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The fairness dimension of relationship quality in business-to-business contacts

Comparison of the retailer's fairness perception in three Central European countries

PhD Dissertation Theses

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1. RESEARCH BACKGROUND

Prior to starting my research program I had the opportunity of establishing, developing and evaluating business relationships within and among businesses during which I perceived several aspects of fairness. *On-the-job experience* makes it obvious to me that fairness is not only important in human relationships, but also in company and inter-company contacts. It is an essential component of establishing efficient management, while enhancing the business' flexibility to respond to internal and external factors. Fairness also helps develop and take advantage of the so precious innovations, which represents competitive advantages. The practical management experience gives an insight into certain specific areas of business.

The *structure of a scientific approach* provides tools to justify theories or objectively formalize management experiences. Exploring fairness and developing an evaluation frame for it represents not only motivation and challenges, but also new opportunities. In the research program I had the opportunity to work together with experts from the University of Missouri, who organized an international research team to explore and empirically test fairness in business-to-business context internationally. The five year long research program and the fairness based international collaboration project required major efforts, but resulted in important results that I would like to share with you.

2. SUBJECT RELEVANCE AND DISSERTATION OBJECTIVES

In stages of human history, individuals and communities made their economic decisions based on different objectives and conditions. Ancient thinkers were interested in *determining how to be just, fair,* and what are some of the ways of achieving welfare and stability in community life. Determining fairness and its interpretations are an ambiguous topic. Contrary to that, when modeling social and economic systems, aspects of fairness are intended to be built into the analysis, which challenges the beliefs of economists, psychologists, sociologists and philosophers as well. The question of fairness gains growing interest in the field of management science.

Our research field is considered to be a part of relationship marketing. Researchers define relationship quality through relationship dimensions. One of these dimensions is fairness which is the central topic of the dissertation:

The objective of the dissertation is to clarify what fairness means. We provide a multidisciplinary interpretation of fairness in order to establish a definition applicable in management, which we empirically test in specific business contexts.

Our starting point is that fairness plays a role in inter-company relationships: When partners perceive a relationship as fair, it enhances the efficient management of the involved parties (Scheer et al. 2003). Fairness also plays a role in developing the long term mutual and common competitive advantages. However, the perception of fairness may be interpreted differently by each partner. When reviewing literature we look for the *generalized fairness definition and its key characteristics*.

We review and summarize models, interpretations and approaches of the involved fields of disciplines. Then we research, how the generalized fairness approach can be used in the field of management and how we can operationalize the measurement of fairness. Based on the generalized fairness approach and the teachings from recent business modeling, we develop our fairness definition as a work definition which we use in our primary research.

We will focus on answering *two research questions* which are to be justified based on *literature review*:

C.I. Can we interpret and apply the generalized multidisciplinary fairness approach to the field of management science?

C.II. Can we operationalize and test fairness in business-to-business context?

The *empirical research questions* which are linked to hypothesis testing are the following:

EC.I.   How retailers perceive fairness?

EC.II.   What factors influence the fairness perception?

EC.III. What impact fairness has on other relationship quality dimensions?

3.   DISSERTATION STRUCTURE AND THE APPLIED METHODOLOGY

Our approach is to divide the research into two main phases. First, we determine the definition of fairness in a multidisciplinary approach and then compare it to the terminology definition of relationship marketing. Eventually the objective is to develop a working definition of fairness. In the second phase, we use the working definition of fairness in our empirical testing in which we operationalize fairness and measure it in business-to-business

contact. During the second phase we analyze the retailer's fairness perception, the factors and dimensions influenced by fairness.

The *structure of the dissertation* is as follows:

- After the introduction we summarize the multidisciplinary literature of fairness to clarify the term. We present the ancient Greek roots of justice and fairness interpretation. It is followed by pointing out some philosophical concepts interpreting social justice. We describe the most important justice and fairness concepts of economics, experimental economics and organizational psychology.

- In the third chapter we position relationship marketing in the field of management science. We determine the scientific frame of relationship marketing in which we specifically focus on relation quality dimensions. We give an overview of the concept of trust, commitment and satisfaction, which are the most frequently used relationship dimensions.

- In the fourth chapter we review and compare the models using the fairness relationship quality dimension.

- In the fifth chapter we introduce the empirical research concept, hypotheses and background of the international research collaboration.

- In the sixth chapter we outline the research methodology and operationalization. We share the survey contents, the sampling process and the methods of statistical analysis.

- In the seventh chapter, we detail the results and conclusions of the empirical research.

