

RECEIVING REFERRALS FROM ALLIANCE PARTNERS

BUILDING STRONG RELATIONSHIPS

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Date: 28 September 2016
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Abstract

The increasing importance of network expansion that often leads to economic benefits directs the current study to examine how relational characteristics such as trust, commitment and communication has influence on referrals among alliance partners. Understanding how these relational characteristics lead to referrals is an important and understudied field.

The current research uses an inductive study through 10 organizations with alliance partnership are approached to examine, how the relational characteristics trust, commitment, and communication influence referrals among alliance partners. Comparisons of alliance partnerships in various industries contribute to the generalizability of the propositions that are interrelated to the relational characteristics and influence referrals, including competition, knowledge transmission, support, shared language, and the content of conversations. These factors can be influenced by the referral mechanisms, relational embeddedness and knowledge transmission.

Based on the findings, five propositions are formulated. These proposition directs alliance partners to factors that may lead to receiving referrals from alliance partners. The first proposition points out that competition does not stimulate alliance partners to refer their partner. Due to the competition, trust is not stimulated and this effects restrains the alliance partner to refer its partner. Second proposition regards knowledge transmission. It appeared that alliance partners are likely to refer their partner, when their partner transmits valuable knowledge. The third proposition regards the support that an alliance partner can organize in its own organization. Findings indicate that an alliance partner refers their partner when this partner is capable to create involvement on global level. Besides having a key figure appears to be also important for the referring partner, because one would like to be sure that a dedicated contact person is devoted to connect with the necessary persons in the organization for the referral. The fourth proposition regards about speaking the same language with the alliance partner. Absorptive capacity appears to contribute to the occurrence of referrals. The last proposition, content of the conversation with the alliance partner seems to encourage the alliance partners to refer their partner. Important content subjects are insight information and information about the bottlenecks of their collaboration.

Keywords: Referral, strategic alliance partnership, trust, commitment and communication.

1. Introduction

Referrals appear to be powerful selling tools for many companies (Silverstein, 2016). For instance, it is more likely to sell quicker when one that is well trusted recommends a product to buy than there is no one that recommends aside from the seller. Secondly, referrals may appear also as a tool to expand social network. When one introduces two companies from its network with each other, the social network would expand quicker than without the introduction. In addition to that, the 'warm introduction' brings also the advantage of being informed about the presence and capabilities, which may lead to economic opportunities. Referrals have positive impact on the company performance (Sang, 2004). Finally, referrals appear to be an important source for engagement of new interorganizational collaboration. Since referrals are based on trusting the referring person, one should think that that, one may hesitate to damage its reputation and will only refer when there is belief that the referral leads to a fruitful collaboration.

Gibbons and Samaddar (2009) describe referral as 'systems of relationships among organizations that allow them to direct people to appropriate services that are not available at their own facility'. Burt (2009) expands such definition of referral by suggesting that when one refers it has the ability to address the opportunity to the referring one. The current study adopts an operational definition of referrals as this study is focused on how relational characteristics have influence on the act of advising/recommending a company/individual for certain exchange among others. For instance, a referral occurs when one advises a company to another to collaborate with. Another example is when a referral occurs when a company representative inquires in its network for a potential collaboration partner and company representatives recommend a company as the requested company profile.

In the process of referrals, the connection and the relationship with the connection in the social network may stimulate the occurrence of referrals. Often companies choose to strengthen their connection by formalizing the engagement in a strategic alliance partnership. A strategic alliance is an independent, inter-firm relationship in which exchange, sharing, and co-development can occur (Gulati, 1995). Strategic alliance partners are likewise informed about one another's reliability and capability due to the engagement format. Likewise referrals occur when one company is acknowledged about the existence of the other and moreover it is likely that when acknowledgement occurs regarding the company competence referral may occur quicker. In the process of referral, mechanisms as knowledge transmission and relational embeddedness may play a crucial role in the occurrence of referrals. By transmitting information about the

abilities and competence of a company others are acknowledged which stimulates one to refer another because it is more difficult to refer an organisation that is not known than otherwise. In addition, strengthening of the relational embeddedness among the companies may have a fostering effect on presence of referrals. For instance, when there is on regular basis interaction, likewise more information may be transmitted which is in favour of referrals. Transmission of information enables one to be acknowledged about the other which contributes more to the occurrence of referrals than when there is no information transmission. Also reciprocity and a positive reputation is likely to contribute to the occurrence of referrals. For instance, when one refers another, it is likely that the other one will refer too than when one does not refer at all.

Having noted that interorganizational relationship is crucial for referrals, it is worthwhile to emphasize the relationship characteristics these can be considered in terms of effective communication, commitment, and trust (Wittmann, Hunt, & Arnett, 2009). Such elements are likely indispensable for referrals, as these elements stimulate the referral mechanisms, knowledge transmission and relational embeddedness. For example, communication containing valuable information given in a timely manner strengthens a relationship and stimulates knowledge transmission. Commitment is also likely an essential facet of referrals. When alliance partners are committed to a given strategic alliance, individuals utilise such opportunities to familiarize themselves with one another. Commitment affects—in many contexts—the intention to form long-term relationships. In this way, commitment can positively influence referrals. When individuals know each other well, and have long-term orientations to such relationships, a referral is more likely to occur. Finally, trust appears to be indispensable for referrals. This is likely the case because the referred company needs to trust the referring company to facilitate knowledge transmission and the referring company necessarily trusts the capacities of the referred company.

