THE MODERATING ROLE OF DEPENDENCE IN RELATIONSHIP MARKETING: AN EXAMPLE FROM THE WEALTH MANAGEMENT INDUSTRY

Guido Bolliger, Julius Baer Investment Funds Services (Switzerand)
Michel Dubois, University of Neuchâtel (Switzerland)
Olivier Furrer, Radboud University Nijmegen (The Netherlands)

ABSTRACT

This paper examines the moderating role of customer dependence in relationship marketing. Data were obtained from a sample of 289 wealth managers. The findings indicate that a relationship model is more adapted in the high dependence context than in the low dependence context in which a transactional model is more suitable.

Dependence is regarded by various researchers as central in explaining relationships. However, despite this recognition, the direct effect of dependence on trust and commitment has been shown to be relatively small. Such a small effect may be the result of a wrong specification of the effect of dependence, which may not be a direct effect, but a moderating one. In this paper, we thus hypothesize and empirically test the moderating effect of dependence. More specifically, we propose a moderating effect of dependence on the relationship between trust-building factors, such as a salesperson's characteristics and the characteristics of the relationship and the perceptions of quality and satisfaction, as well as on the relationship between perceived quality and satisfaction. These moderating effects are tested within an extended relationship model including trust, commitment, and relationship outcomes. We test these hypotheses in the context of the relationship between wealth managers and financial analysts, where the wealth managers' dependence is exacerbated by the intangible nature and the credence properties of the financial analysts' services. The results of the study should provide useful insight into how dependence can be incorporated into customer relationships management by service firms. By better understanding the effects of dependence, managers can take steps to develop better relationships with their customers, as well as helping them to understand when a transactional approach would be more suitable.

For further information contact:
Olivier Furrer
Nijmegen School of Management
Radboud University of Nijmegen
P.O. Box 9108
6500 HK Nijmegen, The Netherlands
Phone: (+31 24) 361-3079
Fax: (+31 24) 361-1933
E-mail: o.furrer@fm.ru.nl

THE MODERATING ROLE OF DEPENDENCE IN RELATIONSHIP MARKETING: AN EXAMPLE FROM THE WEALTH MANAGEMENT INDUSTRY

This paper examines the moderating role of customer dependence in relationship marketing. Survey data were obtained from a sample of 289 Swiss wealth managers. The findings indicate that certain characteristics of suppliers, such as expertise and responsiveness, have a stronger effect on perceived quality and customers' satisfaction under a high level of dependence more than under a low level of dependence. They also indicate that perceived quality has weaker effect on satisfaction under a high level of dependence. Managerial implications of managing quality, satisfaction, trust, and commitment in dependence relationships are also discussed.

Keywords: Relationship Management, Dependence, Wealth Management Industry

INTRODUCTION

By the very nature of their activities, firms in the financial services industry are highly exposed to conflicts of interest. In particular, those conflicts which arise in the "research equity" business have long been recognized to be among the most intractable (e.g., Walter, 2004). Despite the data availability of past financial analysts' recommendations and earnings estimates, as well as the ranking of financial analysts by the media based on past performance, wealth managers have, at best, a partial knowledge of the quality of the advice they receive. Among others things, this quality depends, at the same time, on the personal skills of the financial analysts, the timeliness of the recommendations they make, and the fairness of the provider, whereas the contribution of each is difficult to disentangle. This problem of information asymmetry creates a dependence relationship between wealth managers and financial analysts (Mills 1990; Mishra, Heide, & Cort, 1998).

On the one hand, wealth managers who recognize this dependence are seeking to establish closer relationships with financial analysts in order to reduce the threat of opportunistic behavior (Berry, 1995; Gwinner et al., 1998; Mills, 1990; Wathne & Heide, 2000). In response to this demand for closer relationships, financial analysts have developed relationship-building activities to improve the quality of their relationship with wealth managers and to increase the use of their financial research. For financial analysts, the consequences of enhanced relationship are increased revenue (through broking commissions), reduced user acquisition costs, and lower costs of serving repeat users, leading to greater profitability (Reichheld, 1993; Reichheld & Sasser, 1990).

On the other hand, wealth managers do not want to become too close to their financial analysts, because it could generate conflicts of interest detrimental to their relationship with their own customers–i.e., the investors. As financial analysts may have some interest in recommending certain stocks or in revising their recommendations all too frequently, it is crucial for investors that wealth managers maintain a certain level of distance vis-à-vis financial analysts.

In such a situation in which there is tension between seeking and resisting relationship, it is important to better understand the role of dependence in the relationship between financial analysts and wealth manager. In this paper, we argue that the dependence perceived by wealth managers upon their financial analysts influences the way they evaluate financial market research and their usage behavior. When they perceive themselves as being relatively independent from their financial analysts, wealth managers tend to evaluate financial market research based on the outcome (i.e., by evaluating and comparing financial analysts past performance and advice quality). On the other hand, when they feel they are dependent, they tend to use relationship-based criteria, such as satisfaction with past experience and trust, for their evaluation.

Dependence is regarded by various researchers as central in explaining the importance of trust and commitment in relationships (Andaleeb, 1995, 1996; Anderson & Narus, 1990; Blau, 1964; Emerson, 1962; Frazier, 1983; Heide & John, 1988). However, despite this recognition, the direct influence of dependence has been shown to be relatively small (Geyskens, Steenkamp, & Kumar 1998). Such a small effect may be the result of a wrong specification of the influence of dependence, which may not be a direct effect, but a moderating one (Andaleeb, 1995, 1996; Geyskens et al., 1996; Van Bruggen, Kacker, & Niewlaat, 2005). For example, the friendliness of financial analysts may have a stronger impact on wealth managers' satisfaction when dependence

is high than when dependence is low. In this paper, we thus hypothesize and empirically test the moderating effect of dependence. More specifically, we propose that dependence moderates the relationship between relationship-building factors, such as a analyst's characteristics and the characteristics of the relationship and the perceptions of quality and satisfaction, as well as on the relationship between perceived quality and satisfaction. These moderating effects are tested within an extended relationship model including trust, commitment, and relationship outcomes to control for possible confounding effects.

An argument often made in the relationship marketing literature (e.g., Andaleeb, 1996; Blau, 1964; Emerson, 1962; Heide & John, 1988) is that there is no relationship without a certain level of dependence. This means that when customers are relatively independent from their supplier, relationship marketing may be less effective as customers use outcome-based criteria to evaluate services and decide upon their behaviors. In such a rational context, trust and commitment may have less impact on customer behavior (Coviello et al., 2002; Day, 2000). Therefore, we also hypothesize that the explanatory power of the relationship building factors and the perception of quality and satisfaction is stronger in a high dependence context, than it is in a low dependence context.

We test these hypotheses using structural equation modeling on data obtained from wealth managers about their relationship with financial analysts. We selected this context because the relationship between wealth managers and financial analysts embodies some common characteristics important for relationship marketing, such as commitment and trust (Morgan & Hunt, 1994). Furthermore, wealth managers' dependence on financial analysts is exacerbated by the intangible nature and the credence properties of the financial analysts' services (Mishra et al.,

1998; Ostrom & Iacobucci, 1995; Zeithaml, 1981). Our results support most of our hypotheses and contribute to the literature in a number of meaningful ways. First, we develop and test a relationship-marketing model in which dependence is integrated as a moderator. This enables us to better understand how dependence can influence the relationships between constructs such as satisfaction, trust, and commitment. By incorporating dependence as a moderating variable, we also investigate the boundary conditions of relationship marketing in order to understand when a more transactional/rational approach would be more suitable than a relationship approach to predict customer usage behavior. A better understanding of the moderating role of dependence furthermore offers important implications for managers by providing practical guidelines as to how dependence can be incorporated into customer relationships management. By better understanding the effects of dependence, managers can take steps to develop closer relationships with their customers.

