

Long-Term Relationships In Franchised Distribution Systems: Analysis Of Mutual Trust And Commitment

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Abstract

The purpose of this article is to determine the factors for relational marketing strategy success in channel relationships. The empirical analysis was carried out in the Spanish franchised system, considering both franchisors and franchisees perspectives in order to obtain a dyadic analysis of the relationship. Results showed, after applying a structural equations model, that cooperation, information exchange, trust and commitment are important variables for successful long-term relationships between franchisor and franchisees.

1. Introduction

The deep changes occurred in the context where companies operate, especially those referred to competence intensification and globalization and technological innovation, have lead to a loss of efficiency of the traditional marketing tools. Therefore, it is necessary that firms adopt relationship marketing as a new paradigm which rules the management of relationships with customers and other channel members. For a decade marketing researchers have emphasized the role of trust and commitment in the development and maintenance of channel relationships (Mohr *et al.*, 1994; Hewett *et al.*, 2002). In this respect, the analysis of relationship marketing strategies in the franchise system is a field which few researchers have analyzed, so it has a great interest for marketing literature (García *et al.*, 2002).

In the last decade the franchise sector in Spain has experienced a spectacular expansion and the prediction is that its importance will increase outstandingly in the retail sector in the coming years. It is a distribution system very attractive for investors since it is a successful consolidated business which is controlled by a franchise contract. Nevertheless, the fulfillment of contract obligations by both franchisor and franchisee is not enough to maintain a good development of the system, it is necessary for both parties to develop mutual trust and commitment to maintain a lasting and profitable relationship (Mohr *et al.*, 1994; Dahlstrom and Nygaard, 1995; Garbarino and Johnson, 1999; Nes and Solberg, 2002).

The purpose of this article is to analyze the determinant factors for relationships success, examining the role exerted by commitment and trust for the development and maintenance of franchise relationships.

Therefore, this article begins by examining the role played by commitment and trust in relationship marketing strategies; the next section refers to the model development of the effects which some behaviours and feelings (information exchange, cooperation, trust and commitment) have on the continuity and profitability of inter-firm relationships; next we present the methodology used for the empirical part of this research. In the following point we show the results obtained in the dyadic relationship between franchisor and franchisee, as well as the analysis of the moderating effect of franchisor and franchisees' experience on the proposed model. The article ends with the main conclusions and future research lines.

2. Relationship Marketing Strategy: Trust and Commitment

Although for many years marketing mix was accepted by theorists and professionals for its simplicity, today many authors criticize the perspective of transactional marketing and they suggest a change of paradigm in the marketing discipline (Morgan and Hunt, 1994; Berry, 1995); this new paradigm would be relationship marketing. The management of long-term commercial relationships has aroused a great interest from the perspective of marketing, being relationship marketing one of the most interesting subjects. In this context, it is intended to determine how relationships are established and developed, so researchers have to examine the role played by mutual trust and commitment between the parties of a relationship (Day and Montgomery, 1999).

One of the main criticisms often made to relationship marketing, which is the reason why some researchers state that it is not a change of paradigm, is the absence of a theory which may give it a content (Morgan, 2000). However, trust and commitment theory (Morgan and Hunt, 1994) introduces in the literature for the first time that those variables are key for relationship marketing success. According to this theory, both variables lead to effectiveness, efficiency and productivity of relationships. Nevertheless, the main limit of trust and commitment theory is the lack of a theoretical framework which supports the antecedents and consequences of both factors. From this perspective, new research lines which consider commitment and trust as key factors for the success of long-term relationships have been developed. Thus, trust and commitment have been positively associated with satisfaction (Mohr *et al.*, 1994; Sigua *et al.*, 1998); expectancy of continuity (Garbarino and Johnson, 1999; Hewett *et al.*, 2002) and performance (Nes and Solberg, 2002; Verhoef *et al.*, 2002).

Trust is considered as a key factor for relationships success (Dwyer *et al.*, 1987; Moorman *et al.*, 1993; Berry, 1995); therefore, trust is thought about an essential variable of relationship marketing (Morgan and Hunt, 1994). Marketing researches have considered several conceptual definitions of trust. Thus, trust has been defined as a belief that the partner will fulfill its obligations and will perform actions which benefit the firm's long-term interests (Scheer and Stern, 1992) or a confidence in partner's integrity and reliability (Morgan and Hunt, 1994). In this context, trust has been considered from both a static perspective (Anderson and Narus, 1990; Andaleeb, 1996), referred to the present feelings of a channel member towards its partner, and a dynamic perspective, which reflects the development of trust in an individual (Ravald and Grönroos, 1996). From the perspective of marketing, the researches on trust have examined it as a key variable in the development of relational exchange in different contexts: between companies (Ganesan, 1994), individuals (McAllister, 1995), consumers and retailers (Doney and Cannon, 1997), employees and customers (Doney and Cannon, 1997) and alliances (Smith and Barclay, 1997). Trust has been measured as a multidimensional construct, with two theoretical dimensions of trust generally considered (Geykens *et al.*, 1998): credibility – belief that the partner will perform in an effective and reliable way – and benevolence – the partner is interested in the other part's well-being, even in unpredictable situations, so that he will never take any actions which may affect negatively (Ganesan, 1994; Geykens and Steenkamp, 1995).

