ABSTRACT

As trust has already appeared as a key concept in the understanding of buyer-seller relationships, the objective of this paper will be to draw a framework that will help to fill the lack of a dynamic classification of trust antecedents. In the opening part of the paper, the authors will try to assess the trust dynamic and will then, after having presented the determinants identified by the researchers, offer a hypothetical classification of trust that encompasses the time dimension.
INTRODUCTION

The observation of the way companies are doing business shows that they are often looking for partners who merit trust. Trust is now considered a capital parameter in most research centred on buyer-seller relationships (Valla, 1995). By showing the social exchange role in the dynamic of interaction, since the early eighties Håkansson and the IMP Group researchers have underlined the importance of trust (Håkansson, 1982). Nevertheless the relevant marketing research concerning trust has allowed several major difficulties to appear with regard to the understanding of the phenomenon.

The early work on these questions has emphasized the fact that trust is a social process and develops progressively (Håkansson, 1982), but the majority of recent contributions is based on models that do not allow for the assessment of the time dimension (Ganesan, 1994; Morgan, Hunt, 1994; Aulakh et al., 1996; Smith, Barclay, 1997). Even though some researchers have worked on this problem, it seemed to us that further research was needed.

Models that try to explain trust in buyer-seller relationships offer important insights to the question of the antecedents. The variety of contributions is nevertheless problematic due to the multiplicity of explanations. Some authors emphasize sociological explanations whereas others are more centred on economics. Determinants that are essential for some researchers are completely ignored by others. Furthermore, antecedents used in these models are heterogeneous in nature. Researchers such as Moorman et al. (1993) put the emphasis on perception, while others use extended approaches that include objective behaviour in the list of trust antecedents (Morgan, Hunt, 1994). Finally, some authors (Anderson, Weitz, 1989; Ganesan, 1994) include antecedents such as the age of the relationship in their models, or previous experience with exchange partners. Even if this shows the importance of the underlying processes of the trust development, it does not explain the mechanisms operating when experience develops. So, our first objective is to
draw a framework that will help to fill the lack of a dynamic classification of trust antecedents.

In the opening part of this paper, we will try to assess the trust dynamic and will then suggest a draft of classification of the trust antecedents in buyer-seller relationships.

1. TRUST AND TIME: ELEMENTS FOR A DYNAMIC THEORY

The classification of the antecedents that encompass the time perspective depends on finding a definition of trust that: 1) includes some recent refinements in the conceptual approach of trust that may have feedback on the question of the antecedents: 2) includes the time dimension.

11. The Evolution of Conceptualization: Refinement

In research work, the evolution of conceptualization is centred on the unidimensional or multidimensional aspect of the trust concept. Two major trends can be identified. The first leads to a differentiation between the concepts of perceived trustworthiness, trust and trusting behaviour. The second evolution suggests the differentiation between the affective and cognitive dimensions of trust.

111. Perceived Trustworthiness, Trust and Trusting Behaviour

The primary research has focused on the question of including a conative dimension in the concept (Anderson, Weitz, 1989; Moorman et al., 1992; Morgan, Hunt, 1994; Huemer, 1995). However, recent work suggests some refinements that may be useful to the study of trust development. Mayer et al. (1995) identify in their research: « a lack of clear differentiation among factors that contribute to trust, trust itself, and outcomes of trust » (p. 711). Other researchers of the same period have introduced important nuances in conceptualization:

- they distinguish between trust and trusting behaviour (Mayer et al., 1995; Smith, Barclay, 1997). This is important because the consideration of trusting behaviour and
its outcomes allows one to analyze the feedback effects on the perception of trustworthiness;
- they distinguish between trust and perceived trustworthiness (Mayer et al., 1995; Butler, 1991). This differentiation induces one to review some previous definitions of trust and is important in the classification of trust antecedents. It also permits one to distinguish between the determinants that influence perceived trustworthiness and the dimensions of trustworthiness themselves.

In most research, there is frequent confusion between perceived trustworthiness dimensions and trust dimensions, especially in studies that differentiate between types of trust (Gabarro, 1987; Sako, 1992). Often, in psychology, trust or perceived trustworthiness dimensions have been identified by the factorization of the antecedents and by interpretations of the resulting principal components. For the greater part, these contributions have been considered as theoretical reference. For example where perceived trustworthiness is concerned, Swan et al. (1988) identify five factors. Butler (1991) identifies ten and Mayer et al., three.

The three factors of perceived trustworthiness identified by Mayer et al. (1995) are: ability, integrity, and benevolence of the partner. Ability refers to the competence of the partner in providing what is expected by the trustor (whom we will refer to as "A"). Integrity refers to the fact that the partner is driven by some principles that are acceptable from A's point of view. « Benevolence is the extent to which a trustee is believed to want to do good to the trustor, aside from an egocentric profit motive » (p. 718). But in the field of buyer-seller inter-firm relationships it seems accurate, according to Ganesan (1994), Kumar et al. (1995), to tolerate a less restrictive definition of benevolence in order to encompass the economic motivations that exist in commercial exchange. B (the trustee) is benevolent when he is stimulated by positive intentions towards A and is ready to take initiatives that will preserve A's interest if major unforeseen difficulties arise in the exchange process.
Contrary to Mayer et al., we may consider here that ability, integrity and benevolence are lesser factors of perceived trustworthiness than are real dimensions of such a perception. The authors show that trust results from A’s perception of B’s ability, integrity and benevolence. But it is also necessary to understand why A perceives the partner as being trustworthy. Though we based our study on Mayer et al.’s work, we nevertheless focused on the indicators used by the decision-maker A to evaluate the partner trustworthiness.