The remainder of the paper is organized as follows. We first present our theoretical model and the hypotheses to be tested. Second, we describe the context of financial market research and the important role of dependence in this specific context. Third, the data collection method and the measures are described and the results of the empirical study are presented. Finally, we conclude with a discussion of the managerial implications of our findings and the limitations of our study.

THEORETICAL MODEL AND HYPOTHESES

The hypothesized model depicted in Figure 1 is grounded in theories of relationship marketing (Anderson & Narus, 1990; Moorman, Zaltman, & Deshpandé, 1992; Morgan & Hunt, 1994) and power-dependence (Andaleeb, 1995, 1996; Blau, 1964; Emerson, 1962). The model posits a

sequential one-way causal flow from relationship-building factors, via service quality and satisfaction, to trust and commitment, and finally to relationship outcomes.

[Insert Figure 1 about Here]

The rationale for this model lies primarily in Dwyer, Shurr, and Oh's (1987) pioneering article on relationship development, which adopts a longitudinal perspective on relationships. According to this perspective, relationship-building factors, service quality and satisfaction, and trust and commitment are formed during the subsequent phases of relationship development. Quality perception and satisfaction tend to develop over the short term as a result of past interactions, trust takes relatively longer to develop and has a more expectational quality to it, and finally commitment develops over the long term and is future-oriented (Geyskens et al., 1999). On this basis, we hypothesize that relationship-building factors positively influence perceived quality and satisfaction, which in turn influence trust and commitment. Perceived quality, satisfaction, trust, and commitment subsequently influence relationship outcomes.

Because the focus in this paper is on the moderating role of dependence on the relationships between the constructs of the model, and because the direct relationships in the model have been extensively investigated and tested, in the following paragraph, we only briefly define the constructs and present these relationships with their associated hypotheses (see Table 1). We, then, focus on the effect of dependence.

Morgan and Hunt (1994, p. 22) identify commitment and trust as being the central elements required when developing a successful relationship. They argue that "commitment and trust are

"key" because they encourage marketers to (1) work on preserving relationship investments by cooperating with exchange partners, (2) resist attractive short-term alternatives in favor of the expected long-term benefits of staying with existing partners, and (3) view potentially high-risk actions as being prudent because of the belief that their partner will not act opportunistically." Trust can be defined as the willingness to rely on an exchange partner in whom one has confidence (Moorman et al., 1993) and relationship commitment as an enduring desire to maintain a valued relationship (Moorman et al., 1992). In a customer-supplier context, such as the relationship between wealth managers and financial analysts, the characteristics of the suppliers (i.e., the financial analysts) and the characteristics of the relationship with these suppliers are two important relationship-building factors, which are both used by wealth managers in order to form their perceptions of the financial analysts' trustworthiness (Doney & Cannon, 1997; Mayer et al., 1995). In turn, these relationship-building factors influence perceived quality and satisfaction, which then influence trust (Dwyer et al., 1987; Geyskens et al., 1999). Customer satisfaction is the customer's affective overall evaluation based on the total purchase and consumption experience with a service over time (Anderson, Fornell, & Lehmann, 1994) and service quality is defined as the customer's cognitive evaluation of the provider's service performance, based on his or her prior experiences and impressions (Hennig-Thurau, Gwinner, & Gremler 2002). Trust influences relationship commitment and relationship outcomes that are both future-oriented (Garbarino & Johnson, 1999; Moorman et al., 1992; Morgan & Hunt, 1994). In the context of the relationship between wealth managers and financial analysts, which is a continuously provided service, an important relationship outcome is the level of utilization of market research, because customers choose future service usage levels on the basis of their evaluations of their current service experience, and these usage levels have a substantial impact on the long-term profitability of the organization (Bolton & Lemon, 1999). Utilization of

market research is defined following Moorman et al. (1992), as the extent to which the research influences wealth managers' decision making.

Table 1 summarizes these hypothesized direct relationships with the references that theoretically and empirically support these relationships (Hypotheses 1 to 13). Now, we would like to turn our attention to dependence and its moderating role.

[Insert Table 1 about Here]

Dependence can be defined as the extent to which one partner relies on the relationship for the fulfillment of important goals (Emerson, 1962; Frazier, 1983; Rusbult & Van Lange, 1996).

Dependence, or more specifically the perception of dependence, is particularly important within the relationship between wealth managers and financial analysts. Wealth managers recognize that, to a certain extent, they are dependent from their financial analysts to achieve their own performance objectives. In order to decrease the negative effects of such a dependence, which is due to the risk of opportunistic behavior from part of financial analysts, they seek to improve their relationship with them. However, because dependence may be detrimental to their relationship with their own customers, the investors, they try to maintain a certain level of independence by evaluating and diversifying their sources of information (i.e., reducing their trust in and commitment towards their financial analysts.

Some wealth managers may feel dependent because they do not have the ability to switch from one analyst to another. In addition, the critical importance of the research provided by financial

analysts may vary across wealth managers and therefore, the level of dependence may also differ, and hence, the importance of their relationship with the financial analyst.

Despite the recognized importance of the role of dependence in buyer-seller relationships, empirical results are far from conclusive. Several studies have found that there is a direct effect of dependence on trust and relationship commitment (e.g., Anderson & Weitz, 1989; Ganesan, 1994; Kumar, Scheer, & Steenkamp, 1995). However, a meta-analysis by Geyskens et al. (1998) estimated that the effect is rather small and highly variable, which may cast some doubt on the validity of this direct effect. On the other hand, in a series of experiments, Andaleeb (1995, 1996) found a significant interaction effect of dependence and trust on satisfaction and relationship commitment. Geyskens et al. (1996) also found an interaction effect of dependence and trust on commitment. Their argument is as follows: dependence has a positive effect on relationships when trust is present. These studies, however, were interested in the effect of dependence across levels of trust. Nevertheless, we believe that trust and commitment are only important in the building of successful relationships, when a minimum level of dependence is present. When there is no dependence, customers are more likely to use outcome-based evaluation criteria rather than relationship-based criteria. More recently, Van Bruggen, Kacker, and Nieuwlaat (2005) hypothesized an interaction effect of dependence and functional variables on relationship quality. To better understand the moderating effect of dependence, we focus our study on the effect of trust building factors across varying levels of customers' (i.e., wealth managers) perceptions of dependence upon their service suppliers (i.e., financial analysts).

First, we hypothesize that dependence positively moderates the relationships between the characteristics of the supplier and perceived quality and satisfaction, and that dependence also

positively moderates the relationships between the characteristics of the relationship and perceived quality and satisfaction. A highly dependent party in a relationship has higher stakes in the relationship and is generally wary of exploitation by the more powerful partner (Geyskens et al., 1999; Heide & John, 1988). Therefore, relationship-building activities by the more powerful partner has a bigger impact on the dependent partner's objectives and moves it substantially closer to the attainment of its own goals, leading to a higher satisfaction and a better assessment of service quality by the latter (Van Bruggen et al., 2005). Moreover, the powerful partner has weakened incentives to improve the relationship since it has lower stakes in the outcomes of the relationship. It is expected to do little to increase satisfaction and perception of service quality. Therefore, relationship-building activities from the more powerful partner is unlikely to be expected by the more dependent partner. When this powerful partner is non-exploitative and fair and develop relationship-building activities, dedication to the partner should grow and satisfaction and perception of service quality should improve (Bendapudi & Berry, 1997; Geyskens et al., 1996; Van Bruggen et al., 2005). Following this line of argumentation, highly dependent wealth managers may expect opportunistic behavior from their financial analysts (Geyskens et al., 1999, Gundlach & Cadotte, 1997). However, if financial analysts benevolently send relationship-building signals to wealth managers, these wealth managers will be positively surprised and the signals (i.e., the relationship-building factors) will have a strong positive impact on their satisfaction and perception of quality. On the other hand, in a context of low dependence, the financial analysts are not expected to try to take advantage of their customers given that the latter have, for example, a number of alternative suppliers available. In such a context, relationship-building behaviors may be perceived as being calculative and self-interested (i.e., analysts try to establish trust and commitment only as a means of gaining the loyalty of their customers) and thus these relationship-building behaviors have less of a positive impact on the

wealth managers' perceptions of quality and satisfaction. In view of the above argument, we would expect that relationship-building factors (i.e., financial analysts' and relationship's characteristics) possess varying levels of impact depending on the degree of dependence perceived by the wealth managers.