Current literature lacks a comprehensive evaluation of the ways in which relationship characteristics commitment, communication, and trust influence referrals within strategic alliances. Though referrals may substantially and positively affect the performance of a company, relatively few studies examine such effects. Some studies examine the way referrals influence the creation of strong strategic alliance relationships, but not the other way around (Hutt, Stafford, Walker & Reingen, 2000). Some studies have found that the type of information exchanged within strategic alliances influences referrals (Burt, 2009). For instance, when an alliance member

acknowledges the abilities of a partner, a referral is more likely to occur than when the partner's abilities are unacknowledged. Finally, some research has been completed examining the influence of relationships on the creation of new bonds and the way this affects the nature of relationships (Gulati, 1998). A study by Brown and Reingen (1987) expands on this notion, suggesting that weak social ties can have an important bridging function. Such endeavours further support the need for research examining the influence of relationship characteristics on referrals.

The increasing importance of network expansion, which often provides economic benefits, has led the current study to examine the ways in which relationship characteristics influence referrals. The research question that results from this introduction is as follows:

How do trust, commitment and communication influence referrals among strategic alliance partners?

First, the referral mechanisms will be explained and afterwards the relationship characteristics will be engaged with referrals. Moreover, the referral mechanisms, relational embeddedness, and knowledge transmission are related to one another and examined in terms of each relationship characteristic. Finally, a proposed methodology is described in which various cases are included and qualitative research methods applied to the strategic alliance partners among other multinational companies, are discussed.

2. Theoretical framework

Burt (2009) has pointed out that referrals of alliance partners are viewed more favourable than when a company promotes itself. Firstly, it is likely that the referral from the alliance partner is more legitimate, because the referring alliance partner and the organization to whom the alliance partner is referred to know each other. There is at certain stage trust among those two companies, which legitimates the referral more than when a company promotes itself. Secondly, since alliance partners collaborate with each other they are known about each other's abilities and competences. This results into referrals with more persuasion, because 1) the referred alliance partner has shown certain trustworthiness by the engagement of the strategic alliance and 2) since the alliance partner is -at certain point- known with the abilities and capabilities of its partner, the company to whom the referral is addressed would have more credits because the referring alliance partner has already worked with the referred alliance partner. Finally, an alliance partner or any other company will most likely refer only when they believe of a certain fit for both parties to secure its credibility and reputation in its social network. Assuming that alliance partner do not intend to damage its relationship with companies in their social network, this would result in less opportunism act than when a company promotes itself. Noting that referral from alliance partner is favourable, it is essential to engage with the partner, with relationship characteristics that contribute to a successful relationship. According to Wittmann (2009) trust, commitment and communication lead to a successful alliance relationship, which may act in the favour of referrals. In addition to these three characteristics, the referral mechanisms knowledge transmission and relational embeddedness may influence the process of referrals also.

2.1 Referral mechanisms

Many studies examine referral mechanisms such as knowledge transmission and relational embeddedness (Grant, 1996; Kogut & Zander 1992; Ryle 1984; Granovetter, 1973; Granovetter, 1992; Gulati, 1998). As knowledge transmission is important for referrals, it is likely to influence factors that promote referrals. Additionally, it is likely that relational embeddedness plays a role in referral mechanisms. Social ties a strong personal relationships may also have a positive influence on referrals.

Relational embeddedness

Relational embeddedness is a term that describes the embeddedness of social ties within a relationship (Granovetter, 1973). Research suggests that three factors of relational embeddedness are important for referrals. These factors are reputation, reciprocity, and interaction (Granovetter, 1992; Gulati, 1998; Kogut, 1989).

First of all, the positive influence of interaction on referrals may result gradually in mutual adaptation, distance reduction, and increased commitment (Ford, 1982). In addition to that the interaction can result in mutual respect, trust, and bonding, similar to friendship (Kale et al., 2000). Through interacting, individuals come together more often. A positive reputation of the companies contributes positively to the interaction because such a standing highlights the trustworthiness of alliance partners. Evaluating the history of these interactions gives others information regarding the disposition, intentions, and motives of a company (Johanson & Vahlne, 2001). These interactions may result in referrals which arise from aspects described by relational embeddedness (Burt, 2009). Finally, it is likely that interactions based on reciprocity are more sustainable.

Reputation of the strategic alliance partners is built through interactions with their surrounding environment. The reputation of a company is impacted by a company's competence and trustworthiness. When an alliance member concretely understands that a partner is capable of proper engagement and is trustworthy, a referral may take place. Such a conviction may be based on previous interactions and reciprocity.

Finally, strong interpersonal ties can be understood in terms of reciprocal information channels reflecting a firm's competence and reliability (Gulati & Gargiulo, 1999). Unequal or one-sided relationships may negatively influence relational embeddedness. For this reason, reciprocity is important because it can positively influence the formation of new alliances based on referrals from alliance partners (Kale et al., 2000).

Knowledge transmission

According to Burt (2009), the quality of information that is shared can provide advantages such as access, timing and referrals. It appears that the greatest advantage of relationships is access to knowledge (Tsang, 2005). Through access to information, companies aim to create sustainable competitive advantages necessary to survive. When transmitted information is tacit, it is difficult to imitate or transfer, because it is difficult to codify (Dyer & Singh 1998). This provides more opportunities for sustainable competitive advantages. Because of the difficulty and value of accessing tacit knowledge, it is more

likely that this type of knowledge is in favour of referrals. Alliance partners may find this type of knowledge valuable to receive.

However, having access to the same others have access is not necessarily beneficial. Therefore, having access to information in a timely fashion is essential. When information is provided on time, a concerned company can engage and gain benefits before competitors have the chance. Therefore, if a company aims to gain a referral, it is favourable to transmit tacit information on time to an alliance partner. Finally, the content of information -such as market, industry and organization based information- can facilitate referrals. Moreover, when the content of the shared information is relevant and adds value to the business, alliance partners may want to stimulate this act by referrals.