We also mentioned other identified phenomena that have an influence on the trust a decision-maker in company A has towards another firm B. One phenomenon is the general propensity towards trust from this decision maker (Rotter, 1967; Mayer et al., 1995). Corporate culture is another (Barney, Hansen, 1997), as are environmental factors (Dore 1983; Sabel, 1992). But, compared to the partner-perceived trustworthiness, these parameters are not directly affected by the relationship evolution and appear as contingency variables. We thus decided to concentrate on the perception of trustworthiness.

**Figure 1 - The Process of Trust Development**
We must remember that the main objective of this paper is neither to deepen the question of the conceptual separability between perceived trustworthiness, trust and trusting behaviour nor to fill the gap in the conceptualization of trust concerning types or degree. What we are pursuing is a conceptual framework that would help to clarify work already carried out on trust antecedents.

112. The Cognitive and Affective Dimensions of Trust

Another trend in conceptualization is to make a distinction between affective and cognitive dimensions of trust (Young, 1993). Even though this is a controversial topic, researchers seem to consider that trust is based both on the knowledge and on the feelings of A towards B. In some particular types of trust (love, religion) based on affection, trust can be rapidly established. It is so when trust is based on affective elements such as instant attraction, identification with the partner ("love at first sight"), or revelation where religious faith is concerned.

Neither of these two dimensions should be ignored but it seems that the cognitive one is a key component in the dynamic classification of trust antecedents in buyer-seller relationships. Buyers conform to non-task motives in which the affective component plays an important role (Webster, Wind, 1972), but we must consider the fact that industrial buyers or sellers have the willingness to be rational and that they evaluate the partner’s trustworthiness through an analysis of the reasons they have for relying on him. If we admit that in buyer-seller relationships, there is an important cognitive dimension in the partner’s trustworthiness evaluation, then trust will only develop with the passage of time: as the rationality of the economic actors is limited, they cannot instantaneously acquire perfect knowledge of the partner.
12. Towards a Conceptualization of a Trust Formation Process

On the one hand, studies that attempt to conceptualize trust development ignore most of the time trust antecedents. They mainly rely on case studies that try to express the changing nature of trust as time goes by. On the other hand, studies that focus on the question of antecedents require a clear conceptual framework that allows for the integration of the time dimension. In both types of study, there is a consensus that trust must be envisioned as a process. As a result, there is an identified need for a dynamic trust theory.

121. Causal Models in Buyer-Seller Relationships

In certain research streams, time is often assessed through synthetic variables such as the duration of the relationship, or experience with a partner. We will label this type: "causal" studies. Ganesan (1994) presents the experience with the partner as an antecedent of trust. Anderson and Weitz (1989) consider that trust level is positively linked to the duration of the relationship. Mayer et al. think that there is an evolution of the level of trust as the relationship develops. Aulakh et al. (1996) show that time plays a role because trust is based on expectations concerning the partner's future behaviour that are necessarily driven by his previous behaviour. Finally, according to Wilson (1995), trust is active in the first phase of the relationship and becomes latent afterwards.

Nevertheless, "causal" approaches to trust in buyer-seller relationships seem to concur with a vision of trust as a time process. This point of view is expressed in Zand's (1972) early definition of trust as «the conscious regulation of one's dependence on another that will vary with the task, the situation and the other person» (p.230). Huemer (1995) shows that research on trust is mainly centred on the fact that trust development « [...] is a history dependent process in which individuals operate as Bayesian statisticians drawing inferences based on relevant but limited samples of experience (Mayerson, Weick, Kramer, 1996 p. 184) Trust builds incrementally and it accumulates.» (p. 859-860).
A few researchers have emphasized the fact that the logic of trust is rotatory (Koenig, Van Wijk, 1992). This could explain the problem the « causal » work faces when validating causal models on the basis of transversal data. Some variables that are defined in certain models as trust antecedents are presented in others as trust consequences (for example: communication is treated differently by researchers such as Morgan and Hunt (1994), Smith and Barclay (1997), Anderson and Narus (1990)). This means that they concentrate more on the importance of the time dynamic than they do in explaining it. In fact, some works are based on a very restrictive approach to the learning process in which A attempts to accumulate some information on B’s character. It would be misleading to think that B’s rules of behaviour are definitely fixed. B’s intentions towards A will evolve progressively and will be modified by the interaction between the two companies (Lorenz, 1988; Brousseau et al., 1995; Lazaric, Lorenz; 1996).

122. Some Explanatory Theories of Trust Development
In order to suggest a dynamic classification of trust antecedents, it is necessary to understand how somebody who trusts a specific other (individual or organization) can be assured that this trust will be honoured and respected. Psychology gives an essential insight to this problem. In marketing research, the satisfaction theory can also help.