Relationship **commitment** is considered as an essential variable for the success of long-term relationships (Dwyer, Schurr and Oh, 1987; Gundlach *et al.*, 1995; Geyken *et al.*, 1996) and for relationship marketing strategies success (Morgan and Hunt, 1994). Marketing research has proposed several conceptual definitions of commitment. Thus, commitment has been defined as the extent of a distributor's business ties with its focal supplier (Kim and Frazier, 1997) or a desire to develop a stable relationship (Jap and Ganesan, 2000). Commitment has been measured in many different ways, including the wish to continue a relationship (Anderson and Weitz, 1992; Scheer and Stern, 1992; Morgan and Hunt, 1994; Gundlach *et al.*, 1995; Kumar *et al.*, 1995a,b), trust in the relationship stability (Anderson and Weitz, 1992), importance of the relationship (Morgan and Hunt, 1994), feeling of identification, affection, and familiarity (Morgan and Hunt, 1994; Brown *et al.*, 1995; Kumar *et al.*, 1995 b), the partner's internalization of rules and values (Brown *et al.*, 1995), acceptance of the partner's wishes (Brown *et al.*, 1995), availability to make short-term sacrifices (Anderson and Weitz, 1992), availability to invest on the relationship (Kumar *et al.*, 1995b) and specific investments (Gundlach *et al.*, 1995). From the marketing literature, commitment has often been measured as a global scale (Anderson and Weitz, 1992; Morgan and Hunt, 1994), although some authors have considered its components separately (Brown *et al.*, 1995; Gundlach *et al.*, 1995; Kim and Frazier, 1997). On the one hand, several authors have claimed that its components are (Gundlach *et al.*, 1995; Kumar *et al.*, 1995) the **commitment inputs**– specific investments or actions which show the interest to stay in the relationship –,

the **attitudinal commitment** – partners' positive attitude to continue the relationship– and **long-term commitment** – the components above have to be consistent in time. On the other hand, other marketing studies identified an **affective commitment** – it connects personal affection with the desire to extend the relationship in the long term – and a **calculative commitment** – refers to the fact that both parties maintain the relationship because they perceive high switching costs (Geykens *et al.*, 1996).

3. Model Development and Methodology

In this research we have examined the role played by commitment and trust in franchise relationships. More exactly, we will try to analyze what behaviours and feelings underlie in a relationship so that it can be successful. In this sense, we will analyze the relation between certain behaviours in the channel, like cooperation and information exchange, and the development of commitment and trust between the parties, as well as the effect of these variables on long-term orientation, satisfaction and performance. The contrast of the hypothesis was carried out assessing separately franchisor and franchisees perspectives. Finally, we have done a comparative analysis in which the proposed model is proved according to the franchisors and franchisees' experience.

Firstly, there is a great interest among researchers on the effect that norms which govern a relationship may have on trust. Information exchange is a concept closely connected to communication. In this sense, the communication between the members of a relationship has been defined as the degree in which the parties exchange useful and suitable information (Anderson and Narus, 1990; Anderson and Weitz, 1992); and it is formed by several aspects like frequency, modality, direction, quality and participation (Mohr and Spekman, 1994; Mohr and Sohi, 1995). In relational exchanges, cooperation characterizes the partner's effort to achieve their objectives (Dwyer *et al.*, 1987). Different researches have proved the positive effect of cooperation on trust (Anderson and Narus, 1990, Crosby *et al.*, 1990). On the other hand, several studies have showed that communication has an influence on the development of trust (Dwyer *et al.*, 1987; Anderson and Narus, 1990; Moorman, *et al.*, 1993; Geykens *et al.*, 1998; Li, 1998). Our model refers to a specific moment in the relationship between franchisor and franchisee, the past being inherent; therefore, the cooperation they have developed from the beginning of the relationship will make them trust in partner. Besides, when a member of the relationship notices that the exchanged information has been frequent and of quality they will trust in the other party more firmly (Anderson and Narus, 1990).

