SOCIAL BONDS AND SUPPLIER ALLOCATION OF RESOURCES TO BUSINESS CUSTOMERS

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AUT UNIVERSITY **BUSINESS**

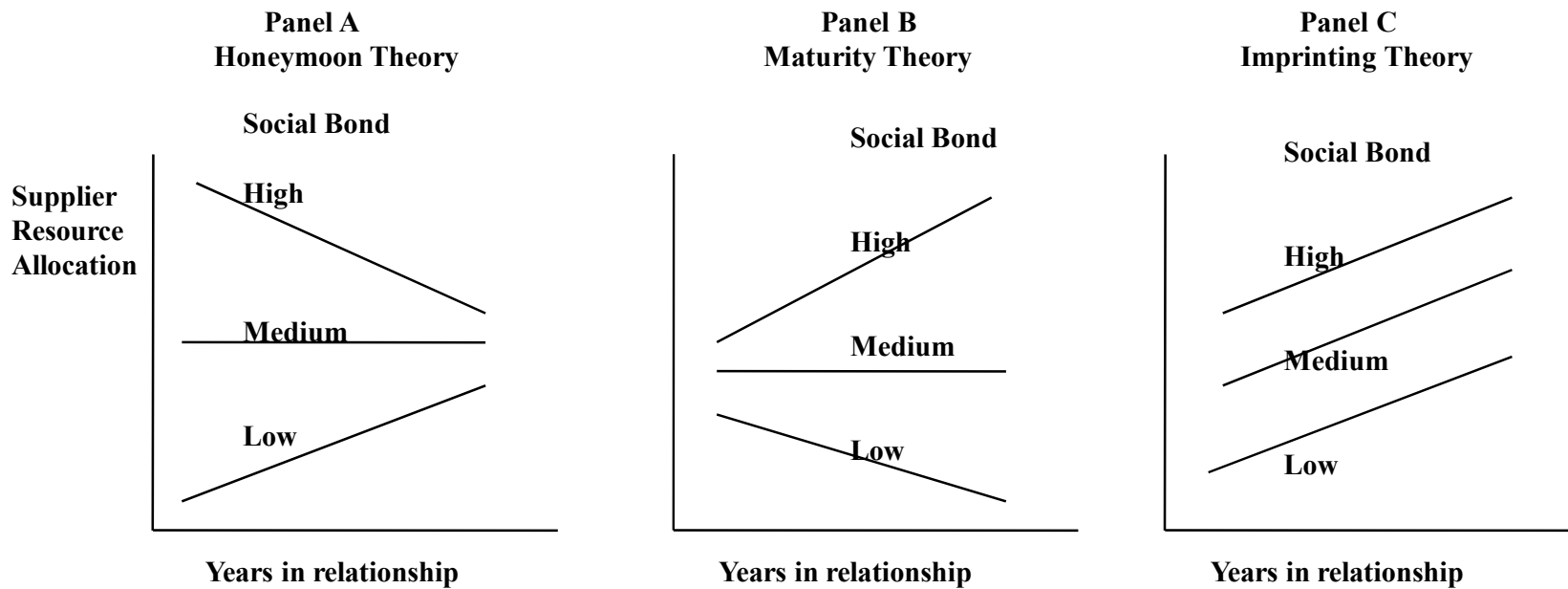# Three theories of social bonding over time

Figure 1
Three Theories of How Social Bonding Affects Supplier Allocation of Resources

Table 1
Resource Allocations by Supplier to Customers with Low, Medium, and High Social Bonds
with the Supplier by Years in the Relationship