This argument is consistent with power distance reduction theory (Mulder, 1971, 1977), which states that individuals strive to reduce the power distance (i.e., dependence) between themselves and more powerful people and that the smaller the distance from the more powerful, the stronger the tendency to reduce it. When wealth managers perceive that they are not too dependent from their financial analysts, they strive to reduce even more their dependence (the power distance) and therefore, relationship-building activities from financial analysts, which may lead to more dependence (Mulder, 1971), have a smaller effect on perceived quality and satisfaction. When wealth managers are very dependent upon their financial analysts, they tend to give up the idea to reduce this dependence (the power distance) and accept the relationship building activities from financial analysts, which become more effective on their perceived quality and satisfaction. Therefore, we hypothesized that:

Hypothesis 14: *The characteristics of the analysts and the characteristics of the relationship will have a stronger impact on perceived quality and satisfaction under a high (rather than a low) level of perceived dependence.*

Second, we hypothesize that dependence negatively moderates the relationship between perceived quality and satisfaction. Satisfaction is a positive affective state resulting from the appraisal of all aspects of the wealth managers' relationship with their financial analysts (e.g.,

Geyskens et al., 1999; Oliver, 1993). Perceived quality is the wealth managers' cognitive evaluation of the analysts' service performance, based on their prior experiences and impressions (Hennig-Thurau et al., 2002). The relationship between cognition and affect is well-documented in the attitudinal literature (Ajzen & Fishbein, 1980). However, Zajonc and Markus (1982) have shown that the relative importance of affective and cognitive factors may vary depending on context. We believe that in a high dependence context, because there is less of a choice, due to a lack of alternatives, affective factors (e.g., satisfaction) may play a more important role than cognitive factors. In a low dependence context, because wealth managers can choose between several alternatives, the effect of cognitive factors (e.g., perceived quality) may be more important. On the one hand, in a high dependence context, the level of the wealth managers' satisfaction may not be very sensitive to perceived quality, and on the other, in a low dependence context, perceived quality will trigger a strong affective response and it will have a strong impact on satisfaction. More specifically, we hypothesized that:

Hypothesis 15: *Perceived quality will have a weaker impact on satisfaction under a high (rather than a low) level of perceived dependence.*

Finally, as noticed by several authors (e.g., Andaleeb, 1996; Blau, 1964; Emerson, 1962; Heide & John, 1988), the development of a relationship requires a minimal level of dependence . Customers, who are dependent upon their supplier, will seek to develop a long-term relationship with this supplier because the risks associated with the dependence are reduced (Ganesan, 1994; Lusch & Brown, 1996). Less dependent customers may prefer a more transactional approach to their interactions with their supplier in order to avoid becoming too dependent upon them. As they continuously evaluate the different offers available on the market (Dwyer et al., 1987), they

will rely less on trust and commitment. This view is supported by Garbarino and Johnson (1999), who found that the relationships between satisfaction, trust, and commitment vary along the transactional-relational continuum. Accordingly, we hypothesized that:

Hypothesis 16: *The explanatory power of the variables in the model depicted in Figure 1 will be stronger in the high dependence context than in the low dependence one.*

RESEARCH DESIGN AND METHOD

Context

To test the hypotheses, we chose the financial services industry and the relationship between wealth managers and financial analysts for empirical analysis because it embodies some common characteristics important for relationship marketing in services, such as commitment and trust (Morgan & Hunt, 1994). Such an approach is consistent with prior research on service relationship that has investigated one particular industry (e.g., Lam et al., 2004). Focusing on a particular industry allows us to customize items in our questionnaire to suit the characteristics of the studied industry and elicit more accurate responses. For example, we can capture all the attributes of a construct, such as perceived quality, that are important for a particular industry. Single industry focus also helps to improve internal validity and could reduce the error variance and hence increase the power of our hypothesis testing (Lam et al., 2004).

The services provided by financial analysts are investment advice (e.g., buy, hold, and sell recommendations), firms' future earnings estimates (expected earnings forecasts), and market research reports that help wealth managers when making their investment decisions. It is

provided on a regular basis by phone, face-to-face, or via e-mail. Research reports typically present graphs, figures, and explanations about companies' business. The aim of these reports is to increase the credibility of the investment advice produced by the financial analysts. Wealth managers who use financial market research implicitly consider that financial analysts are better informed than they are about firms' future prospects. Wealth managers use these services in order to reduce the uncertainty and risks surrounding critical investment decisions.

To reduce the perceived risk in evaluating such services characterized by a high level of intangibility and credence properties (Zeithaml, 1981), wealth managers often seek close and on-going relationships with financial analysts (Berry, 1995; Gwinner et al., 1998; Mills, 1990; Wathne & Heide, 2000). One important characteristic of these relationships is the level of dependence perceived by wealth managers. Despite the number of financial research suppliers available on the market, some wealth managers may not be able to easily switch from one supplier to the other. In particular, wealth managers who work for banks that produce their own research in-house may be required to use internal research. The number of alternative suppliers is also limited for wealth managers whose portfolios contain stocks that are not covered by a large number of analysts (e.g., small caps). Furthermore, the critical importance of the research provided by financial analysts may vary across wealth managers. In other words, some investors, such as those who manage portfolios containing a wide range of different securities and those who have limited material (e.g., databases, financial software such as Bloomerg or Reuters) or human resources (e.g., administrative and managing assistants) available in order to help them in their daily tasks, may have to rely more on analysts' advice than others. Because of this dependence and the risk of opportunism from financial analysts associated with it, a number of wealth managers highly value long-term trusting relationships with their financial analysts.

Data Collection

The data used to test the hypotheses was collected during the first semester of 2003 through a mail survey of Swiss wealth managers. These wealth managers are all members of the two Swiss professional associations from which we obtained their mailing addresses. A survey instrument was sent to a sample of 1,154 wealth managers with a cover letter including a brief description of the study and its purpose and a self-addressed prepaid envelope. To encourage high response, the cover letter stressed the academic nature of the research and the support by the professional associations. At first, four and then eight weeks after the first mailing, non-respondents were sent a second, respectively a third mailing.

By eliminating those who indicated that the questionnaire was not relevant to their firm, the original sample size was reduced to 1,091. Of those eligible wealth managers, 289 or 26.48% responded. The response rate did not vary across geographic regions. To assess non-response bias, we also compared early and late respondents with respects of scale items (Armstrong & Overton, 1977). Only 2 out of 37 items displayed a statistically significant difference. Overall, these results suggest that non-response bias is not a significant problem in our data.

Measures

The survey instrument was developed on the basis of the prior literature to ensure construct and nomological validity and interviews with wealth managers establish the face validity of the constructs (Ping, 2004). The pre-test of the questionnaire involved two separate steps. First, to assess the face validity of the scale items, we conducted 10 interviews during which we asked wealth managers to complete a draft version of the questionnaire and to express their opinions

concerning the appropriateness and answerability of the items. This procedure helped us to refine and adapt the items to the context of financial market research. In a second step, a sample of 20 randomly selected wealth managers was asked to fill out our survey, which enabled us to test the internal consistency, uni-dimensionality of our scales.