- In the eighth chapter we summarize the new scientific results, the research limitations and outline the potential areas of managerial applications and new research directions.

Considering the *methodology*, in the first research phase we use seconder data to determine the generalized description of fairness. We also show the links and relations among relationship marketing, relationship quality dimensions and fairness.

In the second phase, we collect and analyze primary data from the empirical testing which is the descriptive, quantitative part of the research. The empirical analysis in the dissertation is connected to an international research collaboration. Having an insight into the objectives and the applied methodology of the research group provided solid ground to develop the individual research plan. However, the collaboration using standardized methodology also provided constraints as it was necessary to adapt to the survey structure, questions and analysis developed by the team with having the international comparison in mind.

In the *international comparative analysis* we reached out to electronic goods retailers in three different countries, namely Hungary, Poland and Serbia. From an industry point of view, we surveyed the retail side of the distribution chain in the electronics consumer goods supply industry. In order to compare the cultural differences of the examined countries, we used Hofstede's (1994) cultural dimensions.

In the survey, we had *two approaches* to capture the dynamics of the retailer-supplier contact. In the first part of the survey, the retailers were asked to evaluate hypothetical situations in which they were faced with six different retailer-supplier relationships. In the second part of the survey, we asked the retailers about their own real supplier relationships. In this part, we focused our questions on identifying the different fairness components in the relationship, determining the preferred distribution methods of results derived from the relationship and describing the supplier management characteristics.

4. LITERATURE OVERVIEW AND KEY OUTCOMES

Briefly here we summarize the underlying theoretical trends of the dissertation which determine the basis of the general approach first, then secondly the working definition of fairness.

Philosophy: When reaching back to the ancient Greek roots we find a solid, specific definition. Aristotle discusses fairness in relation to justice in the scope of the city-state: „equitable (fairness) is just, not legally just, but a correction of legal justice (…) this is the nature of equitable (fairness), a correction of law where law is defective owing to its universality" (Aristotle i.e. 350, 1137b). Aristotle believes that the law in general terms cannot account for all individual cases, which necessitates fairness − in his terminology equity- to interpret and expand the generally stated rules specifying it to an actual, real case. Although Aristotle's description is clear, it requires adjustments when applied to a larger group of people, community or country. We are faced with an increasing number of issues in which fairness and justice conflict on an individual and a societal level. It leads us to the questions of social justice. The dissertation details some branches of philosophy focused on social justice concepts which further influence thinkers of economics, experimental economics and organizational justice as well.

Microeconomics and experimental economics: Kahneman and his colleagues (1986) believe that the fairness concept is missing from standard economic theories, as actors are

profit-maximizers who follow self-interest within the given legal framework. The actors cannot be fair as such a behavior would prevent them from taking advantage of demand opportunities that would be legally available to them. Microeconomics and experimental economics challenge this base assumption by proposing alternative ways to include fairness into the modeling.

Foley focused on determining the fundamentals of fairness and superfairness theories in the field of microeconomics (In Bara 1998). Varian (2008) further developed the results staying within the framework of standard microeconomics. Baumol (1987) formalized the *superfairness* theory. He introduces new criteria for determining the Pareto-optimal distribution point. He identifies the area of *superequal* distribution points which represent at least the same utility as the equal distribution, while meeting the criteria of superfair distribution as well (In Bara 1998). It appears to be a crucial question: what is the theoretical value approach in each model, since in microeconomics individual value judgment remains outside of scope.

In the experimental economics approach interpersonal utility comparison options are presented, which involves the determination of the individual judgment within the modeling framework. The fundamental idea of experimental economics is that the traditional economic framework assumes a self-interested actor that clearly does not exist in reality. Individuals do take into account interests of others, even if it's in different degrees. We examined alternate counterpoints to self-interest such as altruism, reciprocal altruism, fairness and reciprocity (Rabin 1993, Hámori 1998, Gulyás 2007).

Pure altruism exists when the actor considers the well-being of others in all circumstances and unconditionally, which is directly opposed to self-interest (Becker 1976). Hámori (1998) separates selfish altruism and reciprocal altruism from real altruism. In reciprocal altruism the actor making the favor reduces his welfare compared to the recipient whose welfare increases as a result. This transaction does not depend directly on the compensation. The author believes that *reciprocal altruism* has a role not only in family and friendship relations, but it can also be identified in corporate network relationships as well (Hámori 1998). The *reciprocity* can be interpreted in positive and negative directions. Positive reciprocity is a cooperative behavior, in which one takes into account the interests of others and values co-responsive behavior when assessing the situation in the second round of the game. Opposite of that is the negative reciprocity, in which one penalizes the other in the second round as a response of the other party's previous decision resulting in a negative outcome for the impacted person (Fehr–Gachter 2000).

