The Structure of Commitment in Exchange

Commitment is an essential part of successful long-term relationships. Whereas commitments by both parties in an exchange can provide the foundation for development of relational social norms, disproportionate commitments can lead to opportunism by the less committed partner. The authors study the effect of the credibility and proportionality of commitment inputs in an exchange upon the development of relational social norms, opportunism, and long-term commitment intentions. They also investigate longitudinal effects of the credibility of long-term commitment intentions, relational social norms, and opportunism in one time period on commitment inputs and long-term commitment intentions in later periods. Data gathered from a behavioral simulation suggest that (1) the credibility of commitment inputs in exchange is positively related to the development of relational social norms, (2) and is positively related to long-term commitment intentions in the same time period, (3) relational social norms may be undermined by opportunistic conduct, and (4) the presence of relational social norms in one time period is positively related to commitment inputs and long-term commitment intentions in later periods.

Theories of exchange that emphasize the benefits of close, long-term relationships are receiving increasing emphasis in marketing (e.g., Achrol 1991; Bucklin and Sengupta 1993; Gundlach and Murphy 1993; Varadarajan and Rajaratnam 1986; Webster 1992). Researchers have examined various facets of these relationships, including the level of commitment (Achrol, Scheer, and Stern 1990; Anderson and Weitz 1992; Dwyer, Schurr, and Oh 1987; Morgan and Hunt 1994), opportunism (John 1984), and the use of social norms for governing these exchanges (Dant and Schul 1992; Heide 1994; Heide and John 1992; Kaufmann and Stern 1988).

Commitment is an essential ingredient for successful long-term relationships. It has been defined as “an implicit or explicit pledge of relational continuity between exchange partners” (Dwyer, Schurr, and Oh 1987, p. 19). Commitment implies a willingness to make short-term sacrifices to realize longer-term benefits (Dwyer, Schurr, and Oh 1987). It is believed to be associated with motivation and involvement (Mowday, Porter, and Steers 1982), positive effect and loyalty (Kanter 1972), and performance and obedience to organizational policies (Angle and Perry 1981). It provides a foundation for the development of social norms of governance, which are considered important mechanisms for regulating long-term relational exchanges and reducing opportunism (Macneil 1980).

Committed partners are willing to invest in valuable assets specific to an exchange, demonstrating that they can be relied upon to perform essential functions in the future (Anderson and Weitz 1992). These self-interest stakes help stabilize associations, alleviating the uncertainty and cost of continually seeking and consummating new exchanges. However, whereas corresponding commitments align incentive structures so as to deepen and strengthen involvement and lay the foundation for future exchange, disproportionately held commitments can undermine the relationship through elevating one party’s vulnerability to opportunism.

The recognition that commitment can provide both benefits and liabilities in exchange suggests the importance of examining its structure. The objective of this article is to study this structure as it relates to long-term commitment. The theme is that where credible commitments (i.e., substantial commitments) are jointly pledged, their presence cultivates shared trust and the development of social norms which in turn work to maintain the relationship and constrain opportunistic inclinations.

It is the presence and function of these social norms that are vital to further commitment and longer term exchange. By contrast, disproportionate commitment among partners establishes the incentive for a less committed party to act opportunistically. Opportunism erodes the prospect of future commitment and the establishment of longer-term exchange. The structure of commitment, its relationship to social norms and opportunism, and their consequences for commitment over time are examined through the use of a multiperiod behavioral simulation.

Theory and Hypotheses
The concept of commitment may very well become a focal point of explanation in marketing, as the discipline moves further away from the transactional view of exchange and
embraces the relational view. This is true whether we are talking about consumer relationships with companies or interorganizational commitment.

Commitment is thought to be closely related to mutuality, loyalty, and forsaking of alternatives, variables that are at the core of the meaning of relationalism. By contrast, commitment has been sharply distinguished from the economic model of rationality and discrete transactions. Cook and Emerson (1978) note that to the extent forming commitments curtails the exploration of alternatives, it is irrational in the short-run sense of ignoring better alternatives in favor of old partners, although it might offer certain long-term utilities, for example, small but steady versus maximum but risky returns, in uncertain environments.

The relational paradigm also poses significant conditions for the conventional power-dependence interpretation of marketing channel relationships. The use of power as a coordinating mechanism makes more sense in organizing exchanges that are loosely structured to begin with (for historical reasons, trade cultures, or because of industry peculiarities).

It is anticipated that in more purposefully organized and socially developed exchange networks, power will be participative and subject to institutional checks and balances (Achrol 1991). Cook and Emerson (1978) found some evidence that power use varies inversely with commitment in exchange networks (see also Provan and Gassenheimer 1994). Influence strategies that are compatible with relational exchange are likely to rely on expert and referent bases of power rather than the instrumental kinds such as reward and coercion.

As the marketing paradigm shifts to one in which social determinants of behavior such as trust and commitment play an even more important role, researchers are going to be faced with the problem of dealing with very complex, overlapping, amorphous, and often ambiguous constructs. As Morrow (1983, p. 486) points out, “the growth of commitment-related concepts has not been accompanied by a careful segmentation of commitment’s theoretical domain in terms of intended meaning of each concept or the concepts’ relationships among each other.” It is the objective of this paper to conceptualize the core components of commitment and study the relationships among them.

Although many differences exist in the conceptualization of commitment, the literature appears to be evolving toward a three-component model (Meyer and Allen 1991); however, significant differences remain in the conceptualization of these components. In this study we adopt the following meanings: First, commitment is defined to possess an input or instrumental component, that is, an affirmative action taken by one party that creates a self-interest stake in the relationship and demonstrates something, more than a mere promise. Second, commitment includes an attitudinal component signifying an enduring intention by the parties to develop and maintain a stable long-term relationship (Anderson and Weitz 1992). Third, commitment is thought to embrace a temporal dimension, highlighting the fact that commitment means something only over the long term, that is, the inputs and attitudes brought to the relationship must reveal consistency over time (Becker 1960, Scanzoni 1979).

The instrumental view of commitment regards it as a calculative act (Becker 1960). The committed party stakes something of value to it, which Becker calls a side bet, on consistent future behavior. The consequences of inconsistency are so costly to the party that it is no longer a feasible alternative. Becker argues that decisions that are not supported by such side bets lack staying power and crumble in the face of opposition or just fade away. Inputs to commitment have been variously described to involve pledges, credible commitments, idiosyncratic investments, and the dedicated allocation of resources, which become specific to a relationship (Anderson and Weitz 1992; Williamson 1985).

Once deployed, commitment inputs are difficult or impossible to redeploy to another exchange in the same form. Analogous to exit barriers that are voluntarily erected, these inputs make it costly to exit the relationship. For example, where an Asian manufacturer agrees to build a plant to produce a custom private label product for a U.S. retailer like Sears, the firm is voluntarily erecting an asset specific to the relationship, an investment that has greatly diminished value in alternate applications.