Secondly, from the marketing perspective, trust and commitment have been related with parties' affective answer to their partners, in terms of commitment, long-term orientation and satisfaction. In this respect, most researchers show that trust is a precursor of commitment and consider that both variables are significant if separate and different constructs are considered (Morgan and Hunt, 1994; Andaleeb, 1996; Geykens *et al.*, 1999), since trust and commitment are formed in successive and different stages of the relationship development and maintenance process (Dwyer, Schurr and Oh, 1987). Thus, trust arises when the parties of the relationship share experiences, objectives and they can predict their partners' behaviour (Doney and Cannon, 1997), which increases the commitment to the partner (Gilliland and Bello, 2002).

The definition of continuity reflects the possibility of future interaction, not only the historic duration of the relationship (Garbarino and Johnson, 1999). Although some authors assimilate the expectancy of continuity in a relationship with its long-term orientation (Lusch and Brown, 1996), they are completely different concepts, since the first refers only to the possibility of future interaction whereas long-term orientation reflects the utility to maintain the long-term relationship (Ganesan, 1994). In this context, trust is a necessary requisite for long-term orientation because with trust the parties perceive that the profits of the relationship will be distributed fairly, even in unexpected contingencies (Ganesan, 1994). On the other hand, when parties are committed, the partners which receive the profits from the relationship will be committed to continue that relationship throughout time (Concha *et al.*, 2000).

Satisfaction is defined as the firm's positive feeling of the relationship with another organization (Andaleeb, 1996). A channel member is satisfied when is in a very positive affective situation when assessing all the aspects of the relationship with another company (Geykens *et al.*, 1999). In general, it has been proposed that satisfaction is one of the main results of trust Crosby *et al.*, 1990; Andaleeb, 1996; Geykens *et al.*, 1998). In this

context, from the literature it has been studied the influence of commitment on satisfaction (Mohr and Spekman, 1994), since the greater the commitment between the parties may be, the more easily both parties will be able to reach their mutual objectives and, therefore, satisfaction is achieved.

Finally, as the performance is a multidimensional concept, different constructs have been proposed as a result of trust: sales profits (Atuahene-Gima and Li, 2002), sales effectiveness (Crosby *et al.*, 1990), or the degree of success associated with marketing, training and management activities (Dahlstrom and Nygaard, 1995), among others. Trust has a positive influence on performance, since if there is trust in the other part a more efficient task may be developed, which increases profits (Dahlstrom and Nygaard, 1995¹). In the same way, it is also considered that relational commitment has a positive influence on a higher level of performance (Mohr and Spekman, 1994; Brown *et al.*, 1995; Blakenburg *et al.*, 1996; Nes and Solberg, 2002), since both parties act in interest of the relationship, and mutual objectives are achieved more easily and partners obtain more benefits (Jap and Ganesan, 2000).

Therefore:

- H₁: Mutual cooperation is positively related to trust
- H₂: The information exchange between partners is positively related to trust
- H₃: The greater the level of trust, the greater will be the level of commitment
- H₄: The greater the level of trust, the greater will be the long term orientation
- H₅: The greater the level of commitment, the greater will be the long-term orientation
- H₆: Trust is positively associated with satisfaction
- H₇: Commitment is positively associated with satisfaction
- H₈: Trust is positively related to performance
- H₉: Commitment is positively related to performance

Both the research on franchisor companies and on franchisees was carried out by means of structured surveys. A final sample of 107 franchise companies and 102 franchisees which operate in Spain was obtained. Table 1 shows the specifications of the research.

Table 1 Research

Franchisors	Franchisees
Universe: Spanish franchisors	Universe: Spanish franchisees
Sample: 107	Sample: 102
method: random (error: 8.80 %; trust level: 95%; Z=1.96; p=q=0.5)	method: convenience
Data collection: mail survey	Data collection: mail survey
Date: May - June 2001	Date: December 2002

Measurement scales were based on theoretical fundamentals. In this sense, all variables of the model have been measured with scales extracted of the literature (table 2).

¹ They obtained contradictory results depending on the country analyzed

Table 2 Theoretical fundamentals

Measurement scales	Literature	
	Franchisor model	Franchisee model
Cooperation	Dahlstrom and Nygaard (1999)	Heide and John (1992); Siguaw <i>et al.</i> (1998); Jap and Ganesan (2000)
Information Exchange	Mohr and Spekman (1994), Mohr and Sohi (1995)	Heide and John (1992); Jap and Ganesan (2000)
Trust	Ganesan (1994), Kumar <i>et al.</i> (1995a,b); Gundlach <i>et al.</i> (1995); Siguaw <i>et al.</i> (1998)	
Commitment	Anderson y Weitz (1992), Kumar <i>et al.</i> (1995a,b); Gundlach <i>et al.</i> (1995); Siguaw <i>et al.</i> (1998); Jap and Ganesan (2000)	
Long Term Orientation	Noordewier <i>et al.</i> (1990); Ganesan (1994)	Ganesan (1994)
Satisfaction	Andaleeb (1996); Smith and Barclay (1997)	Andaleeb (1996)
Performance	Dahlstrom and Nygaard (1995)	Lusch and Brown (1996)

