence trust. Furthermore, it is likely that, as the relationship between the buyer and the sales rep matures, the buyers liking for the sales rep takes the foreground and becomes an even more critical determinant of that buyers trust, while the more cognitive elements of trust recede into the background and cease to have any direct relationship with trust.

The two specific objectives of this research are to examine (1) if cognitive antecedents, e.g., perceived similarity of values and frequency of contact, influence buyer trust in the sales rep *largely* through liking and (2) whether, as the length of selling relationship increases, liking plays an increasingly important role as a mediator, i.e., the more cognitive antecedents influence trust *only* through liking. We predict that, in younger rep relationships, liking (LIKING) will be a partial mediator of the effects of similarity of business values (SIMILAR) and frequency of personal interaction (FREQUENT) on trust

(TRUST). In older rep relationships, we predict a full mediation effect of liking for both cognitive antecedents.

## Method

The model was tested using wholesale franchisees for new agricultural machinery via field mail surveys. Dealers provided information about the relationship with their major supplier's sales rep during the previous 12 months. The sample includes dealers whose relationship at the firm level is greater than 25 years. A total of 238 long-term dealers' responses are used in this study. The average age of these long-term firm relationships is 40 years. The sample has been partitioned according to length of the sales rep relationship using a median split for purposes of moderator analysis and comparison. The average age of the rep relationship in the younger group ( $n = 110$ ) is 1.2 years, while the average age of the rep relationship in the older group ( $n = 128$ ) is 9.25 years.

Confirmatory factor analysis yielded excellent results and four clean scales where each item exceeded all fit indicators, including percent of variance extracted, size of factor loading, and size of residuals ( $\chi^2_{(41)} = 71.57$ ,  $p = .002$ , GFI = .972, NFI = .98). Scale reliabilities ranged from .88 to .93.

## Results

The hypothesized model was tested via covariance structures analysis in a two-group stacked model to explore possible moderator effects of the age of the rep relationship. The fit of the model is reasonable ( $\chi^2_{(51)} = 295.81$ , GFI = .833, RMSR = .126, NFI = .92) given that the structural and measurement models were simultaneously fitted in a two-group model. Although  $\chi^2$  is significant, other model fit tests, including examination of standardized residuals and modification indices, suggest that the model fit is good.

We found support for our prediction that LIKING partially mediates the effects of SIMILAR on TRUST in the younger rep relationship group. SIMILAR is directly related to TRUST in the younger group, with a significant indirect effect of SIMILAR on TRUST *through* LIKING. As expected, in the older rep relationships, SIMILAR has no significant direct relationship to TRUST, although the indirect effect *through* liking is significant. These results

support our contention that liking fully mediates the relationship between similarity of business values and trust in older rep relationships but acts as a partial mediator in younger relationships.

Here, LIKING did not partially mediate the relationship between FREQUENT and TRUST in the younger rep relationships. Instead, we find a full mediation effect of LIKING, with no significant direct effect of FREQUENT on TRUST. In the older rep relationship group, FREQUENT was not significantly related to TRUST, either directly or indirectly.

Overall, the pattern of results provides empirical evidence for our claims regarding the mediating role of liking, although its role relative to frequency of personal interaction was other than expected. Furthermore, we detected significant differences between younger and more mature dyad relationships, which supports our contention that age of the relationship with the sales rep is a significant moderator in the development of interpersonal trust.

## Implications

The results suggest that liking is an important, and too long overlooked, variable in trust models. Future research on buyer-seller relationships needs to include liking as an antecedent of trust to boost explanatory power. Moreover, managers should be mindful that frequent turnover of sales reps breaks the critical bonds of liking that affect trust. Regardless of the age of the sales relationship and in the presence of two different antecedents (in this study, similarity of business values and frequency of personal interaction), liking has a major influence on trust. More importantly, we found that liking serves a critical mediating role in how similarity of business values and, to a lesser extent, frequency of interaction, affects the development of buyer trust in the sales rep. In other words, not only is liking an important determinant of trust in its own right, but the widely studied more cognitive antecedents of trust, similarity of business values and frequency of personal interaction, operate *through* liking.

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