Industrial Marketing Management 39 (2010) 761–768

Contents lists available at ScienceDirect

Industrial Marketing Management

Exploring reputation of B2B partnerships: Extending the study of reputation from the perception of single firms to the perception of inter-firm partnerships

Kevin Money [a,*], Carola Hillenbrand [a,1], Marc Day [a,2], Gregory M. Magnan [b,3]

[a] Henley Business School, University of Reading, Greenlands, Henley-on-Thames RG9 3AU, UK
[b] Seattle University, Albers School of Business & Economics, 901 12th Avenue, Seattle, WA 98122, USA

ARTICLE INFO

Article history:
Received 1 August 2008
Received in revised form 18 March 2009
Accepted 2 June 2009
Available online 30 March 2010

Keywords:
Reputation
B2B partnerships
Mutual understanding
Flexibility of interaction
Synergy

ABSTRACT

Reputation is a concept that has been widely studied in terms of the perceptions of characteristics of single firms. We argue that there is merit in extending the study of reputation to the perception of characteristics of inter-firm partnerships. Cases of business-to-business partnerships are used to explore the notion of partnership reputation and its associated characteristics. Insights from the study of corporate reputation are used to develop a conceptual model and propositions that specify some of the characteristics and outcomes of partnership reputation. We propose that partnership reputation includes perceptions of mutual understanding, flexibility of interaction and synergy. The benefits of partnership reputation are then explored in terms of the positive behaviours such a reputation may engender with stakeholders. The paper concludes by discussing limitations and outlining directions for future research.

1. Introduction

Corporate reputation (CR) is a key factor in the success of organisations (Fombrun & Van Riel, 2004; Fryxell & Wang, 1994). The beneficial outcomes of a good CR include higher levels of stakeholder commitment and advocacy (Waddock, 2002). As well as understanding the outcomes of a good reputation, it is critical for organisations to understand the key characteristics of reputation (Bromley, 2002). In this context reputation is often studied in terms of how single firms are perceived by their stakeholders. The reputations of partnerships have, by comparison, received little attention from theorists and researchers (Bennett & Gabriel, 2001). This is surprising, given that the reputation of partnerships often yields successful outcomes in many domains of human existence from sport, the arts and culture, through to business and commerce.

The perceived value of partnerships is perhaps most succinctly described by Kurt Lewin (1951) who argued, with the use of field theory, that the whole is worth more than the sum of its parts. This can be demonstrated with contemporary partnerships that still resonate today, such as the song composition and musical genius of John Lennon and Paul McCartney, the comedic talent of Dudley Moore and Peter Cook, or the sporting excellence of tennis doubles partners Pam Shriver and Martina Navratilova. It can be argued these cases demonstrate that the whole is more than the sum of the parts. Reputations of partnerships matter to audiences, supporters, customers and other stakeholders as well as to each individual in the partnership. In the case of John Lennon and Paul McCartney it was their reputation as a committed and creative song writing partnership that attracted Sir George Martin, the producer of many of the Beatles albums, to work with the group.

Successful partnerships are not, however, without conflict or negative emotions. The relationship between John Lennon and Paul McCartney was often volatile in nature, but it was this functional conflict and volatility which is credited with fostering the creativity behind their musical composition and performance. To operate like this, however, both partners need to trust and understand the other party and be flexible to the situations that present themselves. While Lennon and McCartney went on to follow solo careers and develop reputations as artists in their own right, the reputation of the partnership lingers. It is the source of much debate and contention and also the driver of significant support and subsequent financial value.

This paper will argue that the reputation of partnerships has resonance for business, as well as in other aspects of life. The more business-focused partnership between Bill Hewlett and David Packard started as a friendship that turned into a commercial venture, ultimately producing an American company with an iconic international reputation. There are many similar examples of successful businesses that are founded and then grown on the reputation of their founding partners. Larry Page and Sergey Brin as founders of Google,

* Corresponding author. Tel.: +44 1491 414559; fax: +441491 418820.
E-mail addresses: kevin.moeny@henley.reading.ac.uk (K. Money), carola.hillenbrand@henley.reading.ac.uk (C. Hillenbrand), marc.day@henleymc.ac.uk (M. Day), gmagnan@seattleu.edu (G.M. Magnan).
[1] Tel.: +44 1491 414557; fax: +44 1491 418820.
[2] Tel.: +44 1491 414559; fax: +44 1491 418820.
[3] Tel.: +1 206 296 6466; fax: +1 206 296 5795.

0019-8501/$ – see front matter
doi:10.1016/j.indmarman.2010.02.015

Bill Gates and Paul Allen (founders of the Microsoft Corporation) and Ben Cohen & Jerry Greenfield who founded the Ben & Jerry's ice cream company. What these partnerships have in common is that success is not just dependent upon individual capability. Successful outcomes from close collaboration arise because of synergistic skills and complimentary outlooks between potential interacting parties. These partnerships have reputations, and in some cases create a radial tacit advantage over competitors by broadcasting a jointly fostered sense of identity and culture with employees and a sense of community and loyalty that attracts other stakeholders. If the reputations of such partnerships are important to those within a dyadic exchange (Bennett & Gabriel, 2001; Arend, 2009), we argue that there is merit in assessing the impact of partnership reputation more widely in a network setting.