In order to validate the proposed measurement scales, we have developed Anderson and Gerbing's (1988) methodological proposals assessing the psychometric properties of those scales, which means to assess their reliability, validity and unidimensionality. To guarantee the scales' internal consistency we have employed the item-total correlation and we performed simultaneously an exploratory factor analysis of principal components (Bentler and Wu, 1995). The process to eliminate indicators consists of eliminating those which have a low item-total correlation or whose elimination increases the Cronbach's alpha, as well as those indicators whose factor loading is not significant (Hair *et al.*, 1995). Results show, after eliminating the indicators following the mentioned criteria to optimize reliability and unidimensionality, the Cronbach's alpha of each scale adopts values between 0.7 and 0.8; besides, the item-total correlation takes values above 0.4 and all the scales are unidimensional and their factor loadings are above 0.5 (Hair *et al.*, 1995).

Next, the confirmatory factorial analyses by means of structural equations in each sample were done (Anderson and Narus, 1990; Garbarino and Johnson, 1999; Jap, 1999). The validity and reliability of the measurement scales have been supported and the structural equations model has been estimated and assessed. We use for that the statistics package EQS 5.7b (Bentler, 1995), estimating the model by Maximum Likelihood Robust method.

The fit of the measurement model has been assessed on the criteria of factor loading significance, item reliability and correlations between latent variables. Results verify convergent validity from both perspectives (table 3) because standardized factor loadings are high ($\lambda_i > 0.5$) and statistically significant (T-value > 1.96) (Bagozzi and Yi, 1988; Anderson and Gerbing, 1988; Steenkamp and Van Trip, 1991) and item reliability is acceptable (Hair *et al.*, 1995 - $R_i^2 > 0.5$; Martín Armario *et al.*, 2001 -at least $R_i^2 > 0.3$).

The discriminant validity is supported because none of the confidence intervals around the correlation estimated between two factors includes the value 1.0 and the chi-square difference test was significant at the 0.01 level. From franchisor perspective it was necessary to respecify the model by theoretical arguments, on the one hand considering trust as a global scale (Morgan and Hunt, 1994; Geykens *et al.*, 1995; Kumar *et al.*, 1995a,b) and on the other hand including an item (*The relationship with the franchisees can be defined as a long term alliance*) in the long-term orientation construct (Lusch and Brown, 1996), which in the beginning it belonged to the commitment construct (Anderson and Weitz, 1992), as well as in the expectation of continuity construct. From franchisees perspective, the discriminant validity is supported, since the majority of the constructs pass the confidence interval and the χ^2 difference test and all the constructs pass at least one of these two tests (Garbarino and Johnson, 1999).

The overall fit is acceptable since the fit index are above the recommended level by Hair *et al.*, 1999 (GFI > 0.9 ; NNFI > 0.9 ; CFI > 0.9 ; RMSR < 0.08 ; Normed $\chi^2 \in [1-3]$)².

² Because of the large number of indicators and constructs to be evaluated, three separate measurement models from the franchisee perspective had been estimated (Bentler and Chou, 1987), one for each group of measures, selected on the basis of what constructs were more similar (Jap