Certain inputs act as bonding mechanisms between exchange partners through “tying their hands” (Schelling 1960) and signaling their intentions (Ouchi 1980). For example, when a manufacturer grants and a distributor accepts sole product or territorial representation, each is in effect tying the other’s hands through economic and legal commitments that are difficult to exit. Likewise, when a party discloses confidential information (e.g., market and competitive conditions) or provides access to proprietary knowledge (e.g., product design, technology, and research and development [R&D]), it is signaling its intentions and expectations regarding the quality of the relationship.

Other kinds of commitment inputs may not involve nonfungible assets, but otherwise constrain a party’s strategic position and/or opportunities by imposing redeployment costs or reducing the number of alternative relationships to which resources may be pledged (Williamson 1983, 1984).

When a distributor like Computerland agrees to carry a manufacturer’s product line, for example, IBM, explicit and implicit cost-bearing decisions (e.g., training of sales personnel and development of promotional programs) are made that limit the capacity and freedom to deal with other manufacturers. These inputs limit the manufacturer’s allocation of resources to other relationships and therefore yield commitment.

The second component of commitment is an attitudinal one. It has been described in terms of affective commitment, psychological attachment, identification, affiliation, and value congruence (Allen and Meyer 1990; O’Reilly and Chatman 1986). This type of commitment represents “a partisan, affective attachment to the goals and values of an organization, to one’s role in relation to the goals and values, and to the organization for its own sake, apart from its purely instrumental worth” [italics added] (Buchanan 1974, p. 533).

Organizations recognize the value of having members who are spontaneously motivated to go beyond prescribed
roles and perform above and beyond the call of duty. Exchange relationships predicated on no more than the material benefits of the exchange are likely to require more costly and sophisticated control systems and are likely to suffer from higher turnover (O'Reilly and Chatman 1986). On the other hand, where parties share goals, values, and an affective attachment, they can be expected to act instinctively for the benefit of one another.

The attitudinal component of commitment shares common domains of meaning with other prominent behavioral constructs, such as motivation, identification, loyalty, involvement, and behavioral intention, and is most susceptible to Staw’s (1977) criticism that the value of commitment as a separate and distinct construct remains to be demonstrated.

To reduce some of these problems, we focus on a behavioral intentions meaning of attitudinal commitment. Behavioral intentions can be operationalized in terms of future resource commitments and investments. An enduring level of commitment, as reflected in each party’s long-term investment intentions, provides the basis for parties to develop confidence in the stability of their relationship. On the other hand, the absence of such expectations is likely to discourage future-oriented relationship investment. Thus, a behavioral intentions conceptualization of attitudinal commitment complements the instrumental component and at the same time foreshadows the third component, long-term commitment.

The temporal dynamics of commitment are at the very heart of the construct. Becker (1960) notes that sociologists make use of the concept of commitment when they are trying to account for why people engage in consistent lines of activity. By definition, commitment involves the desire or intention to maintain a valued relationship into the future (Moorman, Zaltman, and Despande 1992), with two of its important elements being durability and consistency over time (Dwyer, Schurr, and Oh 1987). Morgan and Hunt (1994) observe that a committed party believes the relationship is worth working on to ensure that it endures indefinitely.

Long-term or continuance commitment (Allen and Meyer 1990) is directly the result of commitment inputs. Self-interest stakes created by these inputs bind parties to future courses of action. Committed parties forgo exploring alternative relationships and rewards over the course of their relationship. Relatedly, consistent behavior demonstrates reliability and tends to be rewarded over a series of transactions. Moreover, generalized cultural expectations can exist that provide penalties for those who violate them (Becker 1960). For example, people may not change jobs too often because they believe it will be perceived as reflecting an erratic and insecure temperament.

A benefit of long-term relationships is that they reduce turnover and eliminate the search and startup costs of frequently dealing with new parties. They also economize on learning costs and experience effects. They require simpler governance structures and monitoring systems and provide a host of efficiencies stemming from flexibility, adaptability, and reduced role ambiguity.

Although the literature appears to treat long-term commitment as a self-reinforcing cycle growing out of an initial act of instrumental commitment, actual exchange behavior is far too varied to be explained by such a simple model. Not all initial commitments, no matter how well intentioned, lead to long-lasting and successful relationships.

Our key argument is that it is not the act of initial commitment alone but rather the structure of initial commitment inputs that influences the type of sentiments and social norms that develop to characterize and govern the relationship and in turn fashion the quality and quantity of long-term commitment.

The Structure of Commitment

Williamson (1985) argues that reciprocal or joint commitment inputs can lead to stable long-term relationships through aligning participants’ incentive structures and enhancing their confidence in each other. Under these conditions, engaging in opportunistic behavior and risking dissolution of an exchange is contrary to the interests of each partner. Commitments by both parties act as powerful signals of the quality of the relationship contemplated, set the stage for building trust in the relationship, and influence the development of shared social norms for regulating future exchange. Recent literature in economics (Williamson 1985), contract law (Macneil 1980), and organization theory (Ouchi 1980) emphasizes the key governance role played by social norms, as distinct from market or hierarchical mechanisms, in longer-term exchange.

Considerable latitude exists, however, for the development of mismatches in commitment in exchange. A mismatch of commitments may occur naturally, for example, by the normal evolution of exchange or as a result of strategic initiatives, that is, one party’s attempt to gain a comparative advantage (Bacharach and Lawler 1981). Whatever their genesis, disproportionate commitments can result in conflict, dissatisfaction, and opportunistic tendencies, and erode the governing properties of relational norms leading to the eventual decline of an exchange relationship. Anderson and Weitz (1992, p. 20) observe:

Asymmetries in commitment probably result in unsatisfactory relationships because the more committed party is vulnerable to opportunism by the less committed party. The less committed party is more willing to abandon the relationship and less willing to reciprocate sacrifices made by the committed party.

The belief that commitment can provide both benefits (reliable, long-term exchange) and liabilities (increased vulnerability to opportunism) suggests the importance of examining its structure. One dimension of commitment structure is its credibility, that is, the magnitude of the parties’ combined commitments. The larger and more idiosyncratic the resources pledged by both parties, the more significant is the self-interest stake created for each, the stronger the normative climate of the relationship, and, thus, the greater the long-term commitment of the parties. Trivial or less-than-credible commitments yield mixed incentives, lack of a strong normative culture, and eventually low levels of long-term commitment.

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A second dimension of commitment structure is its mutuality or proportionality. Matching commitments align incentives toward parity, whereas disproportionate commitments lead to contrary incentives and motives. A more committed party may become vulnerable to opportunism, whereas a less committed partner may be tempted to exploit its advantage, especially under adverse market conditions.