Social Bonding	Years in Relationship	Resource								
		Dollars		Physical Items		Time		Intangibles (KSIB)		
		M	s.e.	M	s. e.	M	s.e.	M	s.e.	n
Low	1 – 5	3.50	.19	3.69	.27	4.58	.22	4.85	.25	26
	6 – 8	4.00	.21	3.94	.30	4.65	.31	5.29	.21	17
	9 – 10	3.63	.33	3.38	.30	4.56	.24	5.06	.27	16
	11 – 16	4.38	.31	3.62	.49	5.12	.25	5.08	.24	13
	17 +	4.00	.28	3.85	.24	4.50	.26	4.70	.19	20
	Total	**3.85**	**.19**	**3.70**	**.14**	**4.65**	**.11**	**4.97**	**.11**	**92**
Medium	1 – 5	4.63	.34	3.37	.36	4.89	.33	4.95	.28	19
	6 – 8	4.11	.28	3.64	.31	4.86	.18	4.86	.18	28
	9 – 10	4.20	.28	3.96	.31	4.92	.23	5.40	.21	25
	11 – 16	4.43	.30	3.48	.29	4.78	.25	5.30	.23	23
	17 +	4.47	.19	3.73	.21	5.13	.16	5.37	.17	30
	Total	**4.35**	**.12**	**3.65**	**.13**	**4.93**	**.10**	**5.18**	**.09**	**125**
High	1 – 5	4.12	.27	3.52	.30	4.96	1.06	5.52	.15	25
	6 – 8	5.11	.28	4.32	.41	5.42	1.39	5.84	.21	19
	9 – 10	4.43	.31	4.57	.33	5.14	.66	5.79	.24	14
	11 – 16	4.35	.24	4.17	.33	5.57	.95	5.70	.21	23
	17 +	5.25	.23	4.56	.37	5.38	.81	5.63	.26	16
	Total	**4.60**	**.13**	**4.15**	**.16**	**5.30**	**1.03**	**5.68**	**.09**	**97**
F-value		8.67		3.67		8.32		12.93		
DF = 2/331 ($p <$)		(.000)		(.027)		(.000)		(.000)		
η^2 (Eta²)		**.053**		**.023**		**.051**		**.077**		

Table 2
Relationships of Four Resource Allocations, Social, and Financial Bonding Variables:
Double-Headed Arrows Show Bivariate Correlations of Resources with Social Bonding above the Diagonal
and Partial Correlations of Resources with Social Bonding Controlling for Financial Bonding below the Diagonal

Variable	1	2	3	4	5	6	7[b]	8[e]
1. **Dollar** your firm puts into the relationship		34	38	26	23	13	11	21
2. **Physical** items such as equipment…			28	20	12	12	07	16
3. **Time** that firm's personnel spend working…				57[a]	23	20	08	30
4. Your **intangible** inputs, such as knowledge, …					27	28	05	24
5. **Social**: We have strong social bonds with people…[c]	20	10	19	22		22	01	34
6. **Financial**: This relationship is very profitable for us [d]	09	10	15	23			03	39
7. **Years**: For how many years has your firm …								00
8. **Validation** item: "Our firm shares a lot of goals with this customer" [e]								

Note.   Decimals omitted; r > .10, p < .05; r > .18, p < .01.
[a] Highest correlation (r = .57) indicates that high intangible inputs into a relationship take a lot of time resources.
[b] Years of relationship has significant relationship with only one resource, dollars; finding is suggestive that more versus less profitable relationships survive for longer periods.
[c] Partial correlations of resources with social bonding controlling for financial bonding.
[d] Partial correlations of resources with financial bonding controlling for social bonding.
[e] Validation correlations matches pattern correlation predictions: highest for two bonding variables and nonsignificantly with years.

Table 3
Corrected relationships of Four Resource Allocations, Social, and Financial Bonding Variables:
Double-Headed Arrows Show Bivariate Correlations of Resources with Social Bonding above the Diagonal and Partial Correlations of Resources with Social Bonding Controlling for Financial Bonding below the Diagonal

Variable	1	2	3	4	5	6	7[b]	8[e]
1. **Dollar** your firm puts into the relationship		50	60	30	23	00	00	18
2. **Physical** items such as equipment…			35	16	00	00	00	07
3. **Time** that firm's personnel spend working…				1.00[a]	23	16	00	40
4. Your **intangible** inputs, such as knowledge, …					32	35	00	25
5. **Social**: We have strong social bonds with people…[c]	16	00	13	20		20	00	50
6. **Financial**: This relationship is very profitable for us [d]	00	00	05	23			00	62
7. **Years**: For how many years has your firm …								00
8. **Validation** item: "Our firm shares a lot of goals with this customer" [e]								

Note.   Decimals omitted; r > .10, p < .05; r > .18, p < .01.
[a] Highest correlation (r = .57) indicates that high intangible inputs into a relationship take a lot of time resources.
[b] Years of relationship has significant relationship with only one resource, dollars; finding is suggestive that more versus less profitable relationships survive for longer periods.
[c] Partial correlations of resources with social bonding controlling for financial bonding.
[d] Partial correlations of resources with financial bonding controlling for social bonding.
[e] Validation correlations matches pattern correlation predictions: highest for two bonding variables and nonsignificantly with years.