Table 3 Convergent Validity

Franchisor model	Franchisee model	
Cooperation $\lambda_1=0.712; \lambda_2=0.676; \lambda_3=0.556$ $T_1=5.732; T_2=6.461; T_3=4.565$ $R_1^2=0.507; R_2^2=0.457; R_3^2=0.309$	Cooperation $\lambda_1=0.810; \lambda_2=0.787$ $T_1=9.464; T_2=9.740$ $R_1^2=0.814; R_2^2=0.621$	
Information Exchange $\lambda_1=0.857; \lambda_2=0.744; \lambda_3=0.794; \lambda_4=0.905; \lambda_5=0.669$ $T_1=13.620; T_2=8.963; T_3=10.218; T_4=15.298; T_5=8.219$ $R_1^2=0.735; R_2^2=0.553; R_3^2=0.631; R_4^2=0.820; R_5^2=0.448$	Information Exchange $\lambda_1=0.902; \lambda_2=0.778$ $T_1=9.902; T_2=8.557$ $R_1^2=0.814; R_2^2=0.621$	
Trust $\lambda_1=0.634; \lambda_2=0.928; \lambda_3=0.766; \lambda_4=0.690$ $T_1=7.301; T_2=12.575; T_3=7.892; T_4=6.186$ $R_1^2=0.401; R_2^2=0.862; R_3^2=0.587; R_4^2=0.476$	Credibility (Trust) $\lambda_1=0.943; \lambda_2=0.910; \lambda_3=0.736$ $T_1=14.22; T_2=14.67; T_3=9.45$ $R_1^2=0.889; R_2^2=0.828; R_3^2=0.542$	Benevolent (Trust) $\lambda_1=0.897; \lambda_2=0.862; \lambda_3=0.825$ $T_1=13.90; T_2=12.89; T_3=8.91$ $R_1^2=0.805; R_2^2=0.742; R_3^2=0.681$
Commitment $\lambda_1=0.837; \lambda_2=0.869$ $T_1=10.027; T_2=5.823$ $R_1^2=0.700; R_2^2=0.755$	Commitment $\lambda_1=0.758; \lambda_2=0.758; \lambda_3=0.801; \lambda_4=0.832;$ $T_1=9.361; T_2=8.738; T_3=9.602; T_4=10.465;$ $R_1^2=0.574; R_2^2=0.574; R_3^2=0.642; R_4^2=0.692$	
Long-Term Orientation $\lambda_1=0.786; \lambda_2=0.861; \lambda_3=0.887$ $T_1=6.048; T_2=5.585; T_3=9.361$ $R_1^2=0.617; R_2^2=0.740; R_3^2=0.787$	Long-Term Orientation $\lambda_1=0.862; \lambda_2=0.938; \lambda_3=0.854; \lambda_4=0.928; \lambda_5=0.785$ $T_1=8.669; T_2=10.023; T_3=7.921; T_4=11.053; T_5=6.490$ $R_1^2=0.743; R_2^2=0.879; R_3^2=0.729; R_4^2=0.862; R_5^2=0.616$	
Satisfaction $\lambda_1=0.733; \lambda_2=0.779; \lambda_3=0.758$ $T_1=7.403; T_2=10.058; T_3=7.560$ $R_1^2=0.538; R_2^2=0.607; R_3^2=0.574$	Satisfaction $\lambda_1=0.758; \lambda_2=0.932; \lambda_3=0.861$ $T_1=10.698; T_2=12.606; T_3=10.397$ $: R_1^2=0.574; R_2^2=0.869; R_3^2=0.741$	
Performance $\lambda_1=0.925$ $T_1=10.644$ $R_1^2=0.855$	Performance $\lambda_1=0.832; \lambda_2=0.938; \lambda_3=0.955; \lambda_4=0.829$ $T_1=9.099; T_2=13.390; T_3=14.547; T_4=9.106$ $R_1^2=0.693; R_1^2=0.880; R_1^2=0.913; R_1^2=0.687$	

The discriminant validity is supported because none of the confidence intervals around the correlation estimated between two factors includes the value 1.0 and the chi-square difference test was significant at the 0.01 level. From franchisor perspective it was necessary to respecify the model by theoretical arguments, on the one hand considering trust as a global scale (Morgan and Hunt, 1994; Geykens *et al.*, 1995; Kumar *et al.*, 1995a,b) and on the other hand including an item (*The relationship with the franchisees can be defined as a long term alliance*) in the long-term orientation construct (Lusch and Brown, 1996), which in the beginning it belonged to the commitment construct (Anderson and Weitz, 1992), as well as in the expectation of continuity construct. From franchisees perspective, the discriminant validity is supported, since the majority of the constructs pass the confidence interval and the χ^2 difference test and all the constructs pass at least one of these two tests (Garbarino and Johnson, 1999).

and Ganesan, 2000). Separate confirmatory factor analysis are performed on variables measuring the antecedents (information exchange and cooperation), mediating variables (commitment and trust) and consequences (long-term orientation, satisfaction and performance).

The overall fit is acceptable since the fit index are above the recommended level by Hair *et al.*, 1999 (GFI >0.9; NNFI >0.9; CFI >0.9; RMSR <0.08; Normed $\chi^2 \in [1-3]$)³.

Finally, it could be considered that all the scales were reliable, since the majority of the constructs presented a Cronbach's alpha over 0.8 and a composite reliability over 0.7 (Hair *et al.*, 1995). The cooperation showed a Cronbach's alpha over 0.7, that provided consistency (Nunnally, 1979) and the composite reliability, with a value over 0.6, is sufficiently acceptable (Bagozzi and Yi, 1988).

