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# THE CORE BUSINESS RELATIONSHIP BUILT ON TRUST AND RELIANCE

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Abstract

Trust underpins a long-term business partnership. Research into business-to-business (B2B) marketing suggests that trust is vital to the formation of a relationship and accordingly determines the robustness of a business partnership. This study discussed the role of trust in business partnerships and its limitations, derived three main points from an analysis of related theories, and examined the relationship between trust and business partnerships from the perspective of B2B marketing and the marketing implications of trust. The objectives of this study were to explore (1) the dynamic nature of trust, (2) standards of trust, (3) the role of trust in transactions, and (4) whether trust is essential to exchange relationships. Tang Wen Sheng (2011) believes that "interaction" will allow for efficient and productive results; therefore, the dominance practice of the reciprocal relationship principle in communication should be applied by maintaining one's internal stability. The findings may contribute to the understanding of how relationship quality, contracts, and managerial behaviors interact within predicable B2B marketing relationships and exchange relationships.

Keywords: Management, Anthropometric, Interpersonal Relationships, Communication Information Provisions, Negotiation, Rationality, Subjective Behavior, Core Interaction, Crucial Factor, Qualification

## Introduction

Studies on marketing have identified trust as a perceivable and critical concept in business relationships and that it has a profound meaning. By the end of the twentieth century, trust had become a core element of business-to- business (B2B) marketing and the most crucial concept in studies on marketing. Trust is the main component of relationship quality and a necessity and determinant for a sound business relationship. In studies on B2B marketing, trust in interpersonal relationships and between individuals and external organizations has emerged as a basic concept and has identifiable features.

In B2B marketing, trust should be theoretically clarified. Trust in business relationships should be carefully analyzed and appraised regarding its scope and limits. For each theory, three analyses were performed as follows:

1. Researchers have proposed various definitions for trust depending on the environment and background. Trust is a heterogeneous and irreplaceable concept. Each definition describes a trust system. Trust is an anthropocentric notion, and as such is inextricably linked to human beliefs, sentiments, and intentionality (Solomon and Flores, 2001). Trust is more appropriate for interpersonal relationships than for external business organizations. Trust in organizations is nonsensical.

2. Risk assessment and interests considerations are crucial for organizational relationships. Business relationships are built on trust. In high-risk B2B relationships, establishing accountability through explicit performance standards and monitoring may conflict with interpersonal trust (Smith, 2001; Marsh and Dibben, 2005). Therefore, long-term business relationships must be built on trust. Without trust, cooperation and reliance between partners cannot be established to form a business relationship.

3. Interpersonal relationships and the relationships between individuals and external organizations must be rigorously defined.

For example, consider the business relationship between Supplier A and Retailer B; a manager at Retailer B must develop interpersonal relationships and is an interested party who represents the firm’s business interests. The managers of Supplier A and Retailer B must cooperate and establish an external organization; this is complex, continuous, and objective. The manager of Supplier A must commit to Retailer B’s manager regarding a subjective social interpersonal relationship. Therefore, the connection between the strong and the weak in business relationships is implied in each type of relationship. In B2B exchange, a relationship involves complex behavior (e.g., gift provision, communication information provision, structural provision, accounting systems, billing and shipping, and commercial contracts).

We used additional standards to examine the concept of trust in each business relationship. Theories should be provided, and the value of managers should be revealed to understand B2B relationships.

First, we adopted the concept of trust as the basis for interpersonal interaction and relationships. For example, when two companies negotiate with each other, their managers must be trusted without emphasizing that the managers represent the companies. Cheng Bor Shiuan (2005) notes that trust is considered a very important factor affecting teamwork and the communication process. According to Cheng Bor Shiuan (2005), team composition, interpersonal trust, and team member effectiveness require a sort of social network perspective.

In fact, a business relationship is an internet-like network formed by interpersonal trust, relationships, and interaction between employees and symbolizes stratification and contradiction. Regarding organizational standards, when trust is not concrete, the rationality of reliance can be effectively applied in business relationships. The exchange relationship and legal–patent exchange are subjective. Trust includes an external organizational relationship and rationality, and reliance is a supplementary concept.

