

**Business-to-business relational bonding over the internet:
some evidence from Australian service industry**

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Extended Abstract

Internet marketing and relationship marketing are becoming prevalent in Australian firms. The advent of the internet has created numerous opportunities for marketing professionals to enhance current marketing practices, including relationship marketing. However, the investigation of marketing relationships in an internet environment is scant. Further, there appears to be no investigation of this phenomenon within the context of Australian service industries. Given these gaps in the literature, the research problem investigated in this research is: *How does B2B internet use affect inter-firm relationships in service industries?*

Thus this paper addresses the problem: How does B2B internet use affect inter-firm relationships in Australia service industries? Essentially, I argue that internet use does not hinder exchange relationships and effective internet use may enhance exchange relationships in the long run, with the internet directly affecting communication in an exchange relationship. Therefore this research constructs a comprehensive theoretical model that summarise the relationship facilitating aspects of the internet in a B2B context. The literature does not investigate this research problem in any depth. However, a framework about internet-facilitated marketing relationship in the extant literature was integrated and synthesised with literature about internet marketing and relationship marketing to arrive at two research issues:

RI 1: How are the relational bonds in an inter-firm relationship influenced by internet use?

RI 2: How do these relational bonds interact in an internet environment?

To investigate these three research issues, a combination of qualitative and quantitative *two-stage methodological approach* was used. The first stage was eleven convergent interviews to build on the extant literature and to further confirm and refine the theoretical framework. In the second stage, a survey methodology was used to test the model about internet-facilitated inter-firm relationships in Australian business internet banking users. Data was analysed and the hypotheses specified in the main model were tested using structural equation modelling techniques. Thus this research involved both theory building and theory testing.

The *findings* of this research have implications for the two research issues. The results for the first research issue showed that the internet has little negative impact on relational bonding in the B2B context. That is, technology-mediated transactions in financial services may not be detrimental to established relationships because trade efficiencies are more of a concern for

businesses rather than the social aspects. Moreover, the impact of internet use on relational bonds of trust and dependence is moderated by the length of B2B internet use. The findings for the second research issue were that most interrelationships between structural and social bonds in an internet environment are in line with the generic literature. In addition, the findings of this research highlight some important issues in relationship marketing research. That is, inter-relationships of the relational constructs depend on the context in which the relationship exists.

The main *contribution* of this theory building research is the development and confirmation of a final theoretical framework about internet-facilitated inter-firm relationships. This research has both theoretical and practical implications in the area of internet marketing and relationship marketing. The framework was built from theory and empirical research to represent this process and provides a foundation for further research.

List of references available upon request