Following recent research in services and customer relationship marketing (e.g., Lam et al., 2004; Zeithaml et al., 1996), we collected self-reported measures of all the constructs. Situational factors such as non-availability of services may affect the accuracy of measuring behavioral consequences based on panel data (Bass, 1974). Self-reported measures are less affected by these factors and thus have an advantage over the measures based on panel data (Lam et al., 2004)

The measures were adapted from previous studies in order to fit with the context of financial market research. Relationship commitment was operationalized on the basis of a validated scale previously used by Moorman et al. (1992). The items used to measure dependence were adapted from the items used as manipulation checks by Andaleeb (1995). We measured two dimensions of trust: credibility and benevolence. Credibility was measured by five items adapted from Doney and Canon (1997) and Moorman et al. (1992) and benevolence was measured by four items adapted from Ganesan (1994). In order to measure wealth managers' satisfaction, three items developed by Sharma and Patterson (2000) were used. The five items related to perceived quality were developed for this study because of the specificities of the services provided by financial analysts. The relationship-building factors were operationalized through two constructs, which were considered important by Doney and Canon (1997): the characteristics of the financial analysts and the characteristics of the relationship. Two dimensions of the analysts' characteristics were measured: expertise and responsiveness. The expertise items were adapted

from Doney and Canon (1997) and those used for measuring responsiveness from Parasuraman, Zeithaml, and Berry (1988). Finally, the characteristics of the relationship were measured on four dimensions: business contact frequency, social contact frequency, friendliness, and similarities, which were all operationalized on the basis of validated scales developed by Doney and Canon (1997). Following Moorman et al. (1992), utilization of market research was measured as the percentage of investment recommendations from his financial analyst that the wealth manager followed. All the items were measured on 7-point Likert scales except for market research, which is measured through a percentage. Table 2 presents the items used for each of the model constructs.

[Insert Table 2 about Here]

ANALYSIS AND RESULTS

Measurement Model

We purified our measures using exploratory factor analysis and reliability analysis. We retained items with high loadings on the intended factors and no substantial cross-loading. We then subjected the set of items to confirmatory factor analysis (CFA) to verify the hypothesized factor structure. Consistent with some previous studies involving single-item constructs (e.g., Cadotte et al., 1987; Lam et al., 2004), we fixed the indicator loading of the utilization of market research measure to be one and its error variance to be zero. Table 2 presents measurements properties of the constructs. As evidence of convergent validity, the CFA results indicate that each item loaded on its hypothesized factor with large and significant loadings (all but four larger than .6 as recommended by Bagozzi and Yi (1988)). A stronger test to assess convergent validity is to

examine the average variance extracted (AVE) by each factor (Fornell and Larker, 1981; Ping, 2004). All the AVE exceed the recommended value of .5, providing support for the convergent validity of the measures. Although, the final measurement model has a significant chi-square of 172.46 with 89 degrees of freedom ($p < .001$), this is not unusual with a large sample size (Bagozzi and Yi 1988). Other fit indexes are a comparative fit index (CFI) of .958, a Tucker-Lewis index (TLI) of .944, and a root mean square error of approximation (RMSEA) of .058 (90% CI of .045 to .071): all are satisfactory. All indexes meet or exceed the critical values for good model fit (Bentler, 1990; Bollen, 1989; Browne & Cudeck, 1992). The reliability of the scales is assessed using coefficients alpha (Cronbach, 1951) and composite reliability coefficients (Werts et al., 1974). As shown in Table 2, all the coefficients, but two (those for dependence), exceed the recommended .7-level (Fornell and Larcker, 1981; Nunnally, 1978; Ping, 2004).

Evidence for the discriminant validity of the measures was provided in three ways. First, none of the 95 percent confidence intervals of the individual elements of the latent factor correlation matrix contained a value of 1.0. Second, a series of chi-square difference tests were conducted for each pair of constructs between the constrained model (i.e., one in which the correlation between constructs was fixed at 1.0) and the unconstrained model. In all of the cases, the unconstrained model provided a significantly better fit the data than did the constrained model ($p < .01$). Third, the shared variance between pairs of constructs was always less than the corresponding AVE, providing additional evidence of the discriminant validity of our construct measures (Fornell & Larcker, 1981). These results *in toto* support the convergent and discriminant validity of the measures used in the study.

As all the data were perceptual and were collected from the same source at the same time, there is a possibility of common method bias (Lindell & Whitney, 2001; Podsakoff et al., 2003). We, however, tried to minimize the potential effect of this bias through the design of the study. To create a proximal or methodological separation between the measurement of our independent and dependent variables, we used different response formats as recommended by Podsakoff et al. (2003). We used Likert scales to measure independent and mediating variables and we used percentage to measure utilization of market research, our dependent variable. Following the recommendations of Podsakoff et al. (2003), we also conducted several tests to determine the potential biasing effect of common method variance. First, a single-factor test revealed that the 32 items in our study load on 8 separate factors, with the first factor accounting for only 32.2% of the variance of the items. Second, a repeat of the single-factor test using CFA revealed that the 32 items do not load on a single factor. The fit statistics for this model (χ^2 = 902.081, *df* = 104, $p <$ .001, TLI = .539; CFI = .601, RMSEA = .166 [90% CI of .156 to .176]) are significantly worse than the CFA results of the measurement model. Finally, in a more stringent test, we examined our final structural model by allowing all items to load on a single first-order methods factor in addition to their theoretical constructs. The structural parameter estimates from this model differed from those reported in our final model by no more than .011 (most were the same or varied only by .005). Likewise, none of the t-values changed enough to alter the results of our hypothesis tests. Furthermore, the fit statistics for this model (χ^2 = 1109.024, *df* = 790, $p <$ .001), TLI = .931; CFI = .943, RMSEA = .031 [90% CI of .025 to .037]) are similar to the results of the final model reported below. In this most stringent test, the results suggest that a common method bias does not affect the parameter estimates reported herein.

In order to be able to test the moderating role of dependence, we split the sample into two groups of high and low dependence by running an exploratory factor analysis with the three items measuring dependence, and using the factor score as an indicator of dependence. This indicator was then used to split the sample into two groups of equal size (median split). The mean value and standard deviation of this indicator for the high dependence group is 3.742 and .853. For the low dependence group, these values are 1.851 and .582, respectively. The level of dependence between the two groups is significantly different with a t-value of 21.833 (p-value < .001). Moreover, none of the correlations between dependence and the model variables is significant. The matrix of the correlations between the constructs is presented in Table 3 for the two groups. Furthermore, the wealth managers in the two groups vary significantly in the length of their relationship with their analysts. Wealth managers in the high dependence group, those to whom advice from financial analysts is of critical importance and who feel that they only have a limited number of available alternative suppliers (Andaleeb, 1995; Heide & John, 1988), maintain, on average, longer relationships (55.21 months, *SD* = 35.66) with their financial analyst than the wealth managers in the low dependence group (70.54 months, *SD* = 60.95), the difference being statistically significant (Difference t-test, $t = 2.50$, $p = .013$; Wilcoxon non-parametric test, $z = 6.49$, $p = .000$).