Trust and the Attribution Theory. In order to analyze the time dimension, Rempel et al. (1985) suggest a clarifying framework. While acquiring information on B, A tries to reconstitute rules and norms of behaviour used by B to define his behaviour. According to Deutsch (1960), Rempel et al. (1985) refer to the attribution theory in order to analyze the process by which A attempts to assess B’s intentions. They put forward a dynamic model of trust in which they differentiate three components: predictability, dependability and faith. There is a progression in the emotional investment that is necessary to proceed from one component to the other. Furthermore, each new component presents a higher level of abstraction in the partner attribution: « as feelings of trust become more established and
rooted, they depend more heavily on beliefs about the partner's motivations and less on direct coding at the behavioral level » (p. 98).

The first trust component is predictability. It is based on the understanding of how the partner acts. It comes from knowledge of the previous behaviour of the partner and from understanding of the potential rewards the partner can gain from the actions he undertakes. This first trust component is based on observation and requires only limited interpretation. At this stage, the partner's behaviour is predicted through the repetition and the coherence of his actions. Rempel et al. insist that trust based on predictability is accurate only for day-to-day actions but is not truly applicable to private relationships.

The second trust component, dependability, is based on the understanding of the partner's specific disposition. Inferences from which this trust arises are the evaluations made about specific behaviour of the partner regarding conflict of interest or vulnerability. These inferences are beyond what would have been authorized by a simple repetition of B's behaviour: they attribute specific dispositions to the partner that ensure the trustor of the partner's reliability.

The last component, faith, is based on the understanding of partner motivations. Inferences upon which this component is built are centred on the observation of the partner's behaviour but go much further. Confronted by diverse interpretation, A is making an act of faith. He attributes to his partner some motivations that operate as an incentive to believing in him. Faith can survive contradiction in facts. The feeling of security which appears with faith ensures A's confidence in B's reciprocation.

This conceptualization of trust is important to the dynamic classification of trust antecedents. Considering this theoretical framework, it seems that:

- in the first phase of the exchange, trust in the partner derives from directly readable elements of B's behaviour linked to the question of predictability,
as the relationship develops, trust in the partner derives from the interpretation of the partner's motivations linked to the question of dependability,

as a result, if the process is not stopped, trust in the partner comes from an act of faith concerning this partner and is unquestioned on the part of A.

The attribution theory allows us to indirectly qualify A's expectations about B's behaviour and motivations, but does not allow for an explanation of their evolution in time. We think that - as suggested by Deutsch in one of the early research works on trust (1958) - such an explanation might be derived from the confirmation/disconfirmation paradigm.

The Confirmation/Disconfirmation Paradigm. In the confirmation/disconfirmation paradigm, largely used in consumer marketing, many studies in social cognition have shown a confirmatory tendency in inference formation (Yi, 1990): « Hoch and Ha (1986) show that the expectation effect exists, but that ambiguity of evidence moderates the effect. When the evidence is unambiguous, evaluations are not affected by expectations. Yet, when evidence is ambiguous, subjects use an assimilation like processing of evidence and their evaluations are affected by expectations. » (p. 86).

This theory has been applied to consumer situations (confirmation/disconfirmation of consumer expectation effects on perceived product performance) but we consider that in the process of trust development in buyer-seller relationships, such a phenomenon does exist. In the early stages of the relationship, when A's cognitive approach to B's trustworthiness is predominant, the confirmation/disconfirmation of A's expectations might have an impact on his perception of the supplier trustworthiness.

To pursue the reflection on the applicability of the theory, we may notice, as does Yi (1990) in the consumer satisfaction field that: « [...] the theories [Hypothesis Testing Theory, Dissonance Theory, Generalized Negativity Theory, Assimilation-Contrast..."
Theory, Contrast Theory] make different predictions as to the effects of expectations and disconfirmation. For example, the assimilation theory predicts that raising expectations will enhance perceived product performance, whereas the contrast theory predicts that it will undermine perceptions of product performance. Even if some of the theories predict the same pattern of expectation effects, they differ in designating the conditions under which the effects will occur. For instance, ambiguity of evidence is expected to increase the expectation effect under the hypothesis testing theory, which contradicts the dissonance theory's prediction that it will decrease the expectation effect. » (p. 86).

This work suggests that buyer satisfaction plays a key role in trust development. Partner behaviour exceeding what could normally be expected leads to buyer satisfaction. On the other hand, partner behaviour which falls below buyer expectation leads to dissatisfaction. So, satisfaction with the partner resulting from this interaction should have an effect on trust formation.

We think that much work is still needed in the study of the portability of satisfaction theories to the question of the trust formation in buyer-seller relationships. Nevertheless, in the purpose of outlining a dynamic classification of trust antecedents, the use of a very basic approach to the satisfaction theory leads us to assume that A's satisfaction is a mediating variable in the transition from predictability to dependability types of trust as identified by Rempel et al. Such a theory contributes to explaining how trust changes from one stage to another: as the first level of expectation is confirmed (or not disconfirmed), a second level of expectation is formed and so on until a certain « leap of faith » that will culminate in a stable attitude from A towards B.