It follows that to fully understand the nature of commitment and its temporal dynamics, it is useful to distinguish between (1) the structure (i.e., credibility and proportionality) of commitment inputs, (2) their impact on the vital intervening processes of social norm development and opportunism, and the effect of these on (3) longer term commitment (both attitudinal intentions and actual commitment in future exchanges). We develop testable hypotheses relating these associations and processes.

Relational social norms. Social norms are defined as shared expectations regarding behavior (Axelrod 1986; Ben- dor and Mookherjee 1990; Gibbs 1981; Macneil 1980; Thibaut 1968). Parties that want stable, long-term exchange relationships must evolve a governance approach that avoids the uncertainty, conflict, and opportunism of market transactions as well as the bureaucracy and inefficiencies of enforcement cooperation via hierarchy or third-party governance. Such a governance mechanism is oriented toward self-regulation and exudes the properties of a "minisociety with a vast array of norms beyond those centered on the exchange and its immediate process" (Macneil 1978).

Relational norms evolve in exchange when parties contemplate bilaterally committed strategies and goals and a longer-term orientation (Macauley 1963; Macneil 1980; Scott 1987). These norms include the extent to which unity or fellowship arising from common responsibilities and interests dominates the relationship (i.e., solidarity) and the degree to which monitoring of individual transactions is tempered by trust (i.e., mutuality). Other facets that are considered important include the extent to which exchange arrangements can be modified if changes require it (i.e., flexibility), the degree to which dyadic roles are seen as complex and extending beyond transactions (i.e., role integrity), and the extent to which conflict resolution is tempered with situation appraisal and compromise (i.e., harmonization of conflict).

A key question relates to how social norms come to be established in exchange relationships (see, for example, Buchanan 1975; Davis 1969; Olson 1971; Thibaut and Kelley 1959). Our argument is that credible commitments of specialized resources provide an impetus for the development of relational social norms. Credible self-interest stakes by both parties establish the foundation for mutuality and cooperation, which are key elements of social norms governance. These norms in turn deter opportunism and encourage parties to commit further in the relationship.

Conversely, where parties pledge less-than-credible resources in an exchange, incentives for each to internalize the goals, values, and well-being of an exchange partner are constrained or lacking. Neither party possesses a substantive incentive for its maintenance, so social norm development, and long-term commitment are likely to be muted. We deduce the following hypotheses:

H1: The greater the credibility (i.e., magnitude) of commitments by exchanging parties, the greater the relational nature of social norms that evolve to govern the relationship.

H2: Relational social norms of governance tend to reinforce commitment and thus are positively related to long-term commitment intentions.

Opportunism. Opportunism has been defined as "self-interest seeking with guile" (Williamson 1975, p. 6) and is considered to involve deceit as a fundamental element (Macneil 1982). As commonly understood, opportunism possesses a negative connotation, describing an instance in which someone reneges on an agreement or understanding to take advantage of a new opportunity. Although Williamson claims that plain self-interest seeking is not opportunism but rather the foundation of the market mechanism, he goes on to include a wide variety of self-interest seeking behaviors as opportunistic, including incomplete or distorted disclosure of information and calculated efforts to mislead, distort, disguise, obfuscate, or otherwise confuse (Williamson 1985). Muris (1981) goes further and contends that opportunism arises when a party "behaves contrary to the other party's understanding of their contract, but not necessarily contrary to the agreement's explicit terms, leading to a transfer of wealth from the other party to the performer" (p. 521).

We adopt a broad view of opportunism, because whereas self-interest seeking is the foundation of the market mechanism, a much higher standard of mutual interest seeking is the foundation of commitment and the mechanisms underlying long-term relational exchanges. Lawful but unethical self-interest seeking of the kind described by Muris and others or of the kind noted by Williamson that involves incomplete information and disguised motives is incompatible with long-term exchange and the social mechanisms necessary for its governance.

Where parties commit disproportionately to a relationship, the less committed party enjoys an advantage relative to the more committed partner and may take advantage of its position (Shell 1991). For example, during negotiations one party may disclose proprietary information that is then appropriated by a partner. Likewise, one party may make investments in or engage in partial performance before all terms have been agreed upon, for example, due to time pressures, limited access to resources, or negotiation pressure. A partner may exploit this performance and then break off negotiations. Opportunism can also occur when one party commits specific assets and the other then forces renegotiation of the original agreement to capture more of the exchange surplus (Butler and Baysinger 1983). The following hypothesis is proposed:

H3: If parties to an exchange commit disproportionately to the relationship, there emerges the propensity for opportunistic behavior on the part of the less committed party.

On the other hand, in highly committed exchanges powerful social norms may emerge to guide and regulate the standards of trade and conduct. The long-term benefits of maintaining solidarity and mutuality of interests, harmo-
nious conflict resolution, and the flexibility to adapt to changing environments typically outweigh any short-term surplus from opportunism.

At a more general level, there are the reputational consequences to opportunistic behavior. Developing the image of a selfish, exploitative, and unreliable exchange partner can be a debilitating liability in exchange cultures that value social norms of conduct. The prospect of future exchanges and interactions between the parties over an extended trading horizon is likely to diminish the incentive to act opportunistically.

**H₄:** In exchange relationships, the presence of relational social norms tends to mitigate (i.e., have a negative relationship with) opportunistic tendencies.

Alternatively, if a party to an exchange relationship chooses to behave in opportunistic ways for whatever reason, it is likely to provoke retaliatory behavior (Bacharach and Lawler 1980, 1981). Opportunism begets opportunism. With trust and confidence in the relationship undermined, the parties involved will seek to withdraw or limit their commitments over time. It follows:

**H₅:** A party’s long-term commitment intentions will be negatively related to opportunistic behavior by an exchange partner.

**Long-term commitment.** Anderson and Weitz (1992) found that commitment by exchange partners is mutually reinforcing and increases over time. Their model examines perceptions of commitment by one party as a function of a partner’s actual commitment; however, this relationship is examined at one point in time. Following their study and the work of others who have proposed similar processes—for example, cooperation in mixed-motive games (Axelrod 1986), reciprocity norms (Gouldner 1960), organizational commitment (Eisenberger et al. 1986), and bargaining theory (Bacharach and Lawler 1980, 1981)—we propose that the credibility of the partners’ commitments has important intertemporal effects.

The most immediate manifestation of this is likely to be found in attitudes and intentions regarding long-term commitment. Each party’s perception of the other’s commitment inputs will reinforce individual commitments (Anderson and Weitz 1992) and therefore future commitment intentions. A similar process and effects can be expected for actual commitment inputs and attitudes in future exchanges. We propose the following hypotheses:

**H₆:** The greater the magnitude or credibility of exchange participants’ commitment inputs, the greater each party’s long-term commitment intentions.