[Insert Table 3 about Here]

Structural Model

We fit the proposed model simultaneously with the high dependence and the low dependence groups using multiple-group path analysis (Bentler, Lee, & Weng, 1987). Initially, we held all paths invariant across the low and high dependence groups and estimated a fully restricted model

as a baseline model (Bentler & Bonnett, 1980). Subsequently, on the basis of the Lagrange-multiplier test (LM test), we sequentially released paths with significant test statistics until further freeing up of constraints failed to enhance the model fit. The final model is significantly better than the fully restricted one (χ^2_{dif} = 21.020, F = 3.503, p < .001). The resultant coefficients are presented in Table 4 and the structural model is graphically depicted in Figure 2. Indicators of overall fit (χ^2 = 1176.940, df = 868, p < .001), relative fit (TLI = .920; CFI = .930) and absolute fit index (RMSEA = .037 [90% CI of .031 to .042]) indicate a good fit, especially for a model with such a large number of constructs. Regarding the coefficient of determination, R^2 ranged from .140 to .680 for the low dependence group and from .216 to .676 for the high dependence group indicating that the proposed model explains a significant amount of variance in both contexts. Five out of six coefficients of determination for the dependent variables are significantly larger in the high dependence group than in the low dependence one (all z-tests with Fisher ζ transformation of r (Cohen et al., 2003) are significant at p < .01), supporting H_{16}. This means that our relationship marketing model better explains why wealth managers use of financial market research for the high dependence group, in which wealth managers tend to favor longer term relationships, than for the low dependence group, in which wealth managers prefer shorter, more output-based relationships.

[Insert Table 4 and Figure 2 about Here]

Table 4 provides the estimated unstandardized, standardized coefficients and other associated statistics for the hypothesized relationships for the high and low dependence groups based on the multiple-group analysis. Because we draw comparisons and identify similarities across high and

low dependence groups, we focus on unstandardized coefficients for our interpretation[1] (Baron & Kenny, 1986; Bentler, 1995; Hair et al., 1998).

In regard to the utilization of market research, it appears that the service quality and relationship commitment yielded a significant and positive effect, while benevolence yielded a significant but unexpectedly negative effect. The effects for satisfaction and credibility were not significant (at $p < .05$). As per H_2 and H_4, perceived quality and commitment had significant, positive and consistent effects across dependence groups ($\beta = .094$ and .060 respectively[2]). However, while the effect of satisfaction on utilization of market research is positive and consistent across the two dependence groups ($\beta = .019$), it is not significant. This does not support H_1. Concerning trust, the effect of credibility varies across the two dependence groups, but it is not significant in either of the two contexts. This provides no support for H_{3a}. Finally, we hypothesized that the effect of benevolence on the utilization of market research would be positive. Our results show a significant but negative effect, which is consistent across dependence groups, providing no support for H_{3b}. This surprising negative sign for this relationship may have resulted from the timing of the data collection. The data was collected in 2003 during a 'bear market' period during which several financial analysts were accused of unfair practices, thus the negative effect may be due to an asymmetric effect of benevolence similar to the dominant "negativity" effect (i.e., a unit negative performance has a stronger effect than a unit positive performance), identified by

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[1] The standardized coefficients are useful for determining relative importance, but are sample specific and not comparable across sample. The unstandardized coefficients correspond to the regression weights in multiple regression in that they are expressed in terms of the construct's scale, in this case its variance. This makes these coefficients comparable across samples and retains their scale effect (Hair et al., 1998).

[2] In regard to the utilization of market research, the unstandardized coefficients appear relatively low compared to the other dependent variables; it is due to the nature of the variable used which is a percentage.

Sirdeshmukh, Singh, and Sabol (2002) for the same benevolence dimension of trust).

Concerning relationship commitment, all constructs yielded significant and positive effects, except credibility. As per H_5 and H_{6b}, satisfaction and benevolence had significant, positive and consistent effects across dependence groups (β = .244 and .439 respectively). However, while the effect of credibility on relationship commitment is positive and consistent across dependence groups (β = .064), it is not significant. This does not support H_{6a}. Whereas, we did not hypothesize any direct effect of similarity on relationship commitment, we found a strong positive effect in both groups. The effect is also significantly stronger in the low dependence group than in the high dependence one (β = .562 and .271 respectively). Our finding that similarity directly influenced relationship commitment without being mediated by satisfaction may have been influenced by the way we measured relationship commitment. We only measured the affective component of commitment and not its calculative component (Geyskens et al., 1996). Therefore, familiarity being defined as the wealth manager's beliefs that the financial analyst shares interests and values with him (Doney & Canon, 1997), it is possible for wealth managers to be committed to their relationship with the financial analysts that they perceived similar, even if they are not fully satisfied with their services.

In regard to the two dimensions of trust, all constructs yielded significant positive effects except for perceived quality on credibility. As per H_{7a} and H_{8a}, satisfaction and perceived quality have significant, positive, and consistent effects across dependence groups on credibility (β = .264 and .365 respectively). Satisfaction has also a significant, positive, and consistent effect on benevolence (β = .575, $p < .05$). This gives support for H_{7b}. However, while the effect of

perceived quality on benevolence is positive and consistent across dependence groups (β = .227), it fails to reach significance (t = 1.937, p < .10 but > .05). This offers weak support for H_{8b}.

As far as satisfaction is concerned, the effects of responsiveness and social contact frequency are significant, positive, and consistent across dependence groups. The effect of perceived quality is only significant and positive for the low dependence group and the effect of expertise is only significant and positive for the high dependence group. The effects of friendliness, similarity and business contact frequency are not significant. H_9 posited a significant and positive effect of perceived quality on satisfaction and H_{15} posited that the effect would be stronger in the low dependence group than it would be in the high dependence group. The effect is significant in the low dependence group (β = .460), but not in the high dependence group (β = .128), giving support to both H_9 and H_{15}. As per H_{10} and H_{14c}, the effect of the analysts' characteristics was hypothesized to be positive and stronger in the high dependence group. While the effect of responsiveness is consistently significant, providing some support for H_{10}, it is only significant for the high dependence group, providing some support for H_{14c}. H_{12} posited a positive effect of relationship characteristics on satisfaction and H_{14b}, that the effect would be stronger in the high dependence group. While social contact frequency has a significant, positive, and consistent effect across dependence group, supporting H_{12} but not H_{14b}, friendliness, similarity, and business contact frequency have no significant effects at 5%. The effect of friendliness varies, however, across dependence groups. While it is non-significant in the low dependence context, it just fails to reach significance in the high dependence context (β = .174, t = 1.934, p < .10 but > .05), offering weak support for H_{14b}.

In regard to perceived quality, social contact frequency has a significant positive, and consistent effect across dependence groups ($\beta = .101$, $p < .05$), supporting H_{13} but not H_{14a}. While the effect of similarity is positive and consistent across dependence groups ($\beta = .123$), it fails to reach significance ($t = 1.856$, $p < .10$ but $> .05$). This offers weak support for H_{13}. None of the effects of responsiveness, friendliness, and social contact frequency are significant. As per H_{11}, expertise has a significant and positive effect on service quality. Moreover, the effect is stronger in the case of high dependence supporting H_{14a} ($\beta = .329$ and .499 respectively). Tables 5 summarizes these results.

[Insert Table 5 about Here]

DISCUSSION AND MANAGERIAL IMPLICATIONS

Discussion

The results provide substantial support for the model of Figure 1 and for the moderating role of dependence. Eleven out of thirteen hypotheses concerning direct relationships are supported. More importantly, the strength of several relationships varied across the two dependence contexts providing support for H_{14} and H_{15}.

The moderating effect of dependence on the relationships between relationship-building factors and satisfaction and perceived quality is supported by financial analysts' characteristics. The moderating effect of dependence on the relationship between perceived quality and satisfaction was also strongly supported. These results suggest that the relative importance of affective and cognitive factors varies across the dependence contexts (Zajonc & Markus, 1982). In the low

dependence context, perceived quality, a cognitive factor, strongly affects satisfaction, an affective factor, when in the low dependence context, perceived quality has no significant effect on satisfaction. These findings contribute to the development of relationship marketing research by showing the importance of the moderating effect of dependence on the impact of different types of factors, cognitive and affective, in the development of service relationships.