Compared to altruism, reciprocal altruism and reciprocity, fairness is a concept in which it is not possible to directly respond to the other party. Altruism is always positive behavior in a multiple-step game, despite the fact that it is possible to respond to the other. Reciprocity is always a repetitive, multi-step interaction. In contrast, in the case of fairness it is not always possible to have a second round in the game: but the actor involved in the first round incorporates in their utility assumptions his impacts on others in anticipation of potential future action. The reciprocal altruism overlaps with fairness, since there is no direct response in this case, but the donor acts indirectly in hope of future returns. Fairness carries features of both altruism and reciprocity. What distinguishes fairness from the other concepts is that the decisions considering others are built in during the first round of the game.

Organization Psychology - organizational justice: A conceptualization milestone was the analysis of organizational justice models in which perceived fairness and equity components become the focal point of evaluation – studying it within an organizational environment (Greenberg 1990, Greenberg–Cropanzano 2001, Gerákné 2008). For this field of science it is especially true that the concepts use the words fairness and justice interchangeably in Hungarian literature (Zala 2000, Faragó 2003, Kovács 2005, Gerákné 2008).

Three main areas are differentiated by the researchers which are *distributive, procedural and interpersonal justice*. The interaction of these components is studied in integration models. Despite the fact that organizational justice models focus on processes within an organization, they had a major impact on establishing the scientific framework of fairness as a relationship quality dimension applied for business-to-business (B2B) and business-to-customer (B2C) context in marketing research.

Relationship marketing many times refers back to Adams' performance-based *equity theory*, which was inspired by Homans' (1961) basic ideas within the organizational justice framework. Adams (1965) points out that the employee assesses fairness and equity of the workplace by comparing the ratio of output and inputs. This theory is based on a comparison process by evaluating one's fairness perception to a reference individual or group. On the one hand, the employee compares his earned income to the efforts invested. If he is dissatisfied, he would rectify it by putting in less work or asking for a raise. On the other hand, his output / input ratio is compared to others' output / input ratio, which represents another reference trigger for modification needed for performance or earning expectations (in Greenberg, 1990). If there is a balance of ratios with regards to rewards and efforts, the employee considers the organizational evaluation to be fair.

Management science – relationship marketing and its quality dimensions: Relationship marketing and relationship quality associated with it, we found that there are three commonly used important dimensions, which are trust, satisfaction and commitment. One of the relationship dimensions is fairness, which we find to be the fourth most commonly modeled factor amongst the reviewed 30 models. Empirical studies show that fairness directly affects trust, satisfaction and loyalty in both B2B and B2C relationships, but this effect may be different in different power relations, cultural environments or business relationships.

In the dissertation, we show *five fairness related models* which use fairness as one of the norms describing the relationship dynamics. The following models are examined in detail:

1. Interorganizational exchange behavior in marketing channels (Frazier 1983)
2. Evaluation of relationship quality in business relationships (Järvelin 2001)
3. Inequity perception in culturally different relationships (Sheer–Kumar–Steenkamp 2003)
4. Antecedents and consequences of trust during service recovery (Santos–Fernandes 2008)
5. Fairness–trust–loyalty relationship under varying conditions of supplier–buyer interdependence (Jambulingam et al. 2011)

The comparative analysis of the models showed that across the board the definitions of fairness, though not completely identical, but consistently roots back to the same multi-disciplinary literature. When researchers define distributive justice, they base it on Adams' (1965) equity theory which is built on the Aristotelian theory. The procedural and interpersonal components of fairness in relationship marketing are modeled based on the scientific findings of organizational justice research.

None of the models considers fairness as a dependent variable. It is a phenomenon, which is more an everyday part of business processes rather than an expected outcome. In interpreting results and evaluating the role of fairness we can conclude that management modeling rather focuses on operationalizing fairness than redefining it.

General fairness description: The literature review is concluded the general definition of fairness summary. Fairness has only a common area with justice as fairness provides guidance on everyday interactions of life beyond, but in light of the legal rules. We found that fairness is a norm in which the actor incorporates his decision's impact on other actors into his utility estimation without knowing the counter response of the other side. If it is possible to respond, fairness materializes through reciprocity in both positive and negative directions. In inter-company relationships with participating two or more organizations, fairness is based

on the legal agreement of partners, but points beyond it by operating as mutuality driven norm motivating all participating agents towards increasing the effectiveness of organizations and achieving the maximum aggregate results.