B2B partnerships are often the subject of significant investments of time, expertise and financial outlay (Jap, 1999; Kale, Dyer, & Singh, 2002). When it comes to the analysis of B2B interactions there are examples of the value of partnership reputation. Like in the earlier inter-personal examples, these reputations at best can be seen as synergistic, such as in the case of the Boeing Corporation and its partnership with Rolls Royce Aerospace plc. Together they are seen as pioneers in greener air travel with the new Trent 700 range of multi-fuel (kerosene/bio-fuel mix) efficient and quiet jet engines, used as part of the 787 Dreamliner product family of commercial aircraft. It is the reputation of this partnership for complimentarity and subsequent innovation which is key to the marketing of airlines such as Virgin Atlantic when making credible claims about their commitment to identify and exploit ways to offer greener air travel. The reputation that Boeing and Rolls Royce have for their engineering excellence, joint understanding and flexibility gives the partnership reputational attributes that makes these green claims believable. Moreover, this partnership reputation signals to other stakeholders that the relationship has particular characteristics that may or may not be appealing to a variety of stakeholders. The wider resonance of the reputation, perceived by stakeholders outside of the partnership, may also influence interactions in a wider network (Wathne & Heide, 2004).

We are particularly interested in conceptualising partnership reputation and its resulting impact on the behaviours of stakeholders outside of the focal partnership (McIntyre, Thomas, Tullis, & Young, 2004; Lavie, 2006). This requires us to conceptualise partnership reputation as perceived from outside the partnership and to assess what benefits partnership reputation may accrue for the partnership itself as well as for each partner within it. In doing this, we consider both the benefits that partnership reputation may bring in B2B relationships and the spillover effect on relationships with other stakeholders.

The paper will theoretically explore the concept of partnership reputation in four parts. First, we review the CR literature and introduce the concept of partnership reputation. Second, we draw on examples of B2B partnerships with well-known reputations, and together with literature from the fields of relationship marketing and social psychology explore three key characteristics of partnership reputation. Third, we present a conceptual framework and propositions that link partnership reputation to subsequent consequences. Finally, the framework is discussed and directions for future research are outlined.

2. From corporate reputation to partnership reputation

In proposing a shift in the focus of investigation from CR to partnership reputation we draw on Hiel (2008) who suggests that researchers could gain valuable insights by extending the emphasis from the study of the reputation of organisations to the study of the reputation of other elements of stakeholder-organisation interaction. This accords with our intention to explore the argument that partnerships have reputations and that these reputations are important. In addition, a shift of the reputation metaphor facilitates the observation and measurement of elements of reputation that have not received much attention thus far in the literature.

A milestone in terms of the study of CR is the contribution of Brown, Dacin, Pratt, and Whetten (2006) who provide an interdisciplinary framework and terminology for the study of CR. This work reduces the degree of ambiguity surrounding the use of terminology in the field in which terms such as CR, corporate identity, corporate image and corporate brand were often used interchangeably, and were used to signal different constructs (Pitt & Papania, 2007). The Brown et al. (2006) framework describes CR as the mental association about the organisation actually held by stakeholders about the firm. Brown et al. (2006) argue that if researchers and practitioners can more clearly define and measure these concepts, then they will be able to develop strategies that can bring benefit to organisations.

Fombrun (1996, p. 72) provides a useful definition of CR that accords conceptually with the Brown et al. (2006) framework: “A Corporate Reputation is a perceptual representation of a company's past actions and future prospects that describe the firm's overall appeal to all of its key constituents when compared with other leading rivals.” CR is here both conceptualised as a perceptual construct, in terms of perceptions of a company's past actions and future prospects, as well as an attitudinal construct, in terms of a firm's appeal. While organisations can have a multi-faceted reputation in terms of perceptions of characteristics, there is a growing consensus that the emotional and esteem element is of value because it facilitates a comparison of disparate organisations in terms of the same construct.

In this context theorists have proposed that CR can be measured in a number of different ways. Fombrun (1996), for example, suggests that CR can be measured in terms of six dimensions that include perception of an organisations workplace environment, products and services, financial performance and emotion appeal. Davies, Chun, Da Silva, and Ropers (2003), on the other hand, suggest that CR can be measured in terms of stakeholder perceptions of the personality of an organisation. Stakeholders are asked to make judgements about the organisation as a personified or reified whole. CR in this context can be measured in terms of perceptions of, for example, whether an organisation is seen to be chic, dominant or warm. Yet another model is provided by MacMillan, Money, Downing, and Hillenbrand (2005), who suggest that CR can be measured in terms of aspects of stakeholder experience that are relevant to their relationships with an organisation. Reputation in this model is measured in terms of issues such as whether an organisation is seen to be a good listener, communicator, or provider of benefits.

What all these models have in common is that they have been developed to specifically measure different aspects of an organisation's character. They use different metaphors, but are essentially focused on understanding how organisations are perceived by stakeholders in terms of certain sets of characteristics. Lewellyn (2002) suggests that organisations can have as many reputations as stakeholders observing them. It is therefore important to understand which elements of reputation resonate most with stakeholders, and to understand what an organisation is trying to achieve by building its reputation. Each of the reputation models may therefore be appropriate in different circumstances. The MacMillan et al. (2005) model, which asks stakeholders to consider CR in the context of relationships, may be most appropriate when considering the role CR plays in a relationship. The Davies et al. (2003) model is useful for investigating the underlying personality characteristics with which a reputation can be perceived, whist the Fombrun (1996) model can be used to assess a CR in terms of the functional elements of an organisation such as human resources, marketing and finance.

In shifting the focus from CR to partnership reputation, we propose to build on two key themes in CR literature. First, CR is often defined and measured in terms of the perceptual elements that make up the