In this study, we applied the concepts of trust and reliance used in the context of B2B marketing to business relationships. We limited our understanding of trust and reliance to B2B marketing relationships. Our analyses were not based on a manager's standards or individuals' organizations but a person's business relationship. This study was based on the motivational standards of trust and the rational standards of reliance. An incomplete definition is the essence of the existence of marketing theory. In this study, we established a new framework for trust and reliance to represent business relationships and discuss the meaning of marketing and a series of proposals. Motivational Concept of Trust

Trust has been embraced in B2B marketing as a fundamental cornerstone of cooperation (Hakansson et al., 2004). When two groups exchange their space, cooperation is a basic concept, is not defined as a type of subjective behavior, and is the core interaction between collaborators on the basis of perceived goals. The interaction between supporters in business relationships has been analyzed; the exchange relationship and the concept of environment were used to understand the concept of trust. Using external relationships and cooperation networks to develop B2B marketing highlights heterogeneity's existence. Gifts offered by sellers, long-term reliance, and cooperation between buyers and sellers are marketing theories regarding how to reduce competition.

To develop optimal trust, the importance of interpersonal relationships should be emphasized. Trust can enhance consumers' satisfaction in the supply chain and improve the ability to respond. Mature trust is a priority for a relationship.

The scope and limits of trust has not been understood in business. The domain of trust is rarely specified, and its conceptual dimensions are used imprecisely and ambiguously (Solomon and Flores, 2001).

Trust is a fact that entails a complex process. Most studies have considered trust a psychological state regarding confidence, kindness, and expectation. Trust is a feeling and attitude. Trust is thus "an internal attribution, a moral exercise of free will that assumes most significance in situations where there is a lack of regulation or means of coercion." (Marsh and Dibben, 2005).

In an exchange relationship, trust has three meanings:
(1) Trust is an act of kindness that is based on belief.
(2) Trust is an executed function and an achievable obligation.
(3) Trust is the degree of reliance in a relationship.

Trust is a combination of social risks and implicit reliance in a relationship. In addition, the limits of trust should be defined. According to external organizational standards, trust is absolutely perceivable and is constrained and influenced by roles in an organization. Therefore, personal honor may deviate from organizational interests. Personal motivation and organizational commitment may be mistaken. The outcome is that pseudo-personification of social structure and business relationships have not been clearly analyzed. Using anthropocentric and behavioral conceptualizations contributes to a normative view of trust and to a perceived dichotomy between trust and distrust in relationships (Sitkin and Roth 1993). Trust is regarded as "good" and distrust "bad." (Lewicki et al., 1998). Transaction-cost approaches to business relationships (Williamson, 1975).

For example, in a contracted group, trust is the opposite of opportunism and reduces processing costs. Trust is necessary for successful negotiation in a contradictory or satisfactory situation. For product marketing and purchases, trust is a crucial factor that influences cooperation. To understand the development of trust, we distinguished trust from distrust on the basis of confidence. Confidence is exchangeable and is built on predictable outcomes. The expression of confidence is based on subjective standards and scientific operation. Through regular monitoring, the relationship between behavior and confidence can be understood.

However, in a business relationship, distrust is hidden and confidence is potentially contradictory. To determine the scope and limits of trust, we should assess organizational relationships to understand the practical concept of confidence; in addition, we should perform a risk analysis to determine rational standards for business systems. Dugen's Law explains that its core and confidence can determine the success or failure of life, the value of which may have different meanings in different environments.

*Standards of Reliance*

In a business relationship, reliance is a supplementary concept to trust and emphasizes rational standards for external organizations without a personal basis. Trust and reliance are the characteristics of an external organizational relationship. A business relationship can help external organizations exchange their resources according to price standards. For example, British Airways and Airbus signed a contract to purchase 300 airplanes. These airplanes arrived on time, and their quality standards were described in detail. Payment was based on an order record after Airbus signed the contract with British Airways. As discussed previously, Company B's investment was related to Company C's goals. Customers' requirements should be met by suppliers (e.g., low costs, credit facility, and a publicity campaign for new technology) (Buckley, 2005; Cohen & McKendrick, 2005).