**H₇:** The greater the magnitude or credibility of exchange participants’ future commitment intentions in period t, the greater each party’s (1) commitment inputs in period t+1 and (2) future commitment intentions in period t+1.

Consistent with our predictions of the effects of social norms and opportunism on long-term commitment (H₃, H₄), we predict that similar effects will occur in future exchanges. Relational social norms are expected to have a positive impact on future commitment inputs and intentions on the part of both parties. By contrast, opportunism by one party is likely to result in the reduction of commitment by the other party or termination of the relationship altogether (Heide and John 1992). Two hypotheses are proposed:

**H₈:** The greater the development of relational social norms in period t, the greater each party’s (1) commitment inputs and (2) future commitment intentions in period t+1.

**H₉:** A party’s (1) commitment inputs and (2) future commitment intentions in period t+1 will be negatively related to an exchange partner’s opportunism in period t.

**METHOD**

**Research Setting**

This study was conducted employing a behavioral simulation depicting manufacturer and distributor exchange relationships in a channel setting patterned after the microcomputer industry in its early stages of development (Cadotte 1990). Laboratory gaming techniques have been used extensively in the behavioral sciences to provide an analogy of conflict, power, and other social phenomena (Schlenker and Bonoma 1978). In marketing, researchers have studied exchange relationships using a number of different simulation techniques (see Dant and Young 1989) ranging from organizational role playing (Keith, Jackson, and Crosby 1990; Scheer and Stern 1992) to laboratory games and behavioral simulations (Dwyer and Walker 1981; Gundlach and Achorl 1993; Gundlach and Cadotte 1994; McAllister, Bazerman, and Fader 1986; Roering 1977; Stern, Sternthal, and Craig 1973, 1975). These methods are especially useful in the developmental stage of theory and construct measurement, because the researcher can observe the phenomenon of interest under controlled conditions (Tedeschi, Schlenker, and Bonoma 1973).¹

**Simulation.** A marketing capstone strategy course held at a private midwestern university during the fall of 1991 and 1992 provided the setting for the simulation.² The course was devoted entirely to a simulation exercise that comprised

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¹Schlenker and Bonoma (1978) argue that gaming techniques, including simulations, are suitable for theory testing where the games and social phenomena of interest share similar structural characteristics. Isomorphic requirements dictate that game participants, as in life, be confronted with choices that have uncertain and interdependent outcomes in settings where neither the outcomes, the choices, nor the rules are perfectly clear (p. 12). Additional considerations arise from the particular concepts and theories of interest to the researcher. At a minimum, the game or simulation should provide a sufficiently realistic context in which these concepts and theories may occur and operate. As described, this simulation meets these criteria.

²A common assumption is that the use of business managers would provide a more realistic and therefore more appropriate sample population. As Zelditch and Evan (1962, p. 59) point out, questions regarding the use of nonrepresentative populations (i.e., students) amount to "...are the ways in which the subjects differ from the referent population correlated with the effects studied" (cf. Weick 1967). This study focuses on the phenomenon and processes of exchange, business and nonbusiness, and little theory was found to suggest that differences in the two subject contexts can be expected to correlate with the constructs and processes studied. Nevertheless, as described in the text, steps were taken to ensure that participants developed adequate experience with the exchange setting and that key informants were truly knowledgeable of the relationships.
ten quarters or week-long decision periods. Participants were randomly organized into teams of four or five members and randomly assigned the role of either a new venture manufacturer or a distributor of microcomputers. Each team self-selected its member’s role responsibilities of president, finance, marketing, research, and sales/purchasing.

Manufacturers had the primary responsibility for designing and producing a product line, whereas distributors were responsible for opening retail stores and selling to end-users. Manufacturers negotiated and sold through distributors to reach final consumers. The channel environment was characterized by a great deal of interdependence. Distributors could affect manufacturers’ brand demand through pricing, shelf location, point-of-purchase promotion, and sales force allocation decisions. Similarly, manufacturers affected distributor performance by controlling access to highly sought-after brands, wholesale prices, and advertising support in cities that carried their brands.

The focal concept in this research is commitment, which is defined globally to include nonfungible or idiosyncratic investments, dedicated assets that are costly to redeploy in alternate applications, and resource commitments that preclude alternate dealings and opportunities. In the simulation both manufacturers and distributors were observed to deploy resources in a manner that was specialized to particular exchange relationships. For example, manufacturers negotiated to develop product models with characteristics that were specialized to market segments targeted by a particular distributor. Advertising copy and media strategy were often developed in conjunction with distributors and tailored to complement their segmentation strategy.

Conversely, distributors cooperated by opening stores in markets containing segments targeted by specific manufacturers. Distributors could dedicate salespersons within these stores to a manufacturer’s products, give favorable shelf space, and develop cooperative local advertising (e.g., actually naming a manufacturer). Complicated capital arrangements were also frequently made, including prepayment for orders, sharing of R&D expenses for future product innovations, lending for expansion of production capacity, and consignment selling.

Other decisions involved resources that could be redeployed only at considerable cost and difficulty. Practically all had foregone opportunities, because financial resources were quite scarce in the beginning for all participants. For example, manufacturer production runs required a one period lead time, and products could not be reconfigured or brand names changed. Only new products could be redesigned with the appropriate lag time. Similarly, distributor store closings incurred administrative costs and the redefinition of salespersons requiring additional training costs.

Advertising copy and media plans were also difficult to redeploy, especially those involving a named channel partner. Finally, redeployment costs included such intangibles as the time and effort required to cultivate new relationships, negotiate terms, and develop new functional allocations and management tasks.

Data Collection

Participants completed questionnaires at the end of periods 3 and 6 regarding their interactions with channel partners over the previous two periods. The periods reflected relationships at relatively early as well as mature stages of development. At the same time, maturation-related bias due to initial learning and ending grade effects was reduced through use of these intermediate periods. Testing effects were mitigated by the 3-week period allowed between questionnaire administrations.

A key informant methodology was utilized for generating the questionnaire data. Key informants should meet the criterion of being knowledgeable about the phenomenon under study (Campbell 1955). Respondents were initially screened by asking only those participants who had actual contact with a channel partner during the preceding two periods to complete the questionnaires. Channel partners rated each respondent’s degree of interaction with their organization on a seven-point scale ranging from no contact to having extensive dealings with. The highest rated manufacturer and distributor respondent for each channel relationship was then selected as the key informant for each period.

This procedure permitted manufacturer and distributor key informants to be identified with respect to period and channel relationship. Because of the dyadic nature of the study, matched manufacturer and distributor observations were needed to be included in the final sample. To capture longitudinal effects, the sample was restricted to exchanges that existed for both the periods studied. The final sample yielded 130 matched observations by manufacturers and distributors (65 for each period).

