

# DOES RELATIONSHIP MARKETING WORK? NATIONAL CULTURE, CORPORATE CULTURE, AND REPURCHASE INTENTION IN INDUSTRIAL MARKETS

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## ABSTRACT

In an increasingly globalized, competitive marketplace, academics and practitioners alike are looking for ways to explain and maintain marketing advantage. Relationship marketing has emerged as a phenomenon in the marketing literature and in practice as an alternative to a traditional market-oriented transaction of buyers and sellers meeting for exchange, then going their separate ways until and unless another opportunity for gain presents itself.

Relationship marketing considers how long-term orientations of buyers and sellers mutually reduce risk and enhance profits, compared with traditional, one-time transaction horizons. Short of a formal joint venture, a relationship marketing arrangement brings buyers and sellers together for a series of transactions based not only on mutual gain, but mutual trust and commitment as well. Buyers and sellers anticipate the result of such cooperation between firms to be increased sales and reduced mutual risk. However, of the many studies in the marketing literature to use relationship marketing as a formal construct, few address the central question: "Does relationship marketing work?"

This conceptual study investigates whether the strength of a firm's relationship with its customers increases the intention of those customers to buy again. The paper proposes a model to examine whether relationship marketing indeed positively influences buyer repurchase intentions. The paper forwards propositions for research,

along with suggested methods for testing the relationships in an industrial market setting. We are also interested in organizational conditions that could possibly moderate the effects of relationship marketing. That is, do differences in corporate culture affect the relationship marketing process and results?

In addition, because of the often global nature of the firms that engage in relationship marketing, the study asks: Are those differences in corporate culture generated, at least in part, by differences in national culture? Does national culture moderate the strength of the relationship-repurchase link? The study proposes surveying dyads of industrial buyers and sellers in the U.S. and Colombia regarding the relationship between their two firms. In doing so, the research highlights interesting national culture differences between those two countries and the importance of Latin America's emerging markets.

The study makes at least three contributions to the marketing literature. (1) It links national and corporate culture to the process and outcomes of relationship marketing—to our knowledge, the first study to do so. (2) It builds on previous work on this topic by other researchers who have examined customer orientation in buyer-seller dyads and "quadrads." We also explore constructs not considered in previous studies such as national culture and repurchase intention. (3) Our research extends the examination of relationship marketing into contexts that have received little attention to date: industrial markets and cross-national settings.

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