4. Results

A structural equations model has been specified to test the relationship among the latent variables in the sample of franchisors as in that of franchisees⁴. The assessment of the structural model fit has been carried out as measured by estimated coefficients significance and structural equations reliability (R^2). The results from **franchisor perspective** verified that all the hypotheses are supported. In this way, results verified that franchisor's trust in franchisees is determined by both the cooperation with them ($\lambda=0.278$, $p<0.05$) as well as the information of great quality provided by franchisees ($\lambda=0.538$; $p <0.01$), for which H_1 and H_2 are significant. When franchisor develops trust in their franchisees will be more committed to them ($\lambda=0.353$; $p<0.01$) will desire that the relationship will continue in the long-term ($\lambda=0.339$, $p<0.01$), will be more satisfied with their franchisees ($\lambda=0.378$, $p<0.01$) and will obtain greater performance ($\lambda=0.261$, $p<0.05$), for which H_3 , H_4 , H_6 and H_8 are supported. Of similar form, franchisor's commitment to franchisees will also be a key variable in its long-term orientation ($\lambda=0.640$, $p<0.01$), satisfaction ($\lambda=0.550$, $p<0.01$) and performance ($\lambda=0.513$, $p<0.05$). Thus, results verify H_5 , H_7 and H_9 .

From franchisee perspective, results indicate that 7 out of 9 hypotheses are supported. Thus, it has been verified that the cooperation between the two parties ($\lambda=0.789$, $p<0.01$) as well as the useful exchange of information between partners ($\lambda=0.262$, $p<0.05$) influence the franchisees' trust in their franchisor, which verifies the hypothesis H_1 and H_2 . This trust develops a greater commitment to franchisor ($\lambda=0.864$ $p<0.01$), a higher franchisees' long-term orientation ($\lambda=0.353$, $p<0.1$), that franchisees will be more satisfied ($\lambda=0.930$, $p<0.01$), as well as enables greater economic results for them ($\lambda=1.183$, $p<0.01$), for which H_3 , H_4 , H_6 and H_8 are supported. Likewise, franchisees' commitment to their franchisor enlarges their desire to maintain the relationship in the long-term ($\lambda=0.509$, $p<0.05$), but diminishes their performance ($\lambda=-0.757$, $p<0.05$); nevertheless, franchisees' commitment has a non significant relation with their satisfaction ($\lambda=-0.069$; non significant) Thus, these results verify H_5 , while H_7 is no supported and H_9 is contrary to expected.

In order to study more deeply the determining factors of successful long-term relationships, we have analyzed the proposed model according to the time that franchisors and franchisees have been operating in the franchise channel⁵. The process is the following: first, the proposed model is estimated (in which all the structural coefficients are different between the two groups) and the model fit is assessed for both groups. The next stage is to compare the proposed model with a series of models in which each factor loading is the same in both groups (García *et al.*, 2002). The Lagrange Multiplier test applied to the multi-sample analysis gives us information on the adequacy of the restrictions in a multi-sample model (Bentler, 1995). The statistic associated to each restriction separately analyzes if the restrictions are associated to a significant LM test ($p<0.05$). If the difference of the χ^2 value is significant it shows that the structural parameters are significantly different between both groups, so the hypothesis that the corresponding factor loading is equivalent in both groups is rejected.

³ Because of the large number of indicators and constructs to be evaluated, three separate measurement models from the franchisee perspective had been estimated (Bentler and Chou, 1987), one for each group of measures, selected on the basis of what constructs were more similar (Jap and Ganesan, 2000). Separate confirmatory factor analysis are performed on variables measuring the antecedents (information exchange and cooperation), mediating variables (commitment and trust) and consequences (long-term orientation, satisfaction and performance).

⁴ See also Anderson and Narus (1990); Anderson and Weitz (1992); Ganesan (1994); Garbarino and Johnson (1999) for the analysis of samples by separated.

⁵ These analyses were done with the EQS software, which has the option multi-sample analysis (Bentler, 1995). In this context, we decide to perform the estimation of the structural equation model by a path analysis, due to the restricted size of the sample and to make sure that the measurement model would be the same in the sub-samples.