Measures

Commitment. In this study commitment is conceptualized as consisting of three dimensions—input, attitudinal, and temporal. Furthermore, the structure of commitment is analyzed by distinguishing between the credibility and proportionality of commitment inputs.

Commitment inputs include idiosyncratic and dedicated investments, which become specific to a relationship (e.g., products that are custom designed and produced, specialized training for salespeople, and dedicated R&D projects) as well as inputs that may not involve nonfungible assets but otherwise constrain a party’s strategic opportunities by reducing the number of alternative relationships to which it may pledge resources (e.g., disclosing valued information concerning strategies and decisions and sharing competitive information).

Our operationalization of commitment inputs measures disclosure of confidential information (e.g., industry and market conditions and competitive information), sharing of
proprietary information about firm decisions and strategies (e.g., brand design intentions, R&D projects, target market selection, store openings, sales force allocation and advertising copy, and/or media strategies), dedicated operational decisions (e.g., market research, brand designs, store openings, inventory allocations, advertising, and financial and managerial assistance), and exclusive representation.

The attitudinal aspect of commitment is operationalized by measuring participants' intentions regarding future investments (i.e., long-term commitment intentions). The temporal dimension is measured by actual commitment inputs made in future exchanges (i.e., commitment inputs in period 6).

The magnitude or credibility of commitment, as signified by the total assets and resources committed between the two parties jointly, reflects one dimension of commitment structure. It is operationalized simply as the sum of commitment scores for a manufacturer and distributor in an exchange relationship.

The mutualness or proportionality of commitment is operationalized as the difference in commitment scores of each party to an exchange—that is, manufacturer self-report of commitment less distributor self-report and vice-versa for distributors. All measurement items used are described in the Appendix.

Relational social norms. Social norms are defined as patterns of accepted and expected sentiments and behavior that are shared by members of an exchange system and have the force of social obligation or pressure (Birenbaum and Sagarin 1976, Jackson 1966). Norms represent an overarching, complex construct composed of a number of elements (Noordewier, John, and Nevin 1990). Five such norms were operationalized from previous conceptualizations in the literature (Boyle et al. 1991; Gundlach and Achrol 1993; Heide and John 1992; Kaufmann and Dant 1992; Kaufmann and Stern 1988, 1992; Macneil 1980; Noordewier, John, and Nevin 1990), namely, solidarity, mutuality, flexibility, role integrity, and harmonization of conflict.

Solidarity is the extent to which unity or fellowship that arises from common responsibilities and interests dominates an exchange relationship. In a relational exchange, the flow of benefits, burdens, and each party's contributions are subject to evolution and circumstances. The norm of mutuality is the degree to which a particular business relationship is based on mutual benefit and trust (Kaufmann and Dant 1992). Flexibility implies good faith modification and adaptation of the substance and terms of exchange in light of unforeseen and/or changed circumstances that confront parties to an agreement (Boyle et al. 1992). Role integrity refers to the extent to which dyadic roles are complex and extend beyond transactions (Kaufmann and Dant 1992). Harmonization of conflict exists to the degree to which parties attempt to reach mutually satisfactory compromises and eschew resorting to formal procedures and third-party involvement for resolution of their conflicts.

These norms span the domain of the construct and are conceptually distinguishable but highly interrelated. Thus, to derive a measure of social norms, a composite scale composed of the sum of the five equally weighted component norms was used in the study.

Opportunism. A key conceptual argument in this study is that a much higher standard of mutual interest seeking provides the requisite basis for commitment in an exchange relationship and therefore requires opportunism to be broadly defined. We adopt perspectives offered by Muris (1981) and others (Goetz and Scott 1981; Williamson 1985) and define opportunism to include behavior contrary to a party's implicit understanding of an exchange but not necessarily contrary to any explicit agreement, which leads to a transfer of wealth from one party to another. Such a definition includes self-interest seeking prompted by guile and lesser forms such as "incomplete or distorted disclosure of information and calculated efforts to mislead, distort, disguise, obfuscate, or otherwise confuse" (Williamson 1985), as well as conduct contrary to mutual interest seeking by the parties.

Recognizing that opportunistic conduct may arise both during negotiations and the administration of an exchange relationship, our operationalizations tap conduct across these circumstances (Appendix).

Measure Assessment

Measures of all multiple item scales were developed using standard psychometric scale development procedures (Nunnally 1978). Each variable that was measured with multiple items was subjected to a scale development and purification procedure (Churchill 1979). Because of the longitudinal nature of the study it was possible to cross-validate measures across time periods. Final coefficient alphas, principal components factor loadings, and descriptive statistics for each scale are reported in Table 1. Alphas for each of the scales exceed .70 and suggest a satisfactory level of reliability (Nunnally 1978). Principal components loadings employing a single factor solution are also high and provide evidence of the unidimensional nature of the scale items (Carmines and Zeller 1979).

Validity. A test was incorporated in the study to assess the nomological validity of the key construct—that is, commitment. Because commitment involves critical resources that are difficult to redeploy, their deployment in a relationship suggests its importance and reduces the number of alternative relationships to which commitments can be made (Anderson and Weitz 1992). Firms that commit substantial resources and contemplate future commitments should relate higher levels of importance to their exchange partners and greater difficulty in developing alternative and/or substitute relationships.

To assess this prospect, four measures of an exchange partner's importance and difficulty in replacing were developed (Table 2). Correlation coefficients of these measures and the two measures of commitment (i.e., commitment inputs and long-term commitment intentions) for manufactur-

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4For example, interdependence is the root of solidarity and mutuality. As Macneil (1980, p. 45) notes: One of the sources of mutuality is contractual solidarity, but at the same time solidarity cannot survive for long in the face of perceptions that one side is constantly getting too good a deal, that is, a perceived failure of mutuality. Likewise, solidarity presupposes some degree of role integrity, and long-term mutuality cannot be achieved without flexibility and harmonization of conflict.
ers and distributors across periods 3 and 6 are reported in Table 2. The correlations are all large, significant, and in the predicted direction, thus supporting the nomological validity of the key construct in this study.

Results and Discussion

Multiple regression was used for testing the hypothesized relationships. Tables 3 and 4 report the standardized regression coefficients used to test $H_1$–$H_6$ for manufacturers (Table 3) and distributors (Table 4) in period 3. Tables 3b and 4b report the equivalent data for period 6, which is used to cross-validate the test of hypotheses $H_1$–$H_6$. Results for hypotheses $H_7$–$H_9$ that address interperiod effects are reported in Tables 5 (manufacturers) and 6 (distributors).