2.2. Relationship characteristics and referrals

The three relationship characteristics that determines the cooperation and referrals by personal and organizational relationships among the alliance partners are trust, commitment and communication (Wittmann et al., 2009). According to Spekman et al., (2000) an alliance would not exist without the presence of trust and commitment. Besides effective communication stimulates trust and is in favour of the cooperation.

A wide variety of studies have suggested that personal relationships can increase the effectiveness of an alliance because of the ability of interpersonal ties to stimulate the flow of information (Hutt, Stafford, Walker & Reingen, 2000; Brown & Reingen, 1987). In so far as the characteristics of personal relationships strengthen social ties, the assumption that they can positively influence referrals can be made. In addition, the organizational relationships appear to be also valuable for referrals. For instance, the alliance partners may define in advance the quantity of referrals that they will address for that year. This may stimulate the occurrence of referrals as well.

Trust

One of the most important elements of referrals is trust between those who manage an alliance. A referral may occur when an alliance partner trusts that its partner has the necessary competence than otherwise. Trust, defined by Curall and Judge (1995), is the willingness to depend on a partner or partners in a given circumstance. Mayer, Davis, and Schoorman (1995) describe trust as a belief that another party is benevolent, competent, honest, or predictable in a given situation. Based on these definitions, it is likely that when an alliance partner refers a partner to a company from its social network, this company trusts the referring alliance partner, suggesting that the referred alliance

partner is competent, reliable, and trustworthy.

Moreover, according to some, trust contains two dimensions, goodwill and competence (Das & Teng, 1998). Goodwill trust refers to moral obligations and the responsibility to show that a partner's interest can be placed above a company's interest (Barber, 1983). A referral may be based on goodwill trust. This can occur when alliance partners are willing to refer each other because they feel responsible for each other. A referrals may occur out of a sense of duty. It is likely that goodwill trust is related to relational embeddedness because goodwill trust is often positively influenced by reciprocity and reputation. Likewise, when goodwill trust is reciprocal and a reputation is positive, this will positively influence referrals. It is likely for referrals to occur more often when both strategic alliance partners refer each other, rather than when only one partner or neither partner provides referrals. Furthermore, a form of knowledge transmission is likely incorporated in referrals that are based on goodwill trust. Transmitting valuable knowledge on time may be interpreted as good intentioned because valuable information that is shared may stimulate the well-being of alliance partners.

The second dimension of trust, as noted, is competence trust. Competence trust refers to a partner's hard and soft assets. A referral takes place if an alliance partner believes its partner is compatible enough with an opportunity that results from a referral (Barber, 1983). Knowledge transmission is likely essential for this dimension of trust in so far as it facilitates the provision and acquisition of referrals. By transmitting knowledge, alliance partners acknowledge the value of competence. In these situations, relational embeddedness is more likely to operate in the background because this dimension of trust is based on technical assets.

Commitment

Commitment is the enduring desire to maintain a valued, long-term relationship (Moorman et al., 1992; Gundlach, Achrol, & Mentzer, 1995). Morgan and Hunt (1994) describe commitment as the relational intensity of collaborating partners. When partners are committed to a relationship, they commit by contributing to the development of this relationship. When an alliance member refers a partner, this may signify the strengthening and deepening of a relationship. Attributes that strengthen the commitment are relation-specific assets, knowledge-sharing routines, complementary resources, and effective governance (Dyer & Singh, 1998). Relation-specific assets are for instance, the co-development of knowledge creates opportunities for professionals in

an alliance to interact. The second determinant, knowledge-sharing routines, is comprised of inter-organizational governance where knowledge is shared among professionals. The third determinant, complementary resources, are, according to Dyer and Singh (1998), the distinctive resources of alliance partners that collectively generate greater relational rents than the sum of those obtained from the individual endowments of each partner. The last determinant, effective governance, refers to, for example, third-party enforcement agreements and self-enforcing agreements. It is likely that, when these attributes are present in a partnership referrals may arise quickly.

Commitment relevant for referrals can occur on interpersonal and organizational level. Interpersonal commitment is defined by Mavondo (2001) as dedication to a long-term interpersonal relationship among individuals. In this way, individuals committed on a personal level refer each other more readily. Interpersonal commitment may be stimulated by mechanisms of relational embeddedness. It is likely that interpersonal commitment is promoted by interaction, reciprocity, and commitment and that this has a positive influence on the provision of referrals. Furthermore, organizational commitment comes along with contractual obligations and agreements made to bring the two partners towards each other. Referrals based on organizational commitment may occur when valuable knowledge is shared. Moreover, information flow may result in a better understanding of the competence of a partner, bringing partners closer to each other. It is likely that when individuals are committed to each other, they are more likely to provide referrals.

Commitment can be understood in terms of instrumental, expressive, and mixed (EAC Group, 1993; Davies, 1995). Instrumental commitment is based on economic benefits. For example, members of alliance partnerships may be motivated by gain when providing referrals. If a partner who provides a referral gains economic benefits, this creates a reward system which might positively influence referrals. Referrals provided based on expressive commitment operate according to personal experience, values, norms, and social exchange demonstrated by the rule of need (Mavondo, 2001). Referrals based on expressive commitment may be stimulated by mechanisms of relational embeddedness. Likewise, personal experience is created through interaction and reciprocity. Reputation may also be important for personal experience because prior information regarding another individual can influence a relationship. Aside from mechanisms of relational embeddedness, mechanisms of knowledge transmission can also occur because expressive commitment is also encompassed by the rule of need. For example,

transmitting required or desired knowledge may fit well within the rule of need. Delivering this knowledge can create commitment among partners and positively influence referrals.