The dynamic classification of trust antecedents requires a dynamic trust theory. Such a theory does not yet exist but some research has given an indication as to what it could be. In the next part, we will try to use these theoretical elements to introduce the time dimension into the classification of trust antecedents.
2. PROPOSITIONS FOR A DYNAMIC CLASSIFICATION OF TRUST ANTECEDENTS

In buyer-seller relationships, the problem of trust appears in four levels of analysis: trust between individuals, trust from an organization towards an individual, trust from an individual towards an organization and trust between two organizations. Most research shows a trend to give operationalizations of inter-firm trust centred on interpersonal trust between boundary personnel (Curral, Judge, 1995). Even though recent research has differentiated between trust towards individuals and trust towards organizations (Doney, Cannon, 1997), most work on antecedents is still based on:
- no differentiation between individuals and organization,
- an underlying hypothesis of trust symmetry (not confirmed by Ganesan, 1994).

Nevertheless, we consider that the dominant research on trust in buyer-seller relationship suggests that the classification attempted here might be applied to the relationship between a buyer in an industrial company (A) and a supplier firm (B).

We may observe that the literature on trust antecedents is lacking in differentiation between "concrete" antecedents (close to B’s behaviour) and subjective antecedents (close to the interpretation of B’s behaviour by A) and suggests a primary classification of trust antecedents in buyer-seller relationships.

Then, considering that such a classification neither takes into account that some determinants are evolving with time (in their strength or in their nature), nor allows the integration of B’s intentions (integrity, benevolence), we will put forward a first draft of what a dynamic classification of antecedents might be.

21. Trust Antecedents Studies: a Primary Classification

211. The « Concrete » Antecedents Linked to B’s Objective Behaviour

An Existing Previous Relationship between A and B has been largely referred to as being a determinant of A’s perception of B’s trustworthiness (Granovetter, 1985; Shapiro.
1987; Ring, Van de Ven, 1989; Sako, 1992; Larson, 1992; Curral, Judge, 1995; Wilson, 1995; Aulakh et al., 1996). Anderson and Weitz (1989) consider that it is one of the four key-elements in the creation of a common perspective between partners. Aulakh et al., consider that it is a determinant because, in order to develop a lasting relationship, partners must know each other's way of doing business. Many researchers consider that the previous experience plays a role either at the interpersonal or at the inter-organizational level.

The Social and Economic Context in which B Operates. This notion is based on a synthesis of multiple reflections on trust that pervade conceptualization and assess the frequent opposition between economists and sociologists on the topic of trust. Simply, we think that this stream of reflection assesses the question asked by A: "If I trust B, will he respect this?". There are two different types of explanation to the respect by B of A's trust (Ring, Van de Ven, 1989; Bradach, Eccles, 1989; Barney, Hansen, 1994; Zaheer, Venkatraman, 1995; Bidault, Jarillo, 1995). One is based on non-utilitarian consideration while the other is based on a utilitarian approach.

The first explanation refers to reasons that are beyond the operator's interest. Two types of reasons can be distinguished: altruistic intention towards the partner and interiorization of some norms or rules of behaviour. The first is close to the intrinsic motives described by Rempel et al. (1985) where the motives attributed to B in order to interact with A are the reward or the pleasure inherent to the activity itself. Mayer et al. (1995) also implicitly refer to this type of motive when they define benevolence. The latter refers to interiorization of norms. B's refusal of opportunism derives from the socialization process he has followed. Fundamentally, the non-utilitarian approach to trust is based on the idea that actors are not constantly and consciously obsessed by self-interest.

The utilitarian explanation refers to the agent interest. In this approach, B respects A's trust because it is in his interest. In order to analyze B's interest, A can analyze the advantage obtained by B if he respects his trust and the sanction he may avoid by respecting it. Advantages for B can be either economic (benefit of previous investments
and preserve future transactions) or non economic (prestige or power derived by B from his interaction with A; personal satisfaction that B’s boundary personnel derive from their ongoing interaction with A). Sanctions that B can incur in not respecting A’s trust can be economic: penalties written in contracts, court judgments. But sanction can also derive from non formal obligation, instituted in networks. If B does not respect trust, he can be rejected by other members of the network (Macauley, 1963; Granovetter, 1985). This would lead to direct financial losses induced by fewer transactions but also to non financial losses (no more social contacts in the network).

Even though utilitarian explanations of the respect of trust have been criticized, we think that trust in buyer-seller relationships cannot be approached in the same manner as trust in love or in religion. Social exchange is surely a very important dimension of buyer-seller interaction but companies have economic goals. So, B’s interest in respecting A’s trust cannot be ignored by A when analyzing the factors that ensure him of B’s respect of his trust (Ring, Van de Ven, 1989; Barney, Hansen, 1994).

**B’s Reputation** is determinant of A’s perception of B’s trustworthiness. Reputation has been cited widely as a trust determinant in much research work (Granovetter, 1985; Shapiro, 1987; Dasgupta, 1988; Anderson, Weitz, 1989; Ring, Van de Ven, 1989; Kreps, 1990; Larson, 1992; Sako, 1992; Kollok, 1994; McAllister, 1995; Ganesan, 1994; Wilson, 1995).

**Direct Experience** with B has been largely presented as a determinant of A’s perception of B’s trustworthiness (Schurr, Ozanne, 1985; Dwyer et al., 1987; Swan et al., 1988; Anderson, Weitz, 1989; Sako, 1992; Ganesan, 1994; Garver, Flint, 1995; Wilson, 1995; Aulakh et al., 1996). The direct experience can be specified as follows:

- *importance of specific sustenance from B* such as product trainings, use of implicit stimuli (logos, brands) and more generally marketing practices;
- *methods of conflict resolution used by B* (more openness and participation)
- B's style of power exercise, with special attention being paid by researchers to the type of justice he applies (Korsgaard et al., 1995; Kumar, 1996).