The Structure of Commitment and Relational Social Norms

A key question concerning the relational exchange paradigm involves how social norms come to govern exchange relationships. The argument proposed in this research is that commitment by both parties provides the necessary basis for

**TABLE 1**

<table>
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<tr>
<th>Scale</th>
<th>Statistic</th>
<th>Manufacturers Period 3</th>
<th>Manufacturers Period 6</th>
<th>Distributors Period 3</th>
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<td>.93</td>
<td>1.34</td>
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</table>

Notes:  
*Indicates reverse-coded item.  
—Indicates deleted item.
Results of the study provide support for this proposed relationship (Tables 3 and 4.) In period 3, standardized regression coefficients that relate social norms and long-term commitment intentions are positive and significant for both manufacturers (.25, p ≤ .05) and distributors (.32 p ≤ .01). Similar results are observed for period 6 data (.41, p ≤ .01 and .32, p ≤ .01 for manufacturers and distributors, respectively; see Tables 3b and 4b), cross-validating the findings.

Together, the results suggest that relational norms yield the requisite social safeguards that enable parties to feel confident in their future commitment intentions. The malleable and enduring nature of this form of governance compared to other approaches (i.e., law) is especially conducive to exchanges requiring long-term commitments.

Opportunism

The proportionality of commitments in an exchange was hypothesized to affect the propensity for opportunism. A less committed party enjoys an advantage over a more committed partner, creating the temptation and potential for opportunistic behavior. H2 predicted a positive relationship between disproportionate commitments and opportunistic behavior on the part of the less committed party. Results of the study provide some support for this proposition. Standardized coefficients for distributor opportunism are positive for both periods 3 and 6 (.18, p ≤ .10; .19, p ≤ .10; see Tables 3 and 3b); however, the percentage of variance explained is low. The coefficient for manufacturer opportunism in period 3 also supports the hypothesis (.19, p ≤ .10, Table 4), but this result is not cross-validated in period 6 (−.13, n.s.; Table 4b).

These results provide some evidence that opportunistic inclinations can arise because of disproportionate commitment structures in exchange relationships. However, the results are not strong, suggesting that disproportionate commitments may not always result in opportunistic behaviors, and that there may be other mediating effects or safeguards.

Where opportunism occurs, relational sentiments and climate are undermined. Partners are less likely to exhibit solidarity and mutuality or behave in a flexible and compromising manner. Thus, H4 hypothesized that opportunism by a partner would be negatively related to the existence of relational social norms; the results provide strong support for this prediction. Standardized coefficients for both manufacturers (−.46, p ≤ .01) and distributors (−.40, p ≤ .01) are negative and significant for period 3 (Tables 3 and 4). Results for period 6 are also well defined and consistent, cross-validating the findings (−.38, p ≤ .01 and −.50, p ≤ .01; see Tables 3b and 4b).

The study also predicted that a party’s long-term commitment intentions would be negatively related to opportunism by a partner (H2). The data analysis does not support this hypothesis. Coefficients for both periods 3 and 6 are not significant for manufacturers (.18, n.s.; .06, n.s.; Tables 3 and 3b) or distributors (.09, n.s.; .00, n.s.; Tables 4 and 4b). These results are surprising and lend themselves to speculation.

The structure of the research design provides a possible explanation for these results. The study setting involved a bi-

---

**TABLE 2**

Nomological Validity of Measures of Commitment

<table>
<thead>
<tr>
<th>Validation Measures</th>
<th>Commitment Inputs</th>
<th>Long-Term Commitment Intentions</th>
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<td>Period 6</td>
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<tr>
<td>Importance of exchange relationship</td>
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<td>.64</td>
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<tr>
<td>Effect if relationship is no longer available</td>
<td>.64</td>
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<tr>
<td>Difficulty of obtaining similar relationship</td>
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<td>.56</td>
<td>.61</td>
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<tr>
<td>Distributors²</td>
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<tr>
<td>Importance of exchange relationship</td>
<td>.62</td>
<td>.49</td>
</tr>
<tr>
<td>Effect if relationship is no longer available</td>
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<td>Difficulty of obtaining similar relationship</td>
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<td>.53</td>
</tr>
<tr>
<td>Difficulty of replacing exchange relationship</td>
<td>.51</td>
<td>.40</td>
</tr>
</tbody>
</table>

Notes:
1. All coefficients are significant (p < .05).
2. The following seven-point scales were used to measure the validation variables: (1) How important is your relationship with (exchange partner) to the overall success of your firm (not very important—very important)? (2) If (exchange partner) were no longer available as a channel partner, what effect would this have on your business (no effect—disastrous effect)? (3) How difficult would it be to develop a relationship with another channel partner similar to the relationship you now have with (exchange partner) (not very difficult—very difficult)? (4) How difficult would it be to replace (exchange partner) with another channel partner (not very difficult—very difficult)?

---

development of relational social norms. H2 predicted a positive relationship between the credibility of partner commitments and relational sentiments characterizing an exchange.

H3 is supported by the data for period 3 (Tables 3 and 4). Relational norms of exchange increase as the credibility of commitments made by exchange partners increases, as reported by manufacturers (.51, p ≤ .01) and distributors (.52, p ≤ .01). The results are cross-validated in period 6 (.44, p ≤ .01 and .36, p ≤ .01 for manufacturers and distributors, respectively; see Tables 3b and 4b), strengthening confidence in the findings.

Together, the results for both periods suggest that higher stakes in a relationship are associated with the development of relational social norms. When parties pledge significant resources, they develop a vested interest in preserving and cultivating a relationship. Relational norms act to provide social safeguards and promote further commitment; hence, H3 predicted that relational norms of governance are positively related to long-term commitment intentions.

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lateral oligopoly. Consequently, parties may simply have been limited by the availability of alternative relationships they could turn to in the face of opportunism by a current exchange partner. The broad scope of the opportunism measure may also have affected the result. Parties may have been tolerant of minor infractions if they perceived that the overall relationship was headed in the right direction. Finally, it is possible that by having committed resources the parties were willing to wager on being able to salvage the relationship rather than incur the certain losses of terminating it.

**Long-Term Commitment**

Reflecting a popular notion in the literature, this study envisions an escalating process of commitment development over time. Credible commitment inputs were hypothesized to have a positive impact on long-term commitment intentions in the same time period (H₃). These commitment intentions in turn were predicted to positively affect each party's commitment inputs and intentions in future periods (H₄).

The results provide strong support for the within-period relationship predicted by H₄. The standardized coefficients that relate credibility of commitment inputs and long-term commitment intentions are positive and significant for both manufacturers and distributors (.69, p ≤ .01 and .52, p ≤ .01 respectively; Tables 3 and 4). The results are also cross-validated with the data from period 6 (.48, p ≤ .01; .54, p ≤ .01; Tables 3b and 4b). The results suggest that commitment inputs have a spiraling effect, that is, commitments made now tend to reinforce long-term commitments and attitudes.