In support of H_{16}, the explanatory power of the model is stronger in the high dependence context than it is in the low dependence one. This result suggests that, in the absence or at a low level of dependence, relationship commitment and trust alone may not be strong enough to prevent a partner from seizing attractive short-term alternatives despite the expected long-term benefits from staying with the existing partner. This is corroborated by the significant difference in the length of the relationship between wealth managers and analysts across the two groups. As noticed by Andaleeb (1996), some degree of dependence is needed to establish a trusting relationship. In the case of low dependence, customers may not be willing to establish a long-term relationship with their supplier for fear of becoming dependent upon their financial analysts. Financial analysts dealing with less dependent wealth managers who do not wish to establish a long-term relationship should develop a more output-based marketing approach (Coviello et al., 2002), emphasizing objective measure of quality and performance of their research reports. These results support Day's (2000, p. 24) observation that "investing in or building close relationships is neither appropriate nor necessary for every market, customer, or company."

Managerial Implications

The confirmation of the moderating role of dependence has some other important implications for financial analysts. First, it suggests that some wealth managers, particularly those who feel

dependent upon their financial analysts, are responding positively to relationship marketing strategies, whereas those who are less dependent are not so influenced by such strategies. This has important implications for segmenting the market. Financial analysts do not directly charge investors for research. Wealth managers generally receive research from several providers and they are free to choose who they would like to work with. However, there is an informal agreement between financial analysts and wealth managers, which is that the latter direct a part of their securities transactions to the brokerage house that provides them with investment research. This practice of exchanging research services for broking commissions is commonly referred as "soft dollar payments." As a consequence, a particular wealth manager must regularly pass orders through the bank's trading room in order to generate a profit for the brokerage house employing the financial analyst. Less dependent wealth managers who do not want to maintain a long term relationship with their financial analyst may not find this profitable. By segmenting wealth managers based on their level of dependence and by focusing on those more dependent who are seeking long-term relationships, financial analysts may improve brokering commissions.

To increase the wealth managers' utilization of market research, financial analysts can spend their efforts on improving relationship-building factors such as their level of responsiveness and the frequency of business and social contacts they have with them. For instance, financial analysts may provide wealth managers with the opportunity to visit a company's management; they can also organize public conferences for them. Financial analysts should also frequently telephone and call on wealth managers; they can even invite them to social events, such as, cocktail parties and golf tournaments.

Second, less dependent wealth managers are less sensitive to such relationship strategies. Instead, they attach more importance to the quality of the market research, and this is evaluated based on financial analysts' past advice. Based on past advice, wealth managers can do what the profession calls "back-testing." It is to construct a "fake" portfolio as if past advice had been followed in real time and then to measure the financial performance of this portfolio, and therefore the performance of the financial analyst (Womack, 1996). Another approach for evaluating the quality of past advice consists in estimating the accuracy of earnings forecasts defined as the difference between the realized earnings and the estimates which were made previously (Brown, 2001 for recent evidence). Finally, a wealth manager can rely on analysts' and banks' rankings published by financial journals such as the 'Institutional Investor's Magazine' and the 'Wall Street Journal.' Whatever the method, past performance is generally a good predictor of future performance. To satisfy and increase market research use by less dependent wealth managers, financial analysts should therefore pay a close attention to the quality and accuracy of their forecasts and advice, this being more important than relationship building strategies for this type of wealth managers. In such an output-based context, financial analysts may also decide to directly charge wealth managers for their research reports.

LIMITATIONS AND FUTURE RESEARCH

Our study has several limitations that offer opportunities for future research. One of these limitations is the cross-sectional design which was employed. In any model in which causality is suggested, longitudinal studies provide stronger inferences. However, the use of panel data would have significantly reduced the size of our sample. Nevertheless, the model we developed and tested would benefit from being tested in a longitudinal design.

A second possible limitation is the sole reliance on data collected from wealth managers rather than dyadic data from wealth managers and financial analysts. However, because wealth managers were the dependent party in the relationship studied and we were interested only in explaining wealth managers' use of research, the reliance on wealth managers seemed entirely reasonable. Furthermore, financial analysts would probably not have been able to report accurately the extent of their power toward each of the wealth managers they have a relationship with.

A third limitation was the context of our study, financial market research. The specificities of the financial market research were particularly suitable for testing the moderating effect of dependence. On one hand, our research focus on one industry helps keep unexplained variance ("noise") small in our model estimation and hence, increase the power of hypothesis testing. On the other hand, such a narrow focus may limit the global significance of our results. Future research may replicate our study in other industries.

Fourth, further investigations on the negative relationship between benevolence and utilization of market research are needed. We have proposed that such a negative effect may have been caused by an asymmetric effect due to the bad situation of the financial markets at the time of the data collection. Such an asymmetric effect needs to be empirically tested. The surprising direct relationship between similarity and relationship commitment also needs further theoretical and empirical investigations.

Finally, variables such as the reputation of the firm employing the financial analysts that we did not examine in this study could moderate the relationships between some constructs within our model. Developing a favorable reputation involves a significant investment and therefore represents a valuable asset that would make providers of financial research reluctant to jeopardize by acting opportunistically. For example, when the reputation of a provider is high, the relationship between relationship-building factors and trust in the financial analyst is likely to be strengthened. In contrast, when its reputation is low, the impact of relationship-building factors on trust in the financial analyst may be nullified. These issues merit further research.

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TABLE 1: Summary of the Hypotheses about the Direct Relationships

Nr.	Hypotheses	Examples Theoretical and Empirical Supports
H_1	Overall satisfaction positively influences relationship outcomes.	Anderson et al., 1994; Cronin et al., 2000; Garbarino & Johnson, 1999; Hennig-Thurau et al., 2002; Oliver, 1980
H_2	Perception of service quality positively influences relationship outcomes.	Boulding et al., 1993; Cronin et al., 2000; Zeithaml et al., 1996
H_3	Trust positively influences relationship outcomes.	Doney & Cannon, 1997; Dwyer et al., 1987; Ganesan, 1994; Moorman et al., 1992; Morgan & Hunt, 1994
H_4	Relationship commitment positively influences relationship outcomes.	Dwyer et al., 1987; Hennig-Thurau et al., 2002; Moorman et al., 1992; Morgan & Hunt, 1994
H_5	Overall satisfaction positively influences customers' relationship commitment.	Dwyer et al., 1987; Garbarino & Johnson, 1999; Sharma & Patterson, 2000
H_6	Trust positively influences customers' relationship commitment.	Garbarino & Johnson, 1999; Geyskens et al., 1998, 1999; Moorman et al., 1992; Morgan & Hunt, 1994
H_7	Overall satisfaction positively influences customers' trust.	Dwyer et al., 1987; Ganesan, 1994; Garbarino & Johnson, 1999; Geyskens et al., 1999
H_8	Service quality positively influences customers' trust.	Anderson & Narus, 1990; Doney & Cannon, 1997; Kumar et al., 1995
H_9	Service quality positively influences customers' overall satisfaction.	Anderson et al., 1994; Cronin et al., 2000; Cronin & Taylor, 1992; Kennedy et al., 2001
H_{10}	Analyst characteristics positively influence customers' overall satisfaction.	Kennedy et al., 2001; Williams & Hazer, 1986
H_{11}	Analyst characteristics positively influence customers' service quality perception.	Cronin & Taylor, 1992; Parasuraman et al., 1988; Parasuraman et al., 1991
H_{12}	Relationship characteristics positively influence customers' overall satisfaction.	Geyskens et al., 1998; Kennedy et al., 2001; Williams & Hazer, 1986
H_{13}	Relationship characteristics positively influence customers' service quality perception.	Cronin & Taylor, 1992; Crosby et al., 1990; Parasuraman et al., 1988; Parasuraman et al., 1991