Communication

Effective communication is considered the 'formal as well as informal sharing of meaningful and timely information between firms' (Anderson & Narus, 1990).

Communication contributes to the construction of relationships by providing balance among frequency, bi-directionality, formality, and content (Mohr & Nevin, 1990).

Mechanisms of knowledge transmission can stimulate referrals through effective communication. For instance, when communication is bi-directional, frequent, and has valuable content, this may stimulate referrals because alliance partners are active in communicating valuable information. Effective communication can be stimulated by informal characteristics. According to Kraut, Fussel, Brennan, and Siegel (2002), many collaborations would not occur if informal communication was not present. Boje and Whetten (1981) have found that referrals commonly occur through informal communication. Informal communication allows parties to contact each other in unscheduled ways in which an agenda may be undetermined. This creates an environment that is interactive, and rich in content and informal language (Kraut, Fish, Root, & Chalfonte, 1990). Therefore, it is likely that informal communication stimulates referrals more than formal communication. This does not mean that formal communication cannot influence referrals positively, but rather that it may influence referrals less than informal communication.

At last, these characteristics are interrelated. For example, when alliance partners are committed to each other, trust is more readily built. This then stimulates effective communication in which information transmission regarding parties' capabilities can occur. As has been noted, when alliance partners are well informed about each other's capabilities, referrals occur more easily than when they are ill-informed. When there is effective communication, it is more likely that cooperation will develop positively, creating trust.

3. Methods

This research is pursued with multiple-case, inductively. The multiple cases gave the opportunity to gain new insights regarding referrals. To enhance the generalizability, the selected ten multiple-cases are from various industries such as consultancy, computing and communication industry, banking and energy.

3.1 Research setting

Moreover, gaining data from ten different kind of organizations enabled to find patterns among the cases and to new logically coherent theory, which offered the opportunity to ground the emerging theory. (Glaser & Strauss, 1967; Eisenhardt, 1989; Pfeffer, 1982). In addition, according to Davis, Eisenhardt and Bingham (2007) the emergent theory from multiple-case studies is more generalizable and better grounded compared to single-case studies, due to the extension and validation with other methods. Furthermore, to enhance the reliability, there is agreed with the interviewees that fictive names will be mentioned in the research to guarantee the confidentiality.

For this research several requirements were prior set. Firstly, each company was required to have at least one employee that is dedicated to the alliance and referred its alliance partner at least once to another company. This criteria has given the opportunity to interview alliance partners that may have more involvement towards their alliance. Secondly, the strategic alliance was required to be at least one years old, since building relation and settling the alliance requires time among the strategic alliance partners before a referral even may occur.

The selection of the companies occurred according to the theoretical sampling (Eisenhardt, 1989). Based on the requirements of the theoretical sampling, the interviewees were first selected on their industry. Second requirement was that the top management and middle management was well balanced, since existing theories noted that there behaviours are different due to their role (Floyd & Lane, 2000). While selecting the data according to these two requirements the aim was to enhance the external validity and generalizability. Furthermore, interviewing professionals from various organizations, hierarchical levels and type of businesses may have influenced the internal validity and generalizability positively since a greater view is captured (Eisenhardt, 1989; Miller, Cardinal, and Glick, 1997). After selecting the individuals based on the requirements, they are approached via the online business network site, LinkedIn. The business social network of the researcher was also advised. These two channels led eventually to a snowball effect.

3.2 Data collection

For this research, 13 semi-structured interviews of an hour were held in a period of eight months. The interviews occurred at multiple times and from multiple levels, which leads to richer and more reliable emergent theory (Eisenhardt, 1989; Miller, Cardinal & Glick, 1997). Interviews at middle management level gave interesting insights due to their high involvement in the alliance engagement and their broad network. The middle managers are identified with their features as being a translator between operational and top management level (Floyd & Lane, 2000). Functions at the middle management were Alliance manager, Channel manager, Manager strategic Partnership, Program manager, Project leader, New business development manager and Program manager. Despite the fact that most, topmanagers had low involvement with the strategic alliance, they brought also interesting insights regarding referrals due to the different perspective that their level gave significantly more attention to relationship building. For instance the topmanagement did compared to the middle managers more social activities. Moreover, the Alliance partner of McOt had even gatherings with alliance partners were families were involved with. Functions at the topmanagement were, Alliance Partner, Alliance Director and Partner Strategic Outsourcer. At last, the operational management, are not included in this research as their main focus was to have success on cooperation of the alliance and they did not have often a broad network to provide referrals.

During this research five out of thirteen interviewees were high-tech companies. These companies offer IT solutions by producing soft- and hardware products and have more than 65 thousand employees with an alliance that is older than two years. Their customers are in industries as banking, energy, academic institutions et cetera. On the other hand, eight interviews took place for the low-tech companies. The low-tech companies have each more than 180 thousand employees and at least one alliance partner that is older than two years. The products and services of these type of companies differ much more compared to the high-tech alliance partners. For this research it was relevant to interview various employees from McOt and Minihouse because these consultancy organization are required to refer due to their core business. The core business of these kind of consultancy organizations is to advise (and if necessary) implement the IT solutions offered by the high-tech companies in the organizations of the end-users. Examples of such end-users are Conac, PLS and RBBK. Conac is a company that operates in the Energy sector and, PLS and RBBK are two organization operating in the finance world. Their customers are broader, such as

individual customers, government sector, large private businesses et cetera. Since the unit of analysis of this research was to analyse organizations engaged in strategic alliance that at least have addressed once a referral, the end-users were also approached to gain a broader perspective on referrals. This would result into data with not only perspective from the alliance partner that refers or receives referrals, but it also includes insights about the company to whom the referral is addressed. The variation in the various companies and the number of interviews has increased the probability to generalize the findings regarding referrals since this is captured from different kind of businesses. Gaining data from various angles may create a total view of how referrals occur.