Fairness has several aspects such as distributive, procedural and interpersonal fairness. In the 20th century, the field of organizational justice formalizes these three fairness-based scientific approaches by using it for interpreting internal organizational dynamics. Researchers focused on inter-company relations apply these conceptual foundations for current modeling and empirical testing in business research.

Working definition of fairness: In our empirical research, the following three forms of fairness are considered:

- *Distributive fairness*: the tested partner's perception of the dyad regarding the equal proportion of the relationship outputs (profit, bonus) and the relationship inputs (investment, effort) of both sides (Homans 1961, Adams 1965, Sheer–Kumar–Steenkamp 2003, Santos–Fernandes 2008).

  Relationship outputs, namely perceived rewards and results. The actor of the dyad benefits from the relationship sales, profits, market experience and knowledge of the customer loyalty and other valuable financial, material and immaterial results in return for inputs during the exchange process (Scheer et al. 2011).

  Relationship inputs, namely perceived effort and investment. The considered actor of the dyad invests the time, money, space, labor, and other financial and non-financial assets into the relationship (Scheer et al. 2011).

  The considered dyad actor's perception of the relationship output/input ratio is compared to the perceived relationship output/input ratio of the partner, which provides the evaluation base for the distributive fairness determination. *Distributive fairness exists when there is a perceived equality of both actors' relationship output/input ratio* $(o_r/i_r = o_s/i_s)$[1]. When there is an unequal ratio of the actors' relationship output/input, which is advantageous for the retailer, we consider that to be a *positive unfairness* $(o_k/i_k > o_b/i_b)$ from the retailer's point of view. When there is an unequal ratio of the actors' relationship output/input, which is advantageous for the supplier, we consider that to be a *negative unfairness* $(o_k/i_k < o_b/i_b)$ from the retailer's point of view.

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[1] o_r= retailer's output; i_r= retailer's input; o_s=supplier's output; i_s=supplier's input

- *Procedural fairness*: the perceived partner management principles and procedures in the dyadic relationship (Folger–Bies 1989, Santos–Fernandes 2008, Jambulingam et al. 2011).

- *Interpersonal equity*: the perception of the partner company employee's customer and communication management methods assessed by the employee's politeness, sincerity, empathy and effort to provide explanation and resolution (Blader–Tyler 2003, Gerákné 2008, Santos–Fernandes 2008).

5. RESEARCH HYPOTHESES AND TESTING RESULTS

The study of antecedents and consequences of fairness are organized around three empirical research questions (EC.I.-II-III). In a scientific paper, a hypothesis is a proposed preliminary statement answering the resolvable research questions. The hypothesis is tested by methodological tools to validate if they actually are true or not. In the following we present the proposed hypotheses, which we tested and evaluated.

The *primary research* analyses from the *retailers and suppliers dyad* of the supply chain from the retailer's point of view. We decided to focus on the retail-supplier relationships of electronics product retailers in *Hungary, Poland and Serbia*.

The literature often refers to fairness as justice, blurring the two expressions. Therefore, our research examines whether the respondents can separate the concept of fairness and justice. We compared the distributive fairness perception of the retailer to his justice perception. The following hypothesis group addressed the *first empirical research question* (EC.I.) with the following proposed answers:

H.I.1. When the relationship output/input ratios are equal, retailers will consider the relationship to be fair and just to the same extent. When the relationship output/input ratios are not equal, retailers will have a different fairness perception of the relationship compared to their justice perception. Retailers accept situations with positive unfairness that favors the retailer more as opposed to situations with negative unfairness which favors the supplier.

Based on the results, we can state that the retailers' fairness and justice perception did not deviate from each other in the sample, when the relationship output/input ratios are equal. When the relationship output/input ratios are unequal, then we experience inconsistent

country by country evaluations during the fairness and justice considerations in the case of positive and negative unfairness. It raises the question about the distribution principles driving the difference in perception. We also compared situations with positive and negative unfairness from the retailer's point of view. The results show that in the examined countries positive unfairness was significantly more acceptable than negative unfairness.

H.I.2. Retailer's preferred distribution principles are similar in the examined Central European countries concerning results derived from a dyad type of business relationship. Procedural and interpersonal fairness play an important role in a dyad relationship beside distribution fairness, especially when it is difficult to quantify the results.