To carry out the comparative analysis according to the experience, in the case of franchisors we have differentiated between those which have been operating for longer (“high experience”) than average ($\mu=10.16$ years) and those which have been operating for shorter (“low experience”). The multi-sample model show a good fit ($\chi^2=53.663(28)$, $p=0.00245$; IFI=0.914; CFI=0.910; GFI=0.887) and in it all the hypotheses are fulfilled, except the one between trust and performance for the case of companies with high experience, but this trust has an indirect influence in achieving greater performance through commitment to their franchisees (table 4). As for franchisees, the comparative analysis was done with those franchisees considered as experienced, because they have been in the market longer than the average ($\mu=3.43$ years), and those franchisees which have been few years operating (inexperienced). The multi-sample model shows an excellent fit ($\chi^2=36.823(16)$, $p=0.00222$; NNFI=0.914; IFI=0.955; CFI=0.954; GFI=0.897). The results obtained according to the time that franchisees have been working for the chain are very similar to those obtained in the general model proposed for the franchisees. The main differences are in the fact that when the franchisees are experienced, the trust developed in the franchisor has no direct influence on their long-term orientation, but it affects it indirectly through commitment. When the franchisees have been operating for a short time, on the one hand the norm of information exchange has no influence on a greater trust in their franchisor; on the other hand, the commitment to franchisor does not affect their wish to continue the relationship in order to obtain long-term profits, either. Therefore, as in the general model contrasted for franchisees, the achievement of greater performance and their satisfaction are based on the trust they have developed in their franchisor (table 4).

Table 4 Multi-sample analysis: franchisors and franchisees experience

	Franchisors			Franchisees		
	Coeff.	T-Value	Hypot.	Coeff.	T-Value	Hypot.
High experience						
H ₁ : COOPER- TRUST	0.206 ^c	1.822	H ₁ : YES	0.598 ^a	5.050	H ₁ : YES
H ₂ : INFORM- TRUST	0.507 ^a	4.360	H ₂ : YES	0.378 ^a	3.366	H ₂ : YES
H ₃ : TRUST -COMMIT	0.551 ^a	3.131	H ₃ : YES	0.897 ^a	5.302	H ₃ : YES
H ₄ : TRUST – LONG TERM	1.468 ^a	4.798	H ₄ : YES	0.007 ^{ns}	0.021	H ₄ : NO
H ₅ : COMMIT – LONG TERM	0.998 ^a	3.118	H ₅ : YES	0.991 ^a	3.142	H ₅ : YES
H ₆ : TRUST -SATISF	0.846 ^a	3.457	H ₆ : YES	1.009 ^a	3.270	H ₆ : YES
H ₇ : COMMIT -SATISF	0.688 ^a	2.676	H ₇ : YES	-0.011 ^{ns}	-0.038	H ₇ : NO
H ₈ : TRUST -PERFORM	0.256 ^{ns}	0.750	H ₈ : NO	1.164 ^b	2.535	H ₈ : YES
H ₉ : COMMIT – PERFORM	0.821 ^b	2.258	H ₉ : YES	-0.464 ^{ns}	-1.082	H ₈ : NO
Low experience						
H ₁ : COOPER- TRUST	0.124 ^b	2.333	H ₁ : YES	0.739 ^a	7.513	H ₁ : YES
H ₂ : INFORM- TRUST	0.250 ^a	4.685	H ₂ : YES	0.146 ^{ns}	1.569	H ₂ : NO
H ₃ : TRUST - COMMIT	0.594 ^b	2.362	H ₃ : YES	0.883 ^a	9.109	H ₃ : YES
H ₄ : TRUST – LONG TERM	0.952 ^a	4.062	H ₄ : YES	0.641 ^a	2.742	H ₄ : YES
H ₅ : COMMIT – LONG TERM	0.738 ^a	6.230	H ₅ : YES	0.249 ^{ns}	1.034	H ₅ : NO
H ₆ : TRUST -SATISF	1.041 ^a	3.354	H ₆ : YES	1.349 ^a	5.707	H ₆ : YES
H ₇ : COMMIT - SATISF	0.688 ^a	4.399	H ₇ : YES	-0.430 ^c	-1.781	H ₇ : NO
H ₈ : TRUST - PERFORM	1.001 ^a	3.258	H ₈ : YES	1.034 ^a	2.793	H ₈ : YES
H ₉ : COMMIT – PERFORM	0.612 ^a	3.952	H ₉ : YES	-0.637 ^c	-1.674	H ₉ : NO

a. significant at 1% ; b. significant at 5% ; c. significant at 10% ; ns: non- significant

By observing the results we determine that the time which franchisors and franchisees have been operating in the market has no influence on any of the hypotheses of the proposed model. The results of applying the Lagrange Multiplier test to each restriction show that all the parameters in the structural model are the same in both groups, which means that experience has no influence on any of the hypotheses proposed for franchisors and franchisees (table 5).