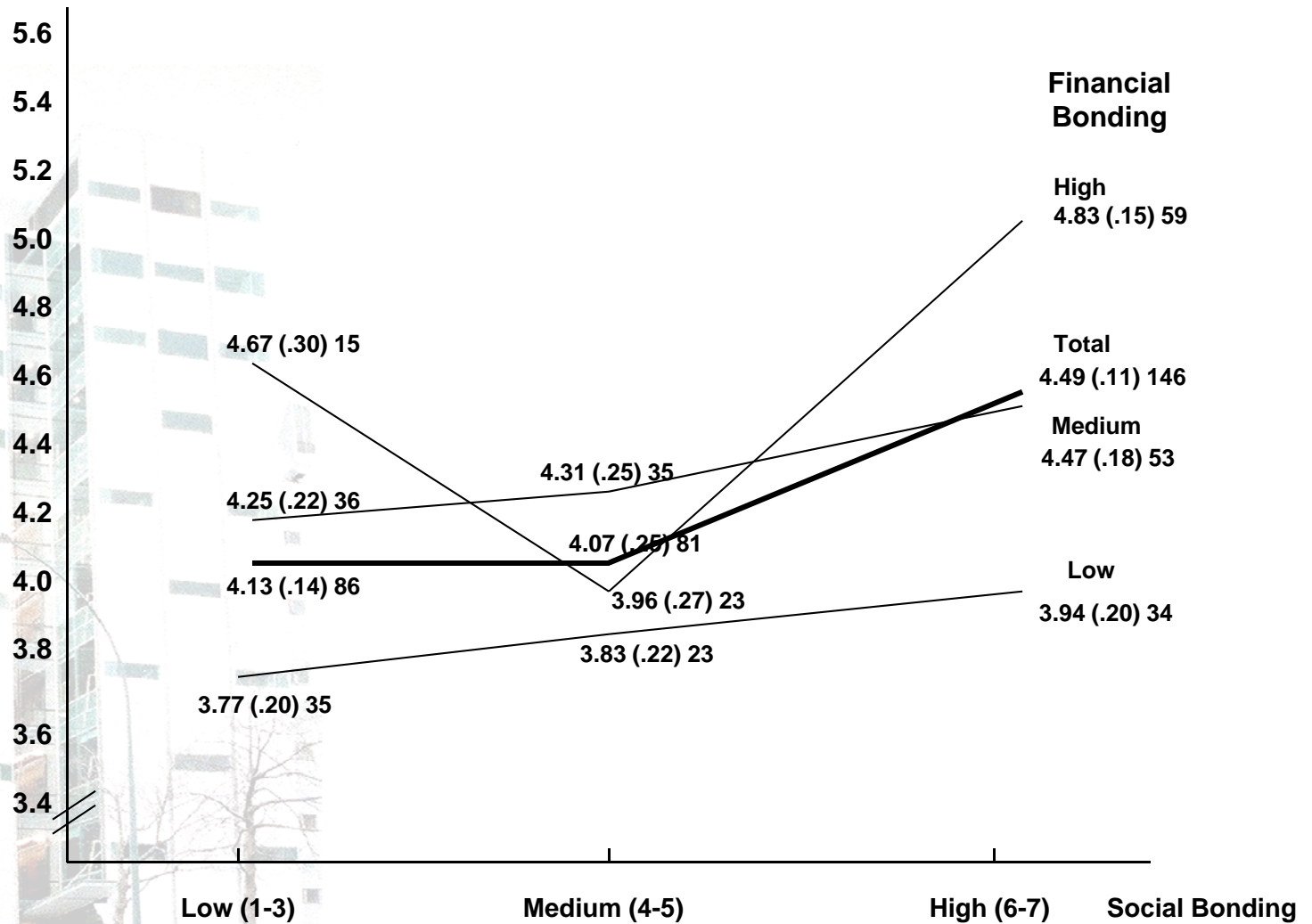**Dollars Your Firm Puts into the Relationship Compared to Other Relationships**