Organizational members indicate the shortcomings of each system. Furthermore, the standards of reliance are outlined in a B2B contract. Therefore, the B2B contract is legal and impartial and is a mature social guarantee. The contract is based on respect and understanding. Each basic business relationship is implicitly an agreement between various groups and determines how to make a commitment (Barnett, 1986; Biggart & Delbridge, 2004). The principle of "consent-based exchange" treats contracting parties as actors that bring to the exchange certain entitlements and that manifest their consent to the transfer of these entitlements.

Contracts are protected by law and meet the two parties' expectations. We should assess business relationships and legal influences. When a company cannot fulfill a contract and must provide performance-guaranteed monetary equivalents, the company can follow the B2B contract to reduce losses; this method is based on reliance. To establish a system, reliance on external organizations and exchange of the external organizations' obligations should be encouraged. The law attempts to prevent losses and to avoid breaking a commercial contract on the basis of reliance. However, organizations do not deliberately break a contract and cause losses. The concept of reliance in B2B exchange is different and does not receive much attention because no related studies have been conducted. Generally, the particularity of trust and importance of reliance have not been emphasized.

### *Trust and Reliance in Trading Relations*

In essence, trust in a person differs from trust in a group. Trust is an inherent moral quality and is related to interpersonal relationships and interaction. Considering the exchange of interests, trustworthiness should be developed on the basis of interests instead of morality. According to previous studies, the appropriateness of trust is related to the announcement of reliance. Mutual interests are based on mutual trust. Reliance is not a motivational factor but is inherent standards; institutionalized regulations should be established for business relationships. Reliance is a rational expectation in business relationships and can be guaranteed. "Impersonal" or "system trust" is the trust that individuals place in systems and institutions or an individual's trust emanating from structural arrangements (Noteboom and Six, 2003).

Numerous researchers have attempted to expand the concept of trust from individuals' interpersonal relationships to external organizational relationships. However, expanding the concept of trust is a challenge. Cooperation and contracts between external organizations (e.g., alliance businesses or B2B partnerships) are the standards for analyzing external organizations for trust and strategic alliance. Structural condensation is economical, strategic, and organizational and involves a personal relationship and social relationship connections. A clear concept is required to be able to produce evidence. Therefore, we distinguished trust from distrust. Personal trust is based on mutual relationships between individuals and is unique and rational. In addition to personal trust, organizational trust can be established. Furthermore, we distinguished external personal trust from external organizational trust. In an organization, trust occurs among individual people; external organization trust occurs among the members of focus organizations.

### *Framework for Trust and Reliance in Trading Relations*

When trust becomes a motive, trust and reliance are assessed according to different standards. We attempted to apply the framework of trust and reliance to business relationships. Trust is a type of sentiment and behavior present in contracts and interactive business relationships. Personal standards and external organizational standards are equally crucial for the relationship between an agent and their client. When trust and reliance are linked to risks in society, reliance can reduce risks according to institutionalized standards. When a basic trust relationship is not connected to a rigorous mechanism, a diversified system exists in the structure of reliance. The development of external interpersonal relationships and external organizational standards is crucial. We must also further develop the concept of business relationships.

(1) Building trust and reliance depends on various concepts used to understand business relationships.
(2) To understand the complexity of business relationships, an integrated model for trust and reliance should be developed.

We used two independent concepts to determine business relations, which are hidden in the two concepts.

(1) Business relationships are built on individuals' interpersonal relationships and rely on various crucial activities.
(2) Business relationships rely on external organizational standards regarding reliance.

Weak trust in individuals' interpersonal relationships and weak reliance in external organizations are temporary and can be broken easily. If temporary business relationships are built on the high reliance standards of external organizations, then trust does not exist among members. Some business relationships have a high-standard trust relationship and disregard the low reliance standards of external organizations. Personal relationships in business relationships are built on high trust standards. Strong relationships are built on external interpersonal relationships and the reliance of external organizations. Zheng Xiao Lan (2010) indicates that self-confidence is the driving force of everyone. No confidence means no action.

## Discussion

We carefully analyzed trust and reliance in the B2B marketing field. We identified misconceptions regarding trust and distrust. We used intellectual trust and reliance to test business relationships. We recommend that further studies on external organizational relationships should be conducted.