Table 5 Hypothesis contrast for franchisors and franchisees in function of their experience

Model	Restriction	χ^2 Differ. (df)	p-value	χ^2 Differ. (df)	p-value
M1	COOPER- TRUST ($\gamma_{111}=\gamma_{112}$)	0.3 (1)	0.5838	0.235 (1)	0.628
M2	INFORM- TRUST ($\gamma_{121}=\gamma_{122}$)	3.008 (1)	0.0828	0.674 (1)	0.412
M3	TRUST -COMMIT ($\beta_{211}=\beta_{212}$)	0.019 (1)	0.8903	0.009 (1)	0.923
M4	TRUST - LONG TERM ($\beta_{311}=\beta_{312}$)	1.054 (1)	0.3045	2.742 (1)	0.098
M5	COMMIT-LONG TERM ($\beta_{321}=\beta_{322}$)	0.545(1)	0.4603	3.239 (1)	0.072
M6	TRUST -SATISF ($\beta_{411}=\beta_{412}$)	0.239 (1)	0.6249	0.705 (1)	0.401
M7	COMMIT -SATISF ($\beta_{421}=\beta_{422}$)	0.000 (1)	1	1.007 (1)	0.316
M8	TRUST - PERFORM ($\beta_{511}=\beta_{512}$)	2.716 (1)	0.0993	0.052 (1)	0.819
M9	COMMIT - PERFORM ($\beta_{621}=\beta_{622}$)	0.272 (1)	0.6019	0.086 (1)	0.769

5. Conclusions

After a revision of the theory and the main empirical contributions from the marketing perspective, we have proved the great interest aroused by the change of strategic orientation from a perspective based on transactions with customers into an approach of relationships with all the members of the network, oriented to create value. Later, we have examined the affective and behavioural factors which have a greatest influence in the success of a relationship marketing strategy, emphasizing the role of commitment and trust in a relationship.

The most relevant conclusions of this study have been the following. First, franchise channels are characterized by cooperation and the use of participative communication. The reason is that the members of the franchise channel benefit from sharing network systems and working together in order to obtain mutual objectives. The results of the study show that the franchisors and franchisees who cooperate and share useful and, in general, quality information trust more in their partners. Secondly, both franchisors and franchisees perspectives suggest that trust increases the commitment to the channel members. The reason is that when the parties trust each other the risk and vulnerability decreases and both parties tend to commit more easily (Ganesan, 1994). Thirdly, both trust and commitment are essential elements to make both parties wish to continue their relationship, since they perceive that they will obtain higher profits if the relationship goes beyond the duration of the contract.

The results determine in both samples that trust improves the success of the relationship, in terms of satisfaction and performance. In this sense, if franchisors and franchisees trust in partner, they will be more certain that the actions taken by the other party will produce positive results (Andaleeb, 1996). Nevertheless, the results are different between the samples with regard to the effect of commitment on satisfaction and performance. Thus, the franchisor's commitment to their franchisees increases the performance of the franchise company, since it is more involved both in their individual objectives and those of the franchise network and they will make efforts to obtain them (Jap and Ganesan, 2000). However, we have proved that franchisees' commitment reduces the performance of their business, a fact which can be attributed to the perception of symmetric interdependence with their franchisor (Brown *et al.*, 1995).

In this context, the franchisors' commitment to their franchisees facilitates the achievement of mutual objectives, which will increase their satisfaction (Mohr and Spekman, 1994; Siguaw *et al.*, 1998). Nevertheless, we did not obtain a significant relation between commitment and satisfaction in the sample of franchisees. This difference may be attributed to the different way of measuring the satisfaction construct (Anderson and Narus, 1990; Siguaw *et al.*, 1998). Finally, we have verified that the experience of franchise companies and their franchisees has no moderating effects on any of the proposed hypotheses. In this context, commitment and trust are key variables for the success of commercial relationships when the franchisor has just formed as a franchise chain recently. However, when the franchisor has been operating for longer, the trust developed to their franchisees has no direct influence in the performance obtained by the chain, and it has an indirect effect on performance through the commitment to the franchisees in the network.

The distinction of the franchisees who have been operating in the market for longer has taken us to results which are very similar to those in the general model for this group. The only difference is that franchisees' trust in their franchisor has no direct effect on their long-term orientation, but it affects them indirectly through commitment. When the franchisees have little experience, the differences with the general model are that trust in their franchisor is based on cooperation, whereas their wish to continue their relationship does not depend on the commitment developed to their franchisor, but exclusively on the fact that the franchisor has an honest and benevolent behaviour.

Although the limits of this study are the size of the sample and the use of cross sectional data, as future lines of research we propose comparative analyses to check if the model hypotheses are fulfilled according to some characteristics of the relationship. More precisely, we suggest to analyze the proposed model according to the degree of dependence, formalization and centralization. Finally, we propose to extend the study with other essential variables in inter-firm relationships, such as partners' reputation or environment's uncertainty to examine the relation between these variables and trust and commitment.

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