Financial Bonding

High
4.83 (.15) 59

4.67 (.30) 15

Total
4.49 (.11) 146

Medium
4.47 (.18) 53

4.31 (.25) 35

4.25 (.22) 36

4.07 (.25) 81

Low

4.13 (.14) 86

3.96 (.27) 23

3.94 (.20) 34

3.83 (.22) 23

3.77 (.20) 35

Low (1-3)   Medium (4-5)   High (6-7)   Social Bonding

Figure 2
Social Bonding Influence on Supplier Allocation of Dollar Resources, Controlling for Financial Bonding
Note. Numbers include the mean (standard error) sample size. F = 8.74, DF = 2/310, p < .000; η^2 = .053).
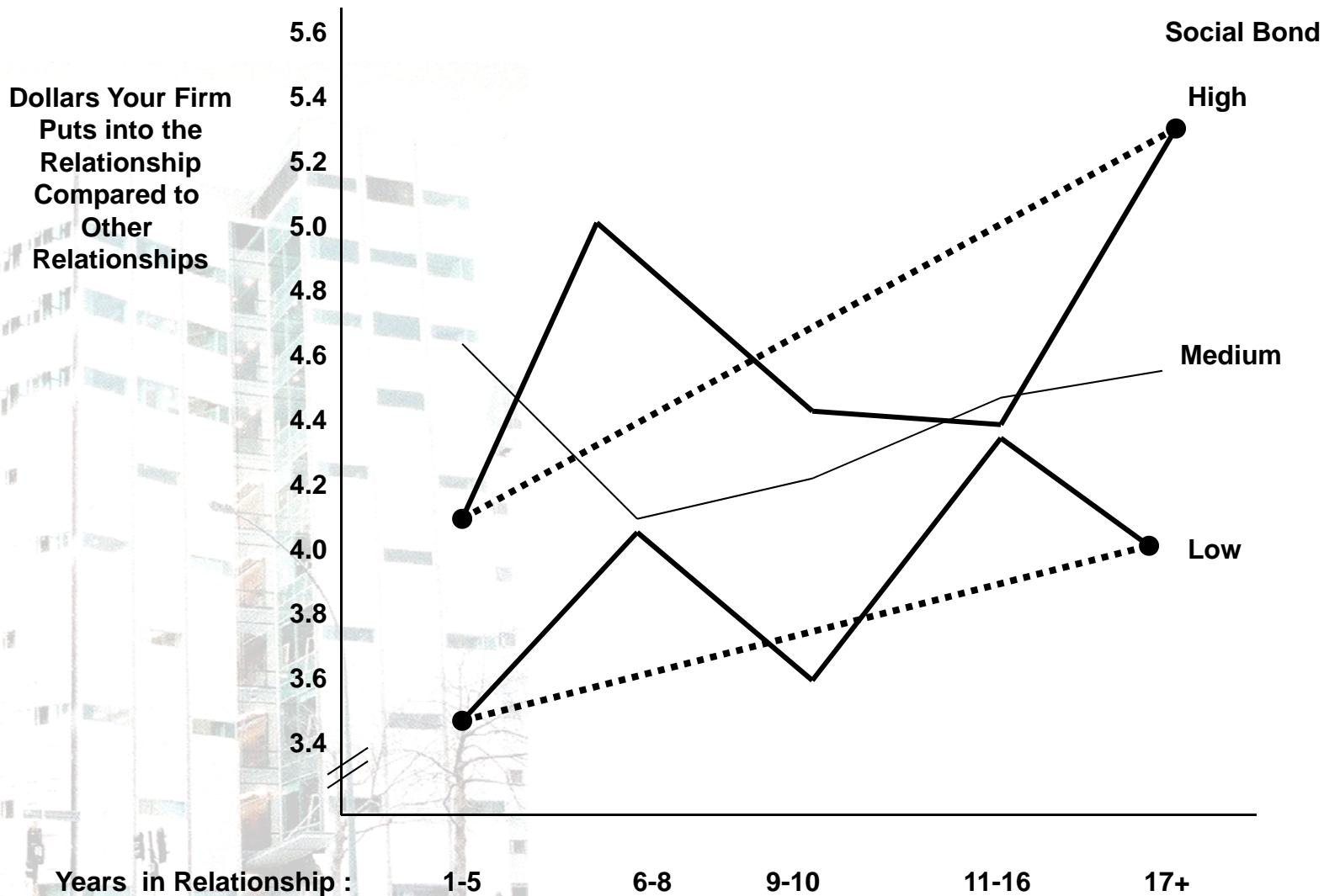
Figure 3