To mitigate interviewee bias three actions are taken (Golden, 1992; Miller, Cardinal & Glick 1997). First, the researcher promised confidentiality, which may increase the accuracy of the data. Secondly, the researcher has recorded 12 interviews, which enabled to transcript nine interviews. The remaining three interviews are summarized during the interview. Finally, an interview guide (included in the appendix) has been constructed and followed. This may enlarge the probability of gaining similar data when a replication research takes place which would increase the reliability of results.

During the interview, first a brief introduction was given about the content of the research, afterwards the interviewees had the opportunity to give general insights regarding their organization and the strategic alliance(s). Subsequently, the researcher asked questions regarding the emerging theoretical insights. This resulted into asking open questions regarding trust, commitment and communications. In addition, questions that could relate the referral mechanisms to the relational characteristics were also asked. An example, which trust dimension applies when referrals occur or which determinant of relational rents applies for the effective cooperation that would lead to referrals. Finally, each interview ended with the last open question, by asking what the most important thing is for you to provide referrals. By asking this question, the interviewee had the opportunity to add objectives that may have no relation to the theoretical insights of this research.

3.3 Data analyses

In this research the unit of analyses are strategic alliance partners that have addressed at least once a referral. In this research referral is defined as, 'the recommendation/advice of an alliance partner to someone in its network to collaborate with its partner'

To analyse the data almost all interviews were recorded, where from nine interviews were transcribed and four were summarized. By transcription and summarizing, coding and labelling became convenient. Due to recording and transcription or summarizing loss of information is decreased, which is favourable for the reliability of this research. Based on the topics mentioned in the theoretical framework, the interview guide is structured. This interview guide is attached in appendix I. Structuring the interview enabled the researcher to code the data around the main topics. By coding the data according to these topics lead to a more valid and reliable findings.

While labelling the data a pattern among the organizations that could be countered as high-tech organizations is discovered. Since there was a pattern in the data of high-tech companies and the remaining companies had also patterns, the analyses occurred based on high-tech and low-tech alliance partners. Distinction of the 'type' organization enabled the researcher to strengthen the validity, because some findings were more present at high-tech alliance partners than the low-tech partners. An example is that high-tech companies ally more in an environment where competition is present than the low-tech alliance partners. These discovered patterns are processed in the cross-case table in chapter 4 Results. In the cross-case tables the relevant topics are analysed and made comparable with each other (Bell & Bryman, 2007). While categorising the emerging theory occurred according to the content of the existing theory, the emerging theory is grounded by objectives that indicates consequences, patterns of interaction, or causality. To strengthen the findings of the emerging theory quotes are mentioned to construct the reliability of the research.

4. Results

The results suggest that, while all interviewees indicate an aspiration to be referred, they hesitate to refer. Alliance partners would like to be referred because this enables them to broaden their network effectively over a short period of time. For instance, when one alliance partner refers a partner to a company in its network, the referred alliance partner is privileged as the referral also indicates the trustworthiness of the referred company. The presence of trust at certain stages stimulates the referred and the party to whom the referral is addressed to collaborate. Furthermore, a referral provides an opportunity to broaden a network quickly and effectively with the warm introduction of an alliance partner. However, referring other companies does not often occur because of a hesitation to damage a company's reputation. Additionally, the Partner Strategic Outsourcer, contributing from a position of upper management, notes his hesitation as, 'It is important for referrals to trust the company's ability because my reputation could be harmed.'. Therefore, many companies engage in a strategic alliance to build strong relationships, broaden their network, and receive referrals that can lead to economic benefits.

The relational characteristics that stimulate referrals—trust, commitment, and communication—appear to be related to competition, knowledge transmission, support, shared language, and content-based conversations. In terms of the referral mechanism, knowledge transmission mechanisms involving relational embeddedness affect the aforementioned factors when an alliance partner refers its partner. As the presence of factors differs per organization, low-tech and high-tech alliance partners can be distinguished. The examination of differences in circumstances generates a broader view and strengthens the findings. The factors that influence referrals are included in an illustrated framework, shown in figure 1.0.

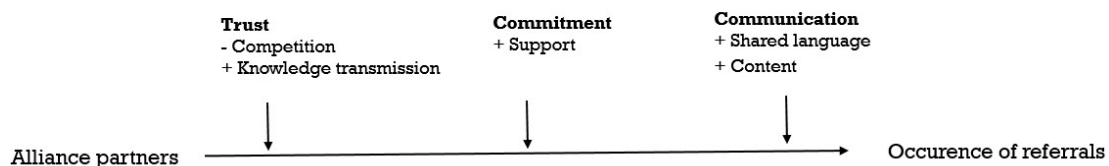


Figure 1.0 Framework for factors that influence referrals”.