TABLE 2. Survey Items and Confirmatory Factor Analysis Results

Construct	*Construct Items*	*Loading*	*t-value*	*CR*	*AVE*	α
Overall Satisfaction	If I had to do it all over again, I would choose the same analyst.	.900	—[a]	.834	.627	.988
	I am very satisfied with my current choice of analyst.	.812	12.689			
	I feel good about my decision to choose this analyst.	.910	15.773			
Perceived Quality[*]	How did this analyst compare with other on each of these criteria:					
	Consistency of the recommendations with my investment goals.	.843	—[a]	.842	.520	.855
	Clarity of the potential risk associated with the different recommendations.	.691	7.996			
	Improvement of my portfolio performance.	.721	8.370			
	Quality of synthesis.	.608	6.932			
Credibility	I trust my analyst to do things I can't do myself.	.921	—[a]	.828	.708	.925
	I trust my analyst to do things my team can't do itself.	.927	7.600			
Benevolence	My analyst has made sacrifices for me in the past.	.746	—[a]	.778	.514	.742
	My analyst cares for me.	.683	6.925			
	Even if I do not pass orders through my analyst's bank for a while, he/she will still continue to care for me.	.600	6.171			
Relationship Commitment	I consider my analyst to be part of my team.	.773	—[a]	.796	.533	.774
	I am committed to my relationship with my analyst.	.706	7.835			
	I really care about the future of my professional relationship with my analyst.	.632	6.989			
Expertise	My analyst is very knowledgeable.	.908	—[a]	.735	.581	.838
	My analyst knows the companies/markets/economies/industries he follow very well	.816	9.563			
Responsiveness	My analyst is not always willing to help me. (R)	.843	—[a]	.663	.501	.772
	My analyst is too busy to respond to my request promptly. (R)	.795	6.932			
Business Contact Frequency[**]	My analyst spends considerable time getting to know my team and/or my clients.	.927	—[a]	.785	.527	.743
	My analyst frequently visits me at my office.	.598	6.020			
	My analyst takes a lot of time to understand my needs.	.619	6.601			
Social Contact Frequency[**]	We talk about family, sports, or other personal interests.	.832	—[a]	.765	.515	.839
	We talk about common interests besides work.	.890	9.823			
	We meet out of the work place.	.562	5.894			
	We get together primarily to have fun.	.589	5.753			

Friendliness	My analyst is always nice to me.	.838	—[a]	.791	.666	.905
	My analyst is friendly.	.927	7.490			
Similarity	My analyst is very similar to me.	.844	—[a]	.743	.501	.818
	My analyst has values similar to mine.	.819	9.894			
	My analyst shares the same interests as me.	.699	8.287			
Dependence	Getting research from my analyst is critical to my job.	.688	—[a]	.609	.449	.618
	Finding a replacement for my analyst would be very difficult.	.601	8.662			
	My alternative sources of investment research are limited.	.530	7.655			
Use of Market Research***	In my opinion, the proportion of investment recommendations provided by my analyst that I have followed is: (__%)	1.000	—[a]	—	—	—
Model Fit Indices	$\chi^2 = 172.46$ ($p < .001$), df = 89, $\chi^2/df = 1.938$					
	TLI = .944, CFI = .958					
	RMSEA = .058 (90% CI of .045 to .071)					

NOTE: CR = Composite Reliability, AVE Average Variance Extracted.
1 = strongly disagree, 7 = strongly agree, except: * 1 = much worse than other, 7 = much better than other, ** 1 = never, 7 = always, *** %
[a]Values were not calculated because loading was set to 1.000 to fix construct variance

TABLE 3. Intercorrelations between the Study Constructs

	Utiliz.	Commit.	Credib.	Bene.	Satis.	Quali.	Expert.	Respon.	Friend.	Simil.	Bus. Co.	Soc. Co.
Utilization		.300	.203	.318	.424	.839	.390	.373	.187	.337	.252	.163
Commitment	.345		.279	.491	.483	.373	.420	.293	.181	.488	.414	.317
Credibility	.364	.305		.228	.409	.264	.366	.245	.070	.209	.251	.204
Benevolence	.245	.599	.270		.511	.401	.371	.421	.287	.371	.487	.337
Satisfaction	.369	.611	.364	.630		.542	.444	.559	.213	.324	.382	.419
Quality	.517	.410	.350	.422	.531		.518	.406	.253	.437	.387	.278
Expertise	.396	.385	.466	.354	.586	.594		.435	.311	.485	.412	.209
Responsiveness	.136	.367	.192	.439	.505	.328	.339		.339	.323	.344	.292
Friendliness	.054	.326	.140	.422	.399	.249	.203	.486		.257	.347	.166
Similarity	.367	.487	.342	.526	.506	.500	.440	.357	.368		.305	.339
Business Contacts	.144	.486	.076	.451	.446	.344	.199	.354	.382	.492		.343
Social Contacts	.275	.393	.158	.347	.316	.368	.183	.180	.133	.503	.443	

High Dependence in the lower matrix; Low Dependence in upper matrix. Correlations larger than .1 are significant at a 5% level.

Table 4. Estimated Structural Coefficients

		Low Dependence				High Dependence				
Dependent variables	Independent variables	R^2	Coeff.*	Sd. Error	*t*	R^2	Coeff.*	Sd. Error	*t*	Diff. (LM test)
Utilization		.324				.344				
H_1	Satisfaction		.019 (.103)	.019	1.038		.019 (.113)	.019	1.038	
H_2	Quality		.094 (.382)	.022	4.234		.094 (.365)	.022	4.234	
H_{3a}	Credibility		-.012 (-.083)	.012	-1.005		.021 (.121)	.015	1.441	Diff.
H_{3b}	Benevolence		-.058 (-.335)	.021	-2.751		-.058 (-.303)	.021	-2.751	
H_4	Commitment		.060 (.400)	.018	3.304		.060 (.343)	.018	3.304	
Commitment		.680				.662				
H_5	Satisfaction		.244 (.196)	.106	2.297		.244 (.252)	.106	2.297	
H_{6a}	Credibility		.064 (.067)	.056	1.149		.064 (.065)	.056	1.149	
H_{6b}	Benevolence		.439 (.381)	.112	3.909		.439 (.403)	.112	3.909	
Not hypothesized	Similarity		.562 (.435)	.120	4.700		.271 (.246)	.107	2.528	Diff.
Credibility		.140				.216				
H_{7a}	Satisfaction		.264 (.201)	.096	2.750		.264 (.268)	.096	2.750	
H_{8a}	Quality		.365 (.213)	.145	2.523		.365 (.246)	.145	2.523	
Benevolence		.420				.589				
H_{7b}	Satisfaction		.575 (.535)	.086	6.682		.575 (.648)	.086	6.682	
H_{8b}	Quality		.227 (.161)	.117	1.937		.227 (.170)	.117	1.937	
Satisfaction		.476				.676				
H_9	Quality		.460 (.352)	.139	3.309		.128 (.085)	.179	.713	Diff. (H_{15})
H_{10a}	Expertise		.055 (.050)	.116	.471		.521 (.372)	.159	3.268	Diff. (H_{14b})
H_{10b}	Responsiveness		.301 (.318)	.078	3.871		.301 (.259)	.078	3.871	
H_{12a}	Friendliness		-.082 (-.065)	.101	-.810		.174 (.142)	.090	1.934	Diff. (H_{14b})
H_{12b}	Similarity		.040 (.038)	.078	.509		.040 (.035)	.078	.509	
H_{12c}	Business Contacts		.058 (.076)	.059	.991		.058 (.056)	.059	.991	
H_{12d}	Social Contacts		.152 (.217)	.044	3.448		.152 (.196)	.044	3.448	
Quality		.449				.613				
H_{11a}	Expertise		.320 (.382)	.090	3.545		.499 (.535)	.099	5.027	Diff. (H_{14a})
H_{11b}	Responsiveness		.085 (.117)	.064	1.325		.085 (.110)	.064	1.325	
H_{13a}	Friendliness		-.061 (-.063)	.061	-1.011		-.061 (-.075)	.061	-1.011	
H_{13b}	Similarity		.123 (.154)	.066	1.856		.123 (.163)	.066	1.856	
H_{13c}	Business Contacts		.101 (.174)	.050	2.002		.101 (.147)	.050	2.002	
H_{13d}	Social Contacts		.051 (.095)	.037	1.366		.051 (.099)	.037	1.366	
Model Fit Indices	$\chi^2 = 1176.494$ ($p < .001$), df = 868, $\chi^2/df = 1.356$, TLI = .920, CFI = .930, RMSEA = .037 (90% CI of .031 to .042)									