On the other hand, the effect of current attitudes and commitment intentions on future commitment behaviors is not that consistent. The results reported in Tables 5 and 6 provide mixed support for the proposition that long-term commitment intentions in period t have a positive impact on actual commitment inputs and commitment intentions in future period t + 1 (H₇). The coefficients for distributors are positive and significant (.35, p ≤ .01; .33, p ≤ .05), thus supporting H₇. By contrast, manufacturer long-term commitment intentions in period 3 are not significantly related to manufacturer commitment inputs or commitment intentions in period 6 (−.07, n.s.; −.02, n.s.), rejecting H₇.

Apparently, the hypothesized interperiod relationship between current intentions and future commitment behaviors holds only for distributors. A possible explanation for this unusual outcome is that there are important differences in the nature of commitment inputs provided by manufacturers versus distributors. As downstream channel members, distributors' commitment inputs may have been more idiosyncratic in nature and resulted in higher barriers to exiting.

---

**TABLE 3**

*Within-Period Manufacturer Results (Period 3) Regression Tests of Hypotheses Relating the Structure of Commitment Inputs, Relational Social Norms, Opportunism, and Long-Term Commitment Intentions*

<table>
<thead>
<tr>
<th>Dependent Variable</th>
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<th>Credibility (Mfg. + Dist.)</th>
<th>Proportionality (Mfg. - Dist.)</th>
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<td>Manufacturer perceptions:</td>
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<td>.69***</td>
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<td>.25**</td>
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</table>

Notes: Significant levels: one-sided tests for coefficients.

* p ≤ .10
** p ≤ .05
*** p ≤ .01

---

**TABLE 3B**

*Within-Period Manufacturer Results (Period 6) Regression Tests of Hypotheses Relating the Structure of Commitment Inputs, Relational Social Norms, Opportunism, and Long-Term Commitment Intentions*

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<th>Proportionality (Mfg. - Dist.)</th>
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</table>

Notes: Significant levels: one-sided tests for coefficients.

* p ≤ .10
** p ≤ .05
*** p ≤ .01

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within-period distributor results (period 3) regression tests of hypotheses relating the structure of commitment inputs, relational social norms, opportunism, and long-term commitment intentions

<table>
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<tr>
<th>Dependent Variable</th>
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<th>Credibility (Mfg. + Dist.)</th>
<th>Proportionality (Dist. – Mfg.)</th>
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Notes:
Significant levels: one-sided tests for coefficients.
* p ≤ .10
** p ≤ .05
*** p ≤ .01

within-period distributor results (period 6) regression tests of hypotheses relating the structure of commitment inputs, relational social norms, opportunism, and long-term commitment intentions

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<th>Proportionality (Dist. – Mfg.)</th>
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<td>.54***</td>
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</table>

Notes:
Significant levels: one-sided tests for coefficients.
* p ≤ .10
** p ≤ .05
*** p ≤ .01

A relationship. For example, distributor commitment inputs included target market selection, store location, sales force, and shelf position allocation, decisions that were typically tied to a particular manufacturer’s products and market strategy.

In addition, distributors often made financial investments in manufacturer R&D projects and next period production runs to secure inventory (partly because distributors held somewhat greater financial resources relative to their operational needs in the early periods of the simulation). By contrast, manufacturer commitment inputs involved brand design intentions, R&D projects, advertising copy/media strategies, and preferential terms of trade. These commitments were relatively more redeployable than distributor commitments.

The interperiod effects of relational social norms and opportunism on commitment were also examined. Relational norms in period t were predicted to positively affect commitment inputs and commitment intentions at t + 1 (H₈). Likewise, opportunism at t was predicted to have a negative impact on commitment inputs and commitment intentions at t + 1 (H₉).

The results reported in Tables 5 and 6 provide support for the interperiod relationships predicted by H₈. Relational norms in period 3 have a positive and significant effect on commitment inputs and long-term commitment intentions in period 6 for both the manufacturer (.59, p ≤ .01 and .43, p ≤ .01) and distributor (.25, p ≤ .05 and .32, p ≤ .01) data. These results suggest the importance of relational norms in providing the requisite social climate and safeguards for the continued development of commitment.

As reported in Tables 5 and 6, results for the predicted negative relationship between opportunism in period 3 and commitment inputs and long-term commitment intentions in period 6 (H₉) are nonsignificant (.23, n.s. and .13, n.s. for manufacturers; .02, n.s. and -.07, n.s. for distributors). These results parallel those found for the within period relationship of opportunism and commitment (H₈), and similar explanations can account for the findings (i.e., the bilateral oligopoly setting, the broad measure of opportunism, and reluctance to cut one’s losses). Alternatively, in the case of the interperiod data, it is possible that some parties may have dealt with opportunism through termination of the relationship. Such cases could not be included in the data analyzed for interperiod effects.

Summary and Conclusions
Relational exchange theory is receiving increasing attention in today's complex and dynamic global markets. Dwyer,
### TABLE 5

Interperiod Manufacturer Results (Period 3–Period 6) Regression Tests of Hypotheses Relating the Structure of Long-Term Commitment Intentions, Relational Social Norms, Opportunism, and Long-Term Commitment Inputs

<table>
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<tbody>
<tr>
<td></td>
<td></td>
<td>F Statistic</td>
<td>R²</td>
<td>Credibility (Mfg. + Dist.)</td>
<td></td>
<td></td>
<td>Relational Social Norms</td>
</tr>
<tr>
<td>Manufacturer perceptions:</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Commitment Inputs</td>
<td>4.46***</td>
<td>.19</td>
<td>-0.07</td>
<td>.59***</td>
<td>.23</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Long-Term Commitment Intentions</td>
<td>2.71**</td>
<td>.12</td>
<td>-0.01</td>
<td>.43***</td>
<td>.13</td>
<td></td>
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</tbody>
</table>

Notes:
Significant levels: one-sided tests for coefficients.
*p ≤ .10
**p ≤ .05
***p ≤ .01

Schurr, and Oh (1987) observe that "commitment represents the highest stage of relational bonding." In this paper we examine the structure of commitment and commitment-relevant processes. Two important behavioral variables that are likely to mediate the processes of commitment development are relational social norms and opportunism (Buchanan 1992; Macneil 1980; Williamson 1985).

Commitment is analyzed in terms of its three components (Scanzoni 1979): (1) an input component, that is, the credibility and proportionality of resources inputs committed to the relationship; (2) an attitudinal component, that is, long-term commitment intentions; and (3) a temporal dimension, that is, the consistency of inputs and attitudes brought to the relationship over time. The structure of commitment, its relationship to social norms and opportunism, and their intertemporal effects are examined through use of a multiperiod behavioral simulation.