4.1 Trust

Trust appears to stimulate alliance partners to refer a partner. Trust in an alliance partner indicates that behaviour is not opportunistic. This scenario creates opportunities for partners to refer one another. Referral in high and low-tech alliance partnerships tend to be based primarily on competence trust, more so than goodwill trust. Referrals based on goodwill trust are rooted in personal bonds. The Partner Strategic Outsourcer of PMP and many others noted that referrals based on goodwill trust occur commonly with personal bonds, as in friendship, and less from interorganizational collaborations. The interviewee of PMP noted, 'a friend of mine was looking for a job and I referred him because I wanted to help him and of course I was convinced that he was capable of doing the job'. For him, with a personal bond, goodwill and competence trust were the basis of a referral. However, within strategic alliance partnerships, referrals are only based on competence trust (see table 1 for quotes). All of the interviewees found it important to refer a competent partner to others in their social network, believing that only a company with the proper capabilities is able to meet the demands of a potential collaboration and satisfy stakeholders. As the Partner Strategic Outsourcer of PMP stated, "the most important thing is the capability of the referred company, because the company to whom I refer should provide qualitative solutions to the customer'. Within this framework, the referral mechanism of relational embeddedness is active. Referral based on competence trust indicates that interactions with and the reputation of a partner may generate competence trust which has a decisive influence on referring an alliance partner.

Two factors that impact trust for referring alliance partners are competition and knowledge transmission. Competition has a negative effect and knowledge transmission has a positive effect on alliance partners before referring a partner. Results concerning these two factors are discussed in table 1.

Competition

Competition appears to influence trust building and subsequently the referral of an alliance partner. High-tech alliance partners have indicated that competition is present in their environment, while low-tech alliance partners report less competition. Commonly, high-tech alliance partners are, in the process of referring a partner, influenced by the referral mechanism relational embeddedness. For instance, through interactions, information exchange occurs which favours the referring and referred partner as the referring alliance partner is well-informed and the referred alliance partner is referred. The Partner Strategic Outsourcer of PMP noted, 'we cooperate with alliance partners that are competitors with each other. I am in close contact with them which enables me to

make a grounded decision for referrals.'

High-tech alliance partners have indicated that competition is present in their alliance partnership. The competition is visible when noting that some departments of their own organization may compete with their alliance partnership. For example, almost all high-tech alliance partners offer similar services as their alliance partners i.e. McOt and Minihouse. The services of partners may differ in quality and extension of opportunities. Despite the fact that a certain engagement is sealed with formal safeguards, named by the Alliance Manager of Itfind the 'Chinese Wall', it does not accelerate trust. The 'Chinese Wall' enables cooperation but does not maximise trust. As the Partner Strategic Outsources of PMP noted, a previous strategic alliance partner is now their largest competitor, because the former partner transferred—during the engagement—all necessary knowledge from PMP to their own company. This fear may also exist for McOt and Minihouse.

Conversely, low-tech alliance partners exist in an environment where competition is less visible. For instance, they ally with companies with whom they are complementary. The Program Manager of McOt, who manages an alliance with a low-tech alliance partner, noted that trust is more visible with its low-tech alliance partner. According to him, this is for several reasons. First, there is no competition in the alliance partnership. The low-tech partner is dedicated to McOt and is not engaged with other partners similar to McOt. This places McOt in an exclusive position which generates trust and commitment to cooperation. Second, the alliance with the low-tech partner does not threaten McOt because company size is relatively smaller and their vision is complementary to that of McOt. Furthermore, the Alliance Director of Minihouse, the Program Manager of Conac, the Manager Strategic Partnership, and the Program Manager of McOt stated in interviews that by interacting with low-tech partners they acknowledged their partners' visions. It is important for the interviewees to be informed of their partners goals so as they can generate a well-matched referral. The manager of PLS affirms the two reasons discussed above, noting that 'our partner is dedicated and should be complementary towards us.' Finally, despite the fact that the low-tech partner of McOt is a financially healthy company, the revenue that comes from this engagement is significant. In addition to the revenue, McOt also offers interesting diversification for their alliance partner. The Program manager of McOt said, 'due to our connections, our partner is able to work with multinational corporations which diversifies their work. Without us they would be limited.'

Based on these findings, the following proposition can be formulated.

Proposition 1: Competition does not stimulate alliance partners to refer a partner.

Knowledge transmission

Generally, high-tech and low-tech alliance interviewees find knowledge transmission to be essential for referrals because referring without knowledge of what is being referred may cause damage to the reputation of interviewees within their own organizations. This factor appears to be influenced by the referral mechanism of knowledge transmission. Having access to valuable knowledge increases trust, which in turn stimulates alliance partners to refer partners.

Knowledge transmission triggers low-tech alliance partners to refer partners because it is an indication of trust, a tool to acknowledge the capabilities of their partner, and develop their capabilities. When knowledge transmission occurs, partners trust each other. The Manager Strategic Partnership of Conac expressed: 'I believe that my partner and I share a lot of knowledge with each other, which definitely stimulates me to refer them.' Furthermore, knowledge transmission enables alliance partners to acknowledge the capabilities of their alliance partners, enabling the referral their alliance partners. Moreover, a statement by the Program Manager of PLS bolsters such an assertion, suggesting that, 'sharing knowledge shows that your partners wants you to get better and that creates trust towards them.' For the Program Manager of PLS, it is essential that knowledge transmission takes place because his company does not have all the necessary knowledge. Moreover, the Project Lead of McOt suggested that knowledge sharing is required, especially from their high-tech partner, and directed to their organization. He is convinced that McOt employees should receive knowledge from high-tech partners to gain an improved understanding of the products and services of their partner which can be referred, as he suggests 'we should understand well what the products of our partners can do.'

Moreover, knowledge transmission creates opportunities to improve the capabilities of alliance partners. Various interviews suggest that access to valuable knowledge is important for many interviewees because they can use this knowledge to distinguish themselves from their competitors.

This importance can be seen in statements from interviews, including Alliance Partner McOt, the Alliance Director of Minihouse and Manager Strategic Partnership of Conac (table 1): 'We need knowledge to grow'; 'Sharing knowledge indicates that our partner wants us to get better'; '..the competence of the company is connected to it'; and finally '...it stimulates referrals'.