B's Trusting Behaviour is a determinant of A's perception of B's trustworthiness (Anderson, Weitz, 1989; Johnson, Cullen, 1996). This behaviour is perceptible through the type of control exerted by B (social control more than output control or process control, as defined by Aulakh et al., 1996). Transaction specific investments are also elements of B's trusting behaviour (Anderson, Weitz, 1989; Ganesan, 1994; Johnson, Cullen, 1996). Confidential communications are perceived as indicators of B's trusting behaviour (Macauley, 1963).

Communication is one of the most time-dependent of the determinants and requires us to anticipate the following developments. As Wilson (1995) said: "communication is a necessary process throughout all the stages of a relationship, but the content of the communication activities changes as the stage in the process changes" (p. 341). Before any interaction, the communication process is unilateral and exogenous communication refers to reputation. When interaction begins, B's communication towards A must be accurate, open, reactive and interpersonal in order to facilitate trust formation (Deutsch, 1960; Macauley, 1963; Granovetter, 1985; Dwyer et al., 1987; Sako, 1992; Smith, Barclay 1997).

Individual Characteristics. Likeability has been tested several times in marketing research but has never been validated (Macauley, 1963; Swan et al., 1985; Gabarro. 1987; Moorman et al., 1992). Punctuality is noticed as being a determinant (Moorman et al., 1992). Behaviour consistency that refers to B doing what B said, is often noticed as an essential factor for establishing B's reliability or dependability... but the effect of this determinant is culturally dependent (Macauley, 1963; Swan et al., 1988; Sullivan et al., 1981; Gabarro, 1987; Johnson, Cullen, 1996).
B’s Competency, expertise and credibility, is essential in economic relations (Swan et al., 1985; Gabarro, 1987; Crosby et al., 1990; Moorman et al., 1992; Larson, 1992; Wilson, 1996; Mayer et al., 1995; McAllister 1995; Johnson, Cullen, 1996).

As each determinant is concrete in the sense that it refers to actions that are directly readable by A, we may consider that these determinants can form a primary class in the entire group of antecedents listed.

212. The Moderating Variables of the « Concrete » Antecedents Impact
Firstly, we have classified some antecedents linked to B’s behaviour that A can use as indicators of B’s trustworthiness. But the effect of these determinants can be moderated by other variables mainly linked to A’s subjectivity.

Power Balance influences A in the interpretation of B’s behaviour. An imbalance in power will generate distrust (Anderson, Narus, 1984; Moorman et al., 1992). Ring and Van de Ven (1989) think that this is particularly true when two organizations are interacting. The more equality there is in power, the more trust there will be between the firms. Power is generally defined as the unilateral possibility of modifying the behaviour of others. The balance or imbalance notion refers to A's analysis of B’s behaviour (and particularly in terms of trusting behaviour) compared to his own strengths. The research indicates that equal vulnerability between A and B encourages the formation of the perception of trustworthiness (Larson, 1992).

The Similarity or the Norm Sharing between A and B can also influence the effect of B’s behaviour on A’s perception. Norms are defined by Heide and John (1992) as « expectations about behaviour that are shared by a group of decision makers » (p. 34). Most research refers to the importance of ethical values or of norms of equity, shared between partners. Research studies distinguish between norms of equity and relational norms. The latter, according to Macneil (1980), would correspond to expectations in three
areas: flexibility, reciprocity and information exchange. But it is more the question of sharing these values or referent norms that is crucial in the formation of trust. Even though with understanding or tolerance, dissimilarity is not systematically contrary to the positive impact of B’s behavioral indicators on the perception of his trustworthiness by A. we consider that similarity between partners facilitates the trust formation. Fewer errors in attributions and less uncertainty about the referents that influence B’s behaviour can increase the positive effect of some concrete indicators we have listed.

The first classification that comes to mind when reading research works on trust is the distinguishing between "concrete antecedents" and antecedents that are better understood as being moderating variables of the impact of the former ones. The previous developments can then be summarized as follows:

![Figure 2 - A First Classification of the Antecedents of the Perception of Trustworthiness.](image-url)
This classification presents some weaknesses when we deepen the analysis. The strength and the nature of the antecedents is changing with time for almost all antecedents. For example, we can imagine the norm sharing problem moving from the question of the similarity between general values to the question of the idiosyncratic and unique shared referent norm... This leads us to try to integrate the time dimension. The following work is based on the dynamic theory elements we studied previously and attempts to apply them to the study of the antecedents.

22. Primary Propositions for a Dynamic Classification of Trust Antecedents

We can roughly distinguish three phases in the buyer-seller relationship development. Such a distinction is less precise than those suggested by Ford (1980), Dwyer et al. (1987) or Wilson (1995), but is not contradictory. The phases are differentiated on the basis of A's information search on the partner. In the exploratory phase A is relying on reputation. In the development phase A is looking at the interaction itself. In the maintaining phase, the main information search no longer concerns the partner.

For each of these three phases of the buyer-seller relationship, we will try to identify:

- the force of the impact of the concrete antecedents,
- the nature and strength of the moderating effects,
- the dimensions of the perception of trustworthiness,
- the nature of trust,
- the trusting behaviour.