* Unstandardized coefficient followed by standardized coefficient.

TABLE 5: Summary of the Results

Nr.	Hypotheses	Results
H_1	Overall satisfaction positively influences relationship outcomes	Not supported
H_2	Perception of service quality positively influences relationship outcomes	Supported in both low and high dependence groups
H_3	Trust positively influences relationship outcomes	Not supported
H_4	Relationship commitment positively influences relationship outcomes	Supported in both low and high dependence groups
H_5	Overall satisfaction positively influences customers' relationship commitment	Supported in both low and high dependence groups
H_6	Trust positively influences customers' relationship commitment	Supported in both low and high dependence groups for (b) benevolence; not supported for (a) credibility
H_7	Overall satisfaction positively influences customers' trust	Supported in both low and high dependence groups for both (a) credibility and (b) benevolence
H_8	Service quality positively influences customers' trust	Supported in both low and high dependence groups for (a) credibility; weakly supported in both low and high dependence groups for (b) benevolence
H_9	Service quality positively influences customers' overall satisfaction	Supported in the low dependence group, not supported in the high dependence group
H_{10}	Analyst characteristics positively influence customers' overall satisfaction	Supported in both low and high dependence groups for (b) responsiveness; not supported in the low dependence group, supported in the high dependence group for (a) expertise
H_{11}	Analyst characteristics positively influence customers' service quality perception	Supported in both low and high dependence groups for (a) expertise; not supported for (b) responsiveness
No H	Similarity (an analyst characteristic) positively influence customers' relationship commitment	Supported in both low and high dependence groups
H_{12}	Relationship characteristics positively influence customers' overall satisfaction	Supported in both low and high dependence groups for (d) social contacts; weakly supported in the high dependence group only for (a) friendliness; not supported for, (b) similarity, and (c) business contacts
H_{13}	Relationship characteristics positively influence customers' service quality perception	Supported in both low and high dependence groups for (c) business contacts; weakly supported in both low and high dependence groups for (b) similarity; not supported for (a) friendliness and (d) social contacts
H_{14}	The characteristics of the analysts and the characteristics of the relationship will have a stronger impact on perceived quality and satisfaction under a high (rather than a low) level of perceived dependence	Partially supported. Expertise only has a significantly different effect across dependence groups on both perceived quality and satisfaction
H_{15}	Perceived quality will have a weaker impact on satisfaction under a high (rather than a low) level of perceived dependence	Supported
H_{16}	The explanatory power of the variables in the model depicted in Figure 1 will stronger in the high dependence context than in the low dependence one	Supported

Supported means significant at 5%, weakly supported means at 10%.

Figure 1. Theoretical Model and Hypotheses

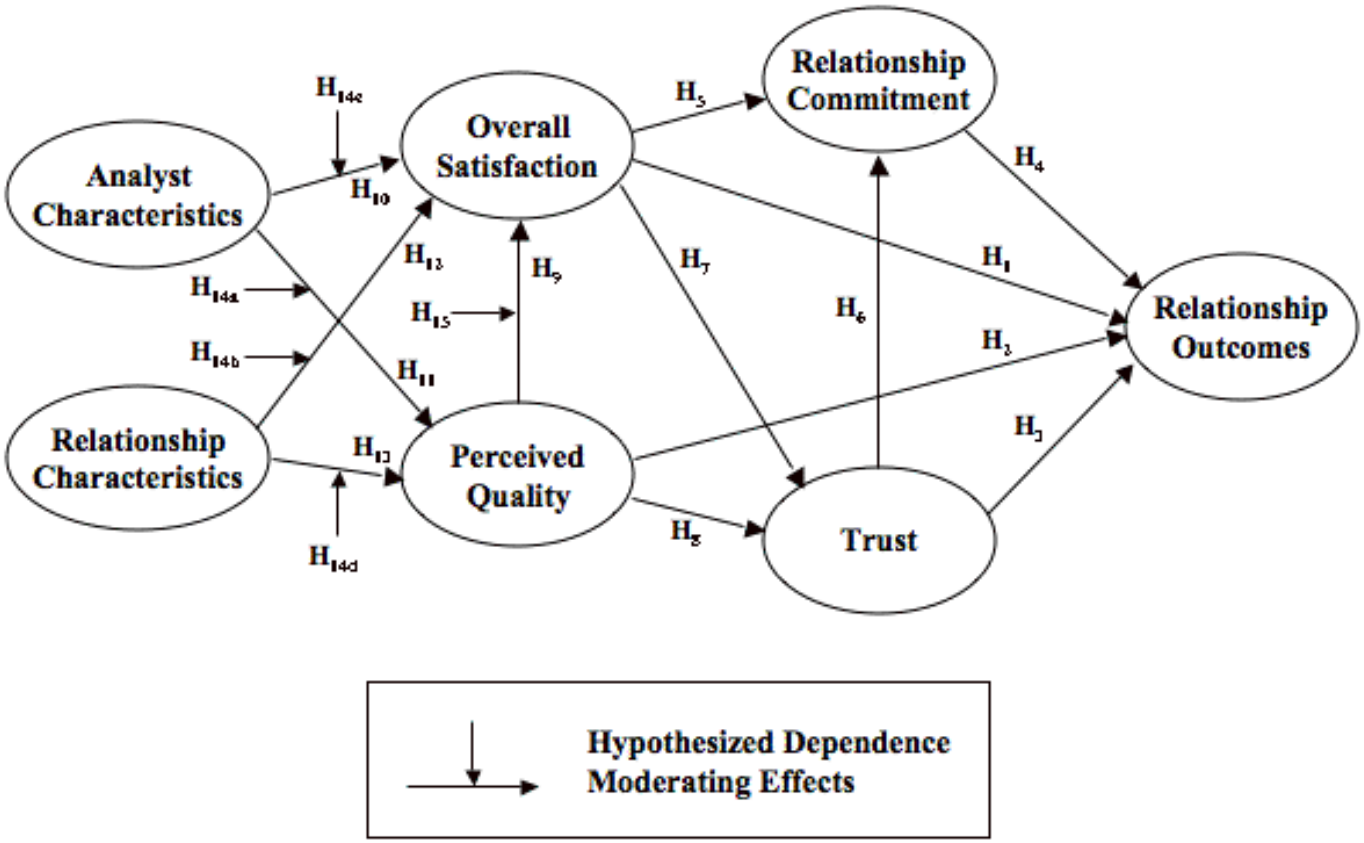

Figure 2.
Relationships Between Providers and Users of Financial Market Research