High-tech alliance partners also find knowledge transmission important before they refer an alliance partner, especially when the transmitted knowledge and information that contributes to generating opportunities stimulates trust, in turn positively influencing referrals. For instance, high-tech alliance partners appreciate and stimulate trust when insightful information that is decisive for an opportunity is received, as the alliance manager of Binck noted, 'valuable information that contributes or is decisive for us in receiving an opportunity creates trust and would stimulate me to refer that alliance partner.' As such, it is valuable for the alliance manager to receive insightful information because this can contribute to the capabilities of a company and it is also a sign of trust in a partnership.

Based on these findings, the following proposition can be formulated.

Proposition 2: Alliance partners are stimulated to refer a partner when knowledge received from the to-be referred alliance partner is valuable for them.

Table 1. Cross-case analysis: Trust		Goodwill vs. competence trust	Competition	Knowledge transmission
High-tech	SET – Alliance Manager	The parties that I connect should have the capacity to understand and interact with each other. My partner should be able to satisfy the customer.	We are allies with our competitors. This is managed with formal safeguards.	I do not expect my low-tech alliance partner to share knowledge. This would not influence my referral behavior. However, I do desire my partner to involve me in new opportunities.
	Binck – Channel Manager	I refer companies that are customer focused and companies that are well organized so the chance of a satisfied customer will be increased.	We only refer companies that have been loyal to us and have not been disloyal through information transferal to competitors.	Valuable information that contributes or is decisive for us in receiving an opportunity creates trust and would stimulate me to refer this alliance partner.
	Itfind – Alliance Manager	The frequency of interaction enables me to have a clear vision regarding the competences of the organization, which in turn stimulates the referral.	We offer the same services as our alliance partner. To make this viable, we have built a 'Chinese Wall' in our own company.	My organization needs to share knowledge so our partner can understand and refer us.
	GI – Alliance Manager		Our alliance partners are rivals with each other.	Our partners should be willing to receive knowledge from us because they should understand what our products are capable of.
	PMP – Partner Strategic Outsourcer	It is important for referrals to trust the company in their ability since my own reputation could also be harmed.	We cooperate with alliance partners that are competitors with each other. I am in close contact with them which enables me to make logical decisions for referrals.	Knowledge access is important when we develop a product with high-tech partners.
	McOt – Program Manager	We refer when we believe that our partner has the best solution for our customer. Due to our connections, our partner is able to work with multinational corporations which diversifies their work. Without us they would be limited.	I also manage an alliance with a low-tech partner which does not threaten us because the alliance is fruitful and trust is high. We even think about making an investment in this partner.	Regarding referrals access to knowledge: knowledge development is important for us because it feeds us and lets us grow.
Low-tech	McOt –New Business Development Manager	The interaction helps me have a better view of the capabilities of my partner which is positive for referrals.		For me, knowledge sharing is essential for referrals because our professionals need to understand the customer's product before we implement it.
	McOt – Alliance Partner	When I refer, I focus on the value that they add to the process and if they are known for a particular solution. It is important that the solution my partner provides is mature so I can trust the product.		Sharing knowledge indicates that our partner wants us to improve.
	McOt –Project Leader	We should understand well what the products of our partners can do.		Access to knowledge is crucial for me because I need to know the capabilities of a product. Also, my colleagues need to understand the capabilities prior the implementation of the product.
	Minihouse – Alliance Director	During the interaction, it is important that our partner has capacity to understand and adapt to our business model for better cooperation and satisfaction.		We need knowledge to grow.
	RBBK – Sr. Procurement Manager	..the competence of the company is connected to it.	..for a longer term and does not stop our cooperation so he could go further with our competitor.	Access to knowledge is crucial because the competence of the organization is dependent on it.
	Conac – Manager Strategic Partnership	A couple weeks ago, I referred my partner. I believed that his organizations could add value to the process and satisfy the customer.		I believe that my partner and I share a lot of knowledge with each other which certainly stimulates me to refer them.
	PLS – Program Manager	The interaction among organizations is based on the competence and compatibility. When a partner demonstrates smart solutions, I easily refer them.	Our partner is dedicated and should be complementary towards us.	Sharing knowledge shows that partners want you to improve and that creates trust towards them.

4.2 Commitment

The type of commitment required for referrals is instrumental commitment. High and low-tech alliance partners are encouraged to refer when instrumental commitment is present. Many high-tech partners are sales driven and therefore the motivation to refer often relates to the economic benefits that come along with referrals. Low-tech alliance partners are also motivated to refer partners based on instrumental commitment, but from a different point of view. Their incentive tends to be based on rewards from the party to whom the referral is addressed. As the Alliance Director of Minihouse noted, referrals are also a system of building credits at their referred alliance partner and the company to whom the referral is addressed. He suggests, as seen in table 2, the reciprocity can be build. High and low-tech alliance partners are motivated to refer through mechanisms of knowledge transmission and relational embeddedness. Noting that benefits are important and knowledge transmission may provide these benefits, reciprocity is important, as both referral mechanisms promote the referral of partners.

Within commitment, it appears that support is a factor that stimulates alliance partners to refer a partner. For example, when a to-be referred alliance partner shows to have authority globally, its alliance partner may be more compelled to refer. Additionally, support can also be a means of having a key figure in the company to be referred. When an alliance partner knows that a key figure in an organization would use the opportunity from a referral, this also drives referrals. This factor is mainly stimulated by the referral mechanism relational embeddedness. Support requires interaction and reciprocity among the alliance partners. By interacting with a key figure or through reciprocal support, relational embeddedness stimulates the occurrence of referrals.