221. The Exploratory Phase of the Relationship

As Kee and Knox (1970) say, trust is not only a mutual phenomenon but it emerges unilaterally from the action of one or the other partner. We may consider here that A is the first to trust B. There has been no previous relationship between A and B. In such a situation A can evaluate B's trustworthiness only from indirect and external indicators. In the exploratory stage of the relationship, A evaluates partner B's likely behaviour in the relationship.
The «Concrete» Determinants. A starts by evaluating B’s skills using external information (i.e. institutional, such as ISO norms, business records and, globally, B’s image). In some cases, A can collect personalized data by auditing his partner’s skills or through an approval procedure. However, these techniques are not systematically used, and the direct information that A can obtain in the first stage is generally limited. At this stage of the relationship, the acquisition of negative information on B’s skills will definitely halt the trust formation process. Given that the cooperation has not yet reached a commitment level, it is difficult for A to transfer the missing skills to B. Furthermore, there is no utility to assess the integrity of a firm which might not become a partner because of its lack of means.

When a partner B seems to possess the required skills, assessment of his trustworthiness is made along with his market position and his previous behaviour with other firms. At this stage, the main indicators A uses in order to evaluate B’s trend to honour his trust are:

1) evaluation of economic and social factors that incite B to honour partner A’s trust:
   - importance of the advantages that B would obtain by giving up on any opportunistic behaviour or by engaging in opportunism,
   - dissuasive sanctions (penalties) incurred by B which might be either economic or non economic;
2) B’s reputation of competence.

The Moderating Variables. In this phase, the cultural similarities related to the general norms of behaviour and the balance of powers have a strong moderating effect on the impact of the last two concrete antecedents we just mentioned. The cultural similarities will tend to reinforce A’s perception of B’s trustworthiness by making A believe that B shares the same ethical rules with him. An imbalance of powers tends to generate fear from A and to lower the impact of the antecedents. Because of lack of experience, partner A’s satisfaction with B should play no role in the exploratory phase.
The Perception of B's Trustworthiness. In this context, A can only obtain only an imperfect evaluation of the moral rules of behaviour internalized by B. All that A can try to understand is the material incentive (e.g. gains and sanctions incurred by the honouring or not of A’s trust by B). This understanding is probably based on a process through which A is wagering that B will comply with standard rationality. Given this limited knowledge of B and because of the subjectivity of the decision maker, A cannot yet understand his partner's specific intentions. The indicators used by A are mainly cognitive and utilitarian. The affective dimension is still weak (this of course depends on A’s propensity to trust, and other fixed moderating variables as seen in the previous part, but which act as contingency variables in any trusting relationship). In this exploratory phase, as A has not yet observed B’s behaviour towards him, the dimensions of the perception of B’s trustworthiness are reduced to competence and integrity. Benevolence, referring to B’s desire to specifically deal with A cannot yet be perceived by A.

Trust. A’s trust towards B can be defined at this stage only as a belief in the predictability of B’s general behaviour. This trust is limited and minimal but can anyway be conceptualized as trust since this psychological state of security can contribute to induce:
1) A to take a risk in dealing with B;
2) A to feel responsible for the possible negative outcomes that could result from such a decision (Deutsch, 1958).

Figure 3 - Proposition of Classification in the Exploratory Phase
Trusting Behaviour. If such a trust contributes to A initiating the transaction with B, A will nevertheless expect the interaction to confirm the hypothesis he made about B's competence and integrity or, at least, not disconfirm them. Nevertheless, this limited trust can contribute to A's adopting a trusting behaviour towards B, consisting for example in giving up on some safety procedures and to offer some vulnerability to B. By doing so, A does not only respond to the constraints of the situation, he also tries, proactively and positively to take advantage of trust in buyer-seller relationships as this trust allows for the reduction of transaction costs, be they either economic or psychological.

222. Relationship Development
The development of the relationship can be quite long. We may globally distinguish between two phenomena in this phase: prior expectations confirmation process and new expectations formation process. Even though these two processes can be to some extent simultaneous, one is, to all intents and purposes, the precondition of the other. We can then distinguish for each concept studied, between a first and a second stage of the development phase.

Concrete Determinants. As has been suggested by Granovetter (1985), the direct experience of transactions provides A with more fine-grained data than those he would obtain through B's reputation. Given that they have already been processed, the general information acquired through a general analysis of B's incentive to respect trust and his reputation on competence has only a marginal effect on A's perception. On the contrary, an important effect may be had through:
1) what confirms or does not disconfirm A's trust in B's behaviour predictability as formed at the end of the exploratory phase of the transaction.
2) what contributes to make A perceive an established specific benevolence from B.

The former, the antecedents involved in the confirmation/disconfirmation process are hypothesized as being the following:
- Individual variables (punctuality, consistency),
- Communication (open and accurate),
- Competence.

Concerning the confirmation/disconfirmation process of the first expectations, we consider that A's satisfaction with what he hypothesized about B's behaviour is a mediating variable for continuing in trust development. This process can be understood as follows:

**Figure 4 - The Confirmation Process of Trust in B's Predictability**

Based on the satisfaction theory, we consider that the confirmation or non-disconfirmation of trust at the first stage of the development phase is a necessary condition for the trust in B's behaviour dependability to emerge in the second stage.