Influence of Years in Relationship on Dollars Supplier Puts into the Relationship for Three Levels of Social Bonding

Note: Dotted line indicates a modest positive interaction effect of social bonding and length of the relationship on dollars supply firm puts into the relationship. The findings support the imprinting theory of social bonding influence on dollar resource allocation by suppliers.
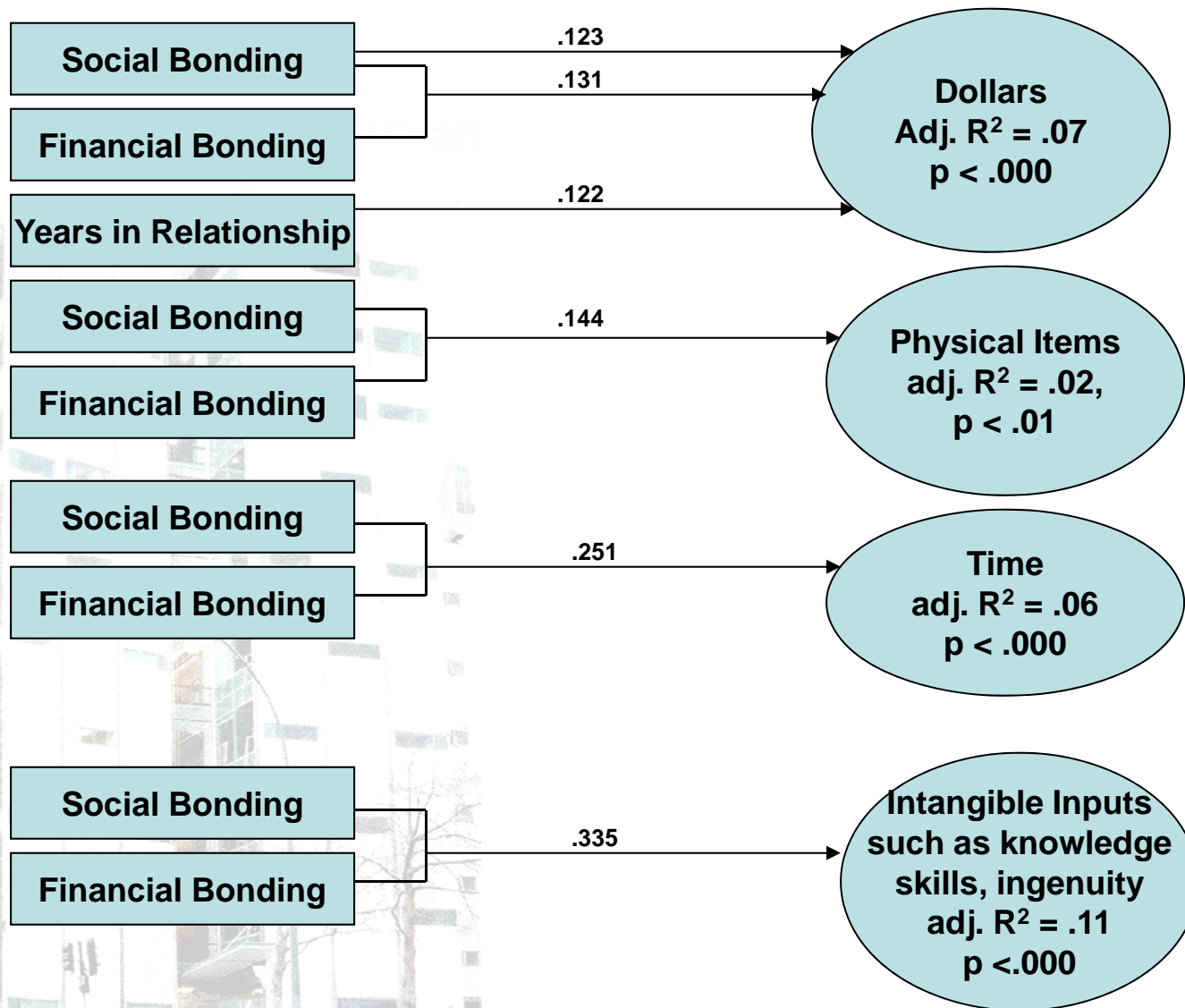
Figure 4
Path Models of Social Bonding, Financial Bonding, and Years in Relationship Predicting Resource Allocations
Numbers on Arrows are betas, β (standardized partial regression coefficients)