

ABSTRACT

Increasingly, firms are recognizing the potential of collaboration and cooperation as against independent choice and competition. Besides being able to tap increasingly competitive and volatile markets more effectively, they also stand to greatly reduce risk by aligning their resources and capabilities with other firms and developing mutually beneficial dependable relationships.

The purpose of a business relationship is addressed more effectively when the relationship is managed and controlled through a systematic and comprehensive evaluation process. Evaluation essentially gives an insight into the functioning of the relationship by bringing out the critical aspects of the relationship that needs to be followed closely. Specific imperative for relationship evaluation research reduces to identifying the nature and characteristics of the relationship, the objectives and outcomes designed for the relationship to be achieved, the underlying dynamics of the relationship, and the day-to-day functioning of the relationship. This dissertation looks at the problem of relationship evaluation and develops a framework to resolves the same.

To achieve this, the relationship evaluation problem was broken down into a strategy-structure-process framework. The evaluation framework looked at the relationships as a dynamic progression of decision-making and decision-operationalization process. Specific criteria to evaluate the relationship decisions were identified, the aims and objectives of the relationship process were captured, and models to measure the efficiency of the decision implementation were developed.

Structure aspects of relationship evaluation involved behavioral factors that defined the dynamics of the relationship design. Relationships, by their very nature, were continuous and continuity of the relationship played a critical role in shaping the behavior of the relational partners. Behavioral factors that affected the likelihood of relationship continuity were linked, and a Relationship Continuity Model (RCM) was developed using structural evaluation technique.

The relationship process is continuous in nature and was treated as a dynamic problem. As in the case of continuous process evaluation, the relationship process was broken down into measurable units called episodes, and the outcome of each episode was used as the criterion to evaluate these units. This process ensures that evaluations consistently reinforce the perception that the relationship is the optimal solution. In case of a contradiction, it pointed out the exact source of dissonance. The episode outcome was evaluated as a satisfaction construct and an Episode Evaluation Model (EEM) is developed.

Two models - RCM and EEM were empirically tested. The RCM used meta-analysis procedure for the design, and development while EEM used conceptual modeling. A correlation table constructed using meta-analysis was used as an input for Structural Equations Modeling to conduct the final model testing. For EEM, field survey data collected from a sample of software firm relationship managers were used to test the model. The LISREL 8.3 software package was used for the final empirical tests.

Results from the modeling and the empirical tests demonstrate clear implications for the development of theory and the practice of relationship marketing.