On the other hand, the antecedents involved in the formation of the perception of B's benevolence are hypothesized as being:

- Specific sustenance from B,
- Conflict resolution modes used by B,
- B's power exercise style,
- Communication (reactive and interpersonal),
- B's trusting behaviour (control style, transaction specific investments, confidential information).

Indeed, when the relationship deepens, the reciprocal processes of adaptation and institutionalization that develop provide A with much more information on B (Håkansson, 1982). The social exchange becomes more important. Direct contact allows A to closely observe B's behaviour. It also provides him with the material that will enable him to
interpret B’s behaviour by ascribing special dispositions and qualities to B (Rempel et al., 1985). If B makes cooperative adjustments, adopts a positive and constructive attitude, tends to resolve conflicts and lets personal relationships develop, then A has an incentive to rely more and more on B and to feel more and more concerned about having to break the links whether interpersonal / inter-organizational (or economic / symbolic) that appeared throughout the interaction process. The impact of B’s trusting behaviour is also important as with the passage of time, the reciprocity of trust becomes a condition for A to maintain his own trust towards B. Thus, we may assume that when he evaluates the trusting behaviour of his partner, A will be attentive to the decrease in control effected by B, the value of specific investments he makes and the confidential information he communicates.

**Moderating Variables.** In the development phase, it is no longer the similarity of the norms of both parties that plays an important moderating role on the effect of the concrete antecedents on A’s perception of B’s trustworthiness. As interaction begins, the similarity of the general norms of B’s behaviour to A’s own norms becomes secondary compared to the bilateral and specific norm that is developing between the partners. We consider that among the possible idiosyncratic norms that can appear, the questions of equity and reciprocity are the key ones. These norms will be taken into account by A and will govern his interpretation of B’s behaviour. This does not mean that B has to reciprocate immediately. On the contrary, A can be sensitive to B’s temporary indebtedness. He can interpret such behaviour as trusting and may consider that B envisions a lasting interaction. To summarize, concerning A’s perception of B’s benevolence, the moderating variables should then be the sharing of norms of equity and reciprocity.

**Perception of Trustworthiness.** We may hypothesize that at the end of the development phase, B’s perceived reliability has three basic dimensions as defined by Mayer et al. (1995): ability, integrity, benevolence. However, the importance of each of these dimensions varies as time goes by throughout this phase of the relationship.
On the one hand, the partner competence remains an important parameter, but a partial lack of know-how from B is no longer inhibitory. Indeed, within the context of cooperation which characterizes the second stage of this phase, A can transfer some skills to B. On the other hand, there is a reinforcement of the integrity dimension of trustworthiness. When A notices that B complies with the established rules of equity, he will feel that his partner is honest and will not cause him prejudice.

However, other factors must be considered so that A can accept the benevolence of his partner. The perception of the partner benevolence will tend to emerge only when the convergence of the objectives of both parties is reinforced. When the relationship offers potential for cooperation and when this creates additional benefits for both parties, each partner has the incentive to make a greater effort to provide the other partner with more than he expects. In the beginning, B will tend to behave this way because he hopes to accrue benefit for himself. But, when the development of cooperation extends the field of common interest, B can then freely make short term sacrifices in order to maintain the relationship. His solidarity will tend to make A feel that his partner is benevolent. This benevolence will also tend to result in the development of personal relationships between the members of the two organizations.

In the second stage of the development phase, the interpersonal component of communication will tend to become stronger and the links between individuals will be reinforced. This will favor the emergence of the affective dimension of trust. Some purchasers and some other managers of the trustor firm may tend to develop some « friendly » relationships with their counterparts in B (Macauley, 1963). We could also consider that some affective determinants found in studies on inter-organizational relationships identification with and affection for the other, altruism have an effect on the buyer-seller relationship and incite B to be benevolent with A (McAllister, 1995).
In the development phase of the relationship, A will be progressively convinced, not only of B’s integrity and competence, but also that he will provide him with some special benefits and an increased well-being (i.e. he is benevolent). The perceived benevolence of the partner is the key factor in the emergence of the second stage of trust as identified by Rempel et al.

Trust. In the first stage of the development phase, trust is based on predictability. But it gets stronger as prior expectations to B’s integrity and competence are met. In parallel with the confirmation process of the first expectations, A will develop new expectations, not according to B’s general rules of conduct, but on the adoption by B of a specific behaviour form tailored with A’s objectives and interest. This second category of expectations is progressively met throughout a second stage of this phase of the relationship, as A’s perception of B’s benevolent intentions gets stronger.

In the second stage of the development phase, trusting the partner tends to be more global and becomes involved with any action which may be undertaken. Compared with what one can observe in the first stage of this phase, A now believes that the strategic intentions and dispositions of B are clear enough for him to take the risk of trusting B. In this second stage of the relationship, A’s trust in his partner is characterised by the security he feels in depending on this partner. Hence, A’s trust becomes a dependability-type of trust.

Figure 5 - Proposition of Classification for the Trust Antecedents in the Development Phase
**Trusting Behaviour.** In the development stage of the relationship, A's trusting behaviour tends to become more and more extended. The effects are both a decrease in the formal controls on B (monitoring, protective measures in the contracts) and the strengthening of the interactions (deepening of the relational norms, increased solidarity, the development of cooperation, the increase in communication, the strengthening of personal links with the members of the other organization). As A's trusting behaviour develops, so do his risks. The benefits will increase along with the level of trust until a certain level is reached that cannot be exceeded.