Previously, we showed that in the case of unequal relationship output/input ratios fairness and justice perception can be differently evaluated which could be potentially linked to distribution principles driving the perception. Next we tried to identify the driving distribution principles driven by equity or equality behind the retailers' perception. In summary we can conclude that the need based and the power distance driven are the least, non-preferred distribution options for all of the three countries consistently showing significant differences from the first two items in the rank.

The most preferred options are the equity driven distribution from the retailer's and supplier's point of view and the expectation of equal investment. Out of these options, at least two appear in the first and second rank in each country. Based on these findings we can identify the similar preferences of the examined countries.

Beside the distribution principles, we examined the role of procedural and interpersonal fairness. To be able to compare the importance rank of the fairness components, we took out the variable for the financial results. We can conclude that without the financial results, procedural fairness is proven to have a significant importance to retailers. Partner management principles and processes rank first place in all the three of the examined countries by a significant level. Distributive fairness became less relevant and even ranks behind interpersonal fairness.

Our *second research objective* (EC.II.) explores the factors influencing fairness as a relationship quality dimension. We examined the impact of three factors on fairness perception: (1) cultural differences (2) relationship dependence (3) location of supplier (domestic or out of country).

H.II.1. Along Hofstede's cultural dimensions, when the power distance, femininity and collectivism increase, the retailer perceives the following:

  a. *equal relationship output/input ratios to be more fair; and*
  b. *positive unfairness with unequal relationship output/input ratios to be more fair.*

Along with the change of Hofstede's (1994) cultural dimension indices we could not reach a necessary level of significance to prove our statement. Therefore, the results can be documented only as directional tendencies. Therefore we could not prove this hypothesis. Aside from the cultural distances, there were no significant differences among the three tested countries, which we found not only for situation representing equal output/input ratios, but also in case of positive unfairness ones.

H.II.2. With the increase of the retailer's relationship dependence, the same situations representing unequal relationship output/input ratios favoring the supplier will be perceived as more unfair from the retailer's point of view.

Based on the results we can conclude that in all of the cases described with negative unfairness, the average ranked position of the fairness perception was higher with the increase of the relationship dependence. Significant differences only appeared in Hungary.

H.II.3. Retailer's perception of the same situations representing unequal relationship output/input ratios favoring the supplier is independent from the partner's location (domestic vs. foreign).

Based on the results, we experienced no significant difference for cases of negative unfairness in all three countries when comparing relationships between domestic versus foreign partners which supported the H.II.3. hypothesis.

Our *third research question* (EC.III.) was to examine the impact of fairness on other relationship quality dimensions. Our hypothetical answers are as follows:

H.III.1. Fairness has a positive relation to the satisfaction, commitment and trust relationship quality dimensions in the retailer-supplier dyad.

H.III.2. Fairness has a negative relation to the quilt, hostility and resentment relationship quality dimensions in the retailer-supplier dyad.

When comparing fairness to six other dimensions we found a significant level of connection between fairness and the examined dimensions. Satisfaction, trust and commitment showed a weak positive, while guilt, hostility and resentment had weak and moderate negative direction of change in relations to fairness perception change. When grouping the positively changing dimensions and negative ones separately, we measured the size of the fairness and group correlation. The negative dimension group correlates with fairness perception moderately, while the positive group correlates with it weakly. We concluded that with the change of fairness perception there is a larger impact on the negatively impacted group of dimensions versus the positively impacted one.

The concise *result summary* of our analysis is displayed in Table 1.

Table 1.: Result summary of hypothesis testing

	Hungary	Poland	Serbia
H.I.1.	👍 *	👍	👍
H.I.2.	👍	👍	👍
H.II.1.	☹		
H.II.2.	👍	👍 *	👍 *
H.II.3.	👍	👍	👍
H.III.1.	👍	👍	👍
H.III.2.	👍	👍	👍
👍	Supported hypothesis		
👍 *	Hypothesis partially supported		
☹	Hypothesis not supported		

Source: own construction

One of the limitations of our research is the way we (1) solely relied on Hofstede's cultural model. From the literature of cross-cultural comparisons, it would be worthwhile to consider expanding the study by including cultural descriptions from other researches such as the Globe or the World Value Survey.

We carried out our research on (2) the retailer–supplier dyad of the consumer electronic goods market without expanding it to other industries. This limitation was specifically selected by the international research team to assure the parity for the global comparison.