The explanations developed and tested in this paper can be summarized in three categories. First, commitment is expected to involve a snowballing process, so that credible commitments and intentions in period t are expected to be reinforced in period t + 1. Second, credible commitments are expected to lead to the development of relational social norms, which in turn reduce opportunistic inclinations, strengthen commitment intentions, and reinforce long-term commitment at t + 1. Third, disproportionate commitment inputs by parties at time t establish the incentive for a less committed party to act opportunistically. Opportunism erodes the development of relational norms and commitment intentions at time t and future commitment inputs and intentions at t + 1.

The results provide strong support for the predicted relationship between credibility of commitment inputs and long-term commitment intentions. However, the findings are mixed regarding the effect of commitment intentions at t on commitment inputs and commitment intentions at t + 1: The hypothesized interperiod effect of commitment intentions holds only for distributors, but it is possible the partial result is due to an artifact of the research setting (distributors appear to have incurred more idiosyncratic kinds of invest-

### TABLE 6

Interperiod Distributor Results (Period 3–Period 6) Regression Tests of Hypotheses Relating the Structure of Long-Term Commitment Intentions, Relational Social Norms, Opportunism, and Long-Term Commitment Inputs

<table>
<thead>
<tr>
<th>Dependent Variable</th>
<th>Period 6</th>
<th></th>
<th></th>
<th>Period 3</th>
<th></th>
<th></th>
<th>Distributor Perceptions of:</th>
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<td></td>
<td></td>
<td>F Statistic</td>
<td>R²</td>
<td>Credibility (Mfg. + Dist.)</td>
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<td>Distributor perceptions:</td>
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</tr>
<tr>
<td>Commitment Inputs</td>
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<td>.27</td>
<td>.35***</td>
<td>.25***</td>
<td>.02</td>
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</tr>
<tr>
<td>Long-Term Commitment Intentions</td>
<td>10.03***</td>
<td>.35</td>
<td>.33***</td>
<td>.32***</td>
<td>-.07</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Notes:
Significant levels: one-sided tests for coefficients.
*p ≤ .10
**p ≤ .05
***p ≤ .01

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ments relative to manufacturers). Thus, it can be concluded that credible commitments act as powerful self-interest stakes in exchange relationships and, other things being equal, tend to reinforce and escalate commitment over time. On the other hand, the attitudinal component of commitment (i.e., intentions) is not nearly as consistent a predictor of long-term commitment processes.

The study also finds strong support for the predictions addressing relational social norms. These norms tend to develop as resource commitments made by the exchange partners increase in credibility, are positively related to long-term commitment intentions at \( t \), and reinforce commitment inputs and commitment intentions at \( t + 1 \). As predicted, relational norms were inversely associated with opportunism. Therefore, it can be concluded that relational social norms play a pivotal role in the commitment process.

Initial commitments are necessary for the development of social norms, but in turn social norms become a key force sustaining and strengthening commitment over time. They provide the requisite governance safeguards that enable parties to feel confident in their future commitment intentions. The malleable and enduring nature of this form of governance compared to other forms such as hierarchy or contract/law appear to be especially conducive to exchanges requiring long-term commitments.

The findings regarding the role of opportunism in mediating commitment processes are not as consistent. There is weak evidence that opportunistic inclinations arise due to disproportionate commitment structures in exchange relationships. However, little evidence was found that opportunism by one party negatively affects the other party’s long-term commitment intentions.

The findings suggest that disproportionate commitments may not always result in opportunistic behaviors and that there are other mediating effects and/or safeguards. However, it is also possible that the broad-based measure used for opportunism or the design of this study (involving a bilateral oligopoly, which limited the number of alternative exchange partners available to the participants) may have somewhat confounded the effects.

Certain limitations should be kept in mind in interpreting the findings of this study. Because of the simulation methodology used, the findings are limited in their generalizability and should be reexamined in other settings and sample populations. The constructs studied in this research all represent very complex socioeconomic phenomena: A number of studies will be needed to determine which conceptualizations are most reliable and provide the best explanations. Finally, because of the longitudinal objectives of the study, only ongoing exchanges were included in the test of \( H_2 \). This procedure may have lost some interesting effects by excluding data about exchange relationships terminated between periods 3 and 6.

A variety of directions for further research can be identified. The attitudinal measure of commitment utilized in this study (behavioral intentions) did not provide explanations that were as strong as the input measure. It has to be seen whether an alternate measure based on psychological effect proves to be more useful while at the same time being differentiable from related constructs such as motivation, identification, involvement, and loyalty. Social norms were found to be a key variable mediating long-term commitment. However, it was operationalized using a composite scale. Because the norm facets are individually very interesting, further research may find it instructive to operationalize such aspects as solidarity, role integrity, and flexibility as distinct variables. Likewise, it should be interesting to study the effects of opportunism on long-term commitment using a narrower conceptualization of the term.

Important questions remain about the processes leading up to the development of committed relationships. Potentially interesting explanatory variables include the nature and frequency of interactions among parties, the quality and frequency of communications, the types of power or influence strategies used, and uncertainty and competition in the external environment.

In the emerging economic environment, which places a premium on integrated interorganizational networks, commitment and commitment-related processes are likely to take center stage. It is hoped that the research reported here provides a small building block of knowledge in this area.

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**APPENDIX**

**Measurement Items**

(Measures are slightly abbreviated. Manufacturer and distributor measures are the same except for minor differences as noted below)

### Commitment Inputs

- Disclosed confidential information about industry/market conditions, competitors, and channel partners.
- Provided proprietary information about firm decisions and strategies (Manufacturer: brand design intentions, R&D projects, and advertising strategies. Distributor: target market selection, store openings, brand selection, and sales force allocation.)
- Agreed to make decisions that would benefit partners (e.g., design brands they wanted, supply number of units they wished, provide preferential terms of trade, and advertise to benefit them.)
- Promised resources and support (e.g., market research and help in decision making and financing.)

### Long-Term Commitment Intentions

- Intend to share confidential information in the future (e.g., industry and/or market conditions, competitive and channel partner information.)
- Plan to commit more decisions to partner in future (Manufacturers: design brands, R&D projects, and advertise to benefit them. Distributor: open stores in cities they desire and give their brands better shelf location.)
- Intend to allocate more resources to this relationship in the future (e.g., assistance in planning and financial resources.)

### Relational Social Norms

- Staying together in the face of adversity/challenge is very important to both firms.
- Relationship is based on mutual benefit and trust.
- Relationship is flexible in accommodating one another if special problems/needs arise.

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Relationship extends across many complex responsibilities and multiple tasks. When disagreements arise in relationship, all facts are reassessed to try to reach a mutually satisfactory compromise.

Opportunism
Partner exaggerated needs to get what they desired.
Partner was not always sincere.

¹All responses were recorded by circling a number on the following scale:
Strongly disagree 0 1 2 3 4 5 6 Strongly agree (R) indicates item was reverse-worded.

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