But before becoming a "faith"-type of trust, the "dependability"-type of trust must be confirmed or not disconfirmed in time. We consider that this phenomenon depends on the repetition over a period of time of B's behaviour. Such repetition confirms A's expectation and increases his satisfaction with B's benevolence. This is a precondition for the faith-trust type to appear.

**Figure 6 - The Confirmation Process of Trust in B’s Dependability**

![Figure 6](image)

223. **Maintaining the Interaction**

This last stage begins when benevolence is confirmed and when the cumulative nodes that link trust with cooperation stop working without causing any damage to the relationship or dissatisfying A. The potential for cooperation is then totally exploited.

**Concrete Antecedents.** In the maintaining of the relationship, symbols and signs tend to strengthen the reliability of B more than do material data. At this stage, trust reaches its highest level and A does not search for new information that might confirm his trustworthiness.
Moderating Variables. We believe that no moderating variable can impact the faith-type trust. In this last stage, the bilateral norms of equity are no longer a main reference just as in the development stage. In the short and middle term, the strict compliance with these norms is no longer a requirement for A. The minor departures from these norms by B are now considered as not significant: A feels that they will probably benefit him in the long run.

Perception of Trustworthiness. Every dimension of trustworthiness is important at this stage, but the benevolence that emerged in the second stage is now the major factor. In this third stage, the affective dimension has an increased importance in the assessment of the reliability of B. The symbiosis established between the two firms, both at the organizational and personal levels provides A with an « emotional security » which is important to maintain trust. The personal relationships between the members of the two organizations tend to be characterized by strong feelings of friendship. As suggested by McAllister (1995) in another context, we consider that the affective component of the perception of B's trustworthiness will tend to become autonomous in the last stage and will endure even after some cognitive elements have questioned the trust bases.

Even if the cognitive and utilitarian aspects become less important, they do not disappear in the last stage. If cooperation runs out of steam and the personal links become loose or if the bilateral rules of conduct fall into disuse, it is possible for the trust to regress to an intermediate level.

Trust. In this ultimate stage of the relationship, because of the partner benevolence and the importance of the affective dimension, trust encompasses some elements of faith. This faith means that in case of difficulties in the relationship there will be no immediate doubts likely to destroy trust in the partner. The partner is also likely to have some forbearance which allows him to admit temporarily the early defaults of the other party (Buckley and Casson, 1988).
**Trusting Behaviour.** In this last stage, the trusting behaviour has the same characteristics as in the development stage. This ultimate trust (which all partners do not reach as some buyer-seller couples do not happen to get past the second phase) can sometimes be broken off. This is the case when many serious and repetitive defections occur but, as has been emphasized by many authors, trust tends to disappear more suddenly than it emerges.

Table 1 - The Principal Characteristics of the Different Stages of Trust Development

<table>
<thead>
<tr>
<th>Exploration phase</th>
<th>Development phase</th>
<th>Maintain phase</th>
</tr>
</thead>
<tbody>
<tr>
<td>- Perception of the partner's trustworthiness:</td>
<td>- Perception of the partner's trustworthiness:</td>
<td>- Perception of the partner's trustworthiness:</td>
</tr>
<tr>
<td>. results solely from the evaluation of the skills and the integrity of the partner</td>
<td>. results specifically from the evaluation of the integrity of the partner but the benevolence of the partner is understood as time passes by.</td>
<td>. results particularly from the belief in the partner's total benevolence</td>
</tr>
<tr>
<td>. based essentially on cognitive (e.g. external information) and utilitarian (e.g. benefits and sanctions) criteria</td>
<td>. based on cognitive, utilitarian and affective criteria</td>
<td>. based largely on the affective criteria, new information is sought only to interpret potential conflicts and to be sure that they will not create the defection of the partner.</td>
</tr>
<tr>
<td>- Trust</td>
<td>- Trust</td>
<td>- Trust</td>
</tr>
<tr>
<td>. based on the foreseeable nature of behaviours</td>
<td>. based on the evaluation of the dispositions of the partner which create the incentive to depend on him</td>
<td>. based on the faith in the partner and the belief that his intentions are good</td>
</tr>
<tr>
<td>. with low intensity and is applied only on specific, short term actions of low risk</td>
<td>. with an increasing intensity and progressively applies on the actions which are likely to be conducted with the partner</td>
<td>. with a maximum intensity and applies on the partner globally</td>
</tr>
<tr>
<td>- Trusting behaviour</td>
<td>- Trusting behavior</td>
<td>- Trusting behaviour</td>
</tr>
<tr>
<td>. limited to the absence of a small number of protective measures</td>
<td>. with a progressive absence of almost any protective measure in the contracts and any formal procedure of control of the partner</td>
<td>. With no formal and direct control of the partner</td>
</tr>
<tr>
<td>. enables to achieve only a limited reduction in the transaction costs</td>
<td>. results in an important reduction in the transaction costs</td>
<td>. guarantees an optimal reduction in the transaction costs</td>
</tr>
</tbody>
</table>

**BIBLIOGRAPHY**


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