We studied the retailer's fairness perception (3) without considering the supplier's side. The one time survey was fielded (4) during 2008–2011, which necessitates further longitudinal testing. The relationship quality dimension of loyalty (5) is missing from the survey, which could have expanded the scope of our research and the depth of our findings.

6. NEW SCIENTIFIC RESULTS OF THE DISSERTATION

With an in-depth literature review we explored the background and the inconsistent scientific use of the fairness phenomena. Our goal was to determine the key characteristics of fairness to determine a general approach to the meaning of fairness. In this paper we outlined and compared models that are built into the fairness dimension as an antecedent. As a result, we can conclude that fairness as a pre-condition was included in the models. The output distribution, business processes and procedures and interpersonal relations in the form of fairness have a significant impact on other quality dimensions. Based on these multi-disciplinary findings, the first thesis is the following:

Thesis 1. *The multi-disciplinary general characterization fairness can be interpreted and applied in management science.*

Management science builds on the scientific fairness definition of other disciplines. Basically, business relationships are formalized through contracts, but during actual day-to-day business relations, partners rely on fairness based contact beyond the contractual basis. It is not always possible to work through reciprocity-based interactions. This gap is filled by fairness based on the perceived relationship output/input ratios, partnership management principles and procedures and the partner employee's client management and communication.

When reviewing the literature related to relationship marketing, we find the beside the three most important quality dimensions (trust, satisfaction and commitment), fairness plays an important role as it is the fourth most often used quality dimension with power dependence. Building on the multidisciplinary overview and the relationship marketing research, we showed one possible way of modeling and evaluating fairness in our empirical research. Based on that, the second thesis is as follows:

Thesis 2. *Fairness is an abstract relation quality dimension, which can be operationalized and empirically tested as a multidimensional construct in inter-company relations. Companies are able to separate distributive, procedural and interpersonal components of fairness when evaluating supplier relationships.*

The empirical research studied the electronic products supply chain for retailer–suppliers and analyzed aspects of fairness from the retailer's point of view in search of answers to our three empirical research questions, upon which we based the following theses.

Thesis 3. *When the relationship output/input ratios are equal, retailers will consider the relationship to be fair and just to the same extent. When the relationship output/input ratios are not equal, retailers will have a different fairness perception of the relationship compared to their justice perception. Retailers consider situations with positive unfairness more as opposed to situations with negative unfairness which favors the supplier.*

Thesis 4. *In the surveyed countries the cultural differences do not significantly influence the fairness perception. Retailer's perception fairness is independent from the location of supplier (domestic or foreign). With the increase of the retailer's relationship dependence, the same situations representing unequal relationship output/input ratios favoring the supplier will be perceived as more unfair from the retailer's point of view.* A Significant difference was shown for Hungary.

Thesis 5. *Fairness has a weak relationship to positive dimensions, and a moderate relationship to the negative dimension.*

7. POTENTIAL APPLICATION OF THE RESULTS

Based on our findings we can say that common standards and expectations with regards to fairness exists in today's Central Europe concerning the examined retailers. Among the examined countries there are similar responses to the assessment of fairness which can strengthen the intra-regional, collaborative and coordinated development of business standards in business contacts. Furthermore, the fact that foreign and domestic suppliers are considered with the same fairness perception is an encouraging sign that retailers navigate in a well-balanced manner in the European environment.

The examined retailers interpret, isolate and evaluate the distributive, procedural and interpersonal fairness components in their daily transactions. They consider these fairness components to be important factors when considering suppliers in inter-company relations. If

the results of our research are found to be valid for dyads or networks in other industries, then that may be an encouraging sign of the development of norms of fairness on a regional level.

Our research has several future research directions. Our present empirical research can be extended in several directions. Firstly, the existing data can be supplemented by structured qualitative interviews on the retail side (1) in order to clarify the results. On the other hand, (2) a similar examination on the supply side can provide an opportunity in the future to evaluate both sides of the dyadic perception of fairness. (3) The research base provides an opportunity to expand beyond the dyadic dynamics of fairness and analyze it in the context of networks.

(4) Within extended international comparisons it would be advisable to consider whether or not the Central European region has a perception of fairness which is significantly different from the developed Western or rapidly developing countries. This study will demonstrate in what respects fairness will be interpreted differently in other business cultures. The current research framework for multi-country extensions would also provide an opportunity to be examined whether (5) the perception of fairness is universal or regional with local cultural characteristics. A (6) new research direction can be set to examine the dynamics of fairness, trust and loyalty which can reveal new aspects of inter-organizational relationships for social science research.

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