(1) For external interpersonal relationships, trust is critical but is insufficient for developing business relationships because trust often fails to attract interest and to achieve organizational goals. For example, Supplier H (Company V.R.) developed its policy and improved its profits in accordance with its business goals. Company R informed Supplier H of its orders and the end of the business relationship. However, to date, Supplier H still trusts that Company R used its customers to obtain compensation, to close some production departments, and to provide severance pay. In this case, the personal trust relationship could not change the business goals and interest. The question is whether Supplier H can develop a new relationship. If trust is lost, a group without a trust relationship can be considered. In the absence of external personal trust, we believe that business relationships cannot be built on reliance.

(2) Reliance is necessary for business development. A convenient relationship is a cooperative relationship with high symbiotic interdependence and does not rely on personal trust. For example, convenient and temporary relationships are two types of business relationships. When a contract cannot achieve a business goal, the concept of trust is clear from brand design. Establishing a relationship is identical to recognizing investment targets and contract terms. For example, the cooperation between European airways and companies in other countries was based on trust through contracts.

Sony Corporation in Japan produced a series of creative electronic products at competitive prices. Despite lacking external personal credit, retailers cooperated with Sony Corporation because they trusted that Sony Corporation could continue to produce excellent creative products. In a temporary relationship, consumers' trust in the company is necessary.

(3) In a business relationship, agreement means trust. For each contract, an agreement provides a reliance platform for enhancing business relationships. To enhance reliance on partnership, the characteristics of external organizational relationships and trust must be understood. Enterprises also provided external information to enhance a business relationship, including interpersonal interaction, regular dis-

cussion, and business assessment. Interpersonal interaction can create trust and interests (e.g., demand reduction in contract terms). Negotiation during singing a contract increases the complexity of external organizational exchange. For example, each year, manufacturers and retailers negotiate for inventory storage, trade exchange, and promotional prices. When signing a contract in a complex situation, manufacturers and retailers must provide documentation to prevent trust loss and monetary depreciation.

## Research Development Agenda

The purpose of an agenda is to further understand B2B marketing (including how to understand business relationships); how a special relationship and an organization develop in B2B exchange is predictable. Trust in B2B marketing is a core concept. Theoretically, trust in B2B is related to the quality of a relationship, contracts, and the behavior of managers and is worth further investigation.

(1) To understand external interpersonal relationship and trust, the concept of reliance in B2B marketing should be defined.

(2) How trust and reliance are connected to business relatoins should be investigated empirically.This study investigated how reliance in marketing occurred and became institutionalized and how reliance in external organizations can be ensured by negotiating, drafting, and monitoring B2B contracts. Network and relationship contracts can stimulate an organization to fulfill contract terms. However, whether these types of contracts can ensure the quality of each audit company is worth investigating. Other questions are whether trust and reliance in business relationships can influence the behavior of managers and develop individuals' interpersonal relationships in external organizations and what type of mechanism can move beyond personal trust. To answer these questions, the cognition of managers should be investigated. Further studies should be conducted to understand business relations, which involve emotion, rationality, commitment, and qualifications.

## Conclusion

This study showed that trust in B2B marketing is multifaceted. The concept of trust must be clarified. Trust is related to a person's motivation and interpersonal relationships. In business relationships, trust involves individuals' interpersonal relationships and external organizational relationships. Therefore, in this study, we proposed a conceptual framework of reliance related to external organizational relationship. We introduced the dimensions of reliance and overcame obstruction caused by fallacies.

In the future, a multifaceted structure should be connected to agreements and business relationships, and business relationships should be further investigated. In addition, new theories about trust and reliance should be systematically proposed. To facilitate the design and planning of long-term relationship strategies, trust is a mandatory condition to achieving favorable marketing results, while the establishing of relationships is a crucial step to meeting set objectives. It is built on personal reputation and is taken into account in markedly critical system processes.

Therefore, interaction in commercial relations is crucial, and such business interactions should be formed through personal experience and attitude. Successful business relationships are based on trust and reputation. While the relationship between customers and suppliers cannot be formalized, it is nevertheless built on legislation. A mutual substituting relationship is founded on trust, which is developed through experience, satisfaction, and empathy; a high level of trust may contribute to a more positive attitude.

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