Support

High and low-tech alliance partners find support to be important for referrals on matters of commitment. According to the Alliance Manager of SET, the Alliance Manager of Itfind, and Partner Strategic Outsourcer of PMP, involvement and support enables the cooperation of alliance partners, which in turn stimulates referrals. First, support on a global level generates more opportunities for referrals. According to the Alliance Manager of SET, alliances that are active on a global level have more support, enabling him to provide faster referrals, as he notes, 'when there is more commitment on a global level, this would create more support which is positive for engagement. Support on a global level stimulates engagement positively but also enables me to provide faster referrals.' Second, according to the Partner Strategic Outsourcers of PMP, support on

various levels, especially in middle and top management, also stimulates referrals. It is important that many levels within partners are well connected and willing to support each other. A good connection between the various levels in an organization may take care of short lines in the communication, as the Alliance Manager of Itfind suggests: 'It is highly appreciated when there are short lines and support on global level for the referral process.'

Another term included in support is the key figure. Note that it is important to have a contact person that is accessible, understands the organization, short lines of communication, and can generate the proper directives for a referral if it occurs. It is remarkable that all three interviewees from McOt noted the importance of a key contact person for the referral process. For instance, the New Business development manager stated that, first, commitment at every level should be present and second, the key contact person should have the right authority and skills for the potential collaboration, as seen in table 2. This is similar to comments from the interviews with the managers of Binck and GI. The Channel Manager of Binck stated, 'I may refer faster when my partner is accessible....'. The second interviewee, the Program Manager of McOt noted, 'someone with the required authority can ensure that referral is picked up quickly', apparently pick-up time of the referral is also important. The third interviewee, the Alliance Partner of McOt, also discussed the importance of the correct contact person. In the interview, he said it is '...crucial to have a contact person who has specific influence in their organization,' and that '...it is important for me to have someone in the organization that knows his organization and could help me find the right person for the referral'. This emphasizes specific forms of influence and knowledge about one's organization, suggesting it is then possible to make contacts and discuss matters with the most appropriate contact person.

Based on these findings, the following proposition can be formulated.

Proposition 3: Alliance partners are encouraged to refer when their alliance partner can provide any necessary support.

Table 2. Cross-case analysis: Commitment		Instrumental vs. expressive commitment	Support
High-tech	SET – Alliance Manager		When there is more commitment on a global level, this creates more support which is positive for engagement. Support on a global level stimulates engagement positively but also enables me to provide faster referrals.
	Binck – Channel Manager	My partner stimulates referrals by investing in my products and by setting referral targets.	I may refer faster when my partner is accessible.
	Itfind – Alliance Manager		It is highly appreciated when there are short lines of communication and support on a global level for the referrals.
	GI – Alliance Manager		
	PMP – Partner Strategic Outsourcer		When top and middle management are well connected and willing to support the alliance, I am more convinced about the professionalism of my partner. This stimulates me to refer.
Low-tech	McOt – Program Manager	I last referred because I saw that my partner has the same dedication and passion for his work. However, we should always remain independent in the referral process; this means that we give customers all possible options and they decide.	In the interaction, and if a referral is desired, it is crucial to know and contact the correct person in from your alliance partner; someone with the proper authority can ensure that a referral is addressed quickly.
	McOt –New Business Development Manager		The organization should be connected at every level. Additionally, the contact person with the correct mandate and skills should be connected to us. This would stimulate me to make a referral.
	McOt – Alliance Partner		For referrals, it is crucial to have a contact person who has specific influence in their organization. By sharing knowledge on my level with my partner, we create a win-win situation. My mandate and the insightful information that I gain enables me to give my partner valuable knowledge about their competence.
	McOt –Project Leader		It is important for me to have someone in the organization that knows his organization and can help me find the correct person for a referral.
	Minihouse – Alliance Director	Yes, I would refer even if this does not bring me direct economic benefits. My intention would be to build credits, such as 'I owe you!'	
	RBBK – Sr Procurement Manager		
	Conac – Manager Strategic Partnership PLS – Program Manager		

4.3 Communication

Overall, high and low-tech alliance partners approach communication with regards to referrals similarly, though from slightly different perspectives. It is of note that almost all interviewees prefer informal communication for referring an alliance partner. The Alliance Manager of GI said that informality contributes to accessibility, noting that ‘it is nice to interact informally as it enables contact outside of the work schedule.’ Moreover, accessibility increases the frequency of interactions. The Channel Manager of Binck suggested ‘I may refer quicker when my partner is accessible and is informal in his communication.’

Factors that contribute to the occurrence of referrals within the field of communication are shared language and content of the communication. The fulfilment of these two factors may contribute to the occurrence of referrals. The referral mechanisms present are relational embeddedness and knowledge transmission. For instance, shared language and content-based communication require interaction and reciprocity as communication is two-sided. Furthermore, knowledge transmission can stimulate partners to refer because knowledge transmission stimulates a shared language.

Shared Language

Depending on the degree of technical expertise that is required for communication, a shared language may stimulate alliance partnerships. For instance, language that is required for engagement with low-tech alliance partners does not often contain technical terms. These companies did not discuss shared language as a factor that could stimulate them to refer an alliance partner. By contrast, high-tech alliance partners prefer to have a partner that speaks the same language because understanding their business requires—at certain stages—a similar background. The Partner Strategic Outsourcer of PMP noted, ‘it is important to connect individuals who speak the same language’. This phrase, *the same language*, refers to having a conversation partner that understands, in terms of content, the subject of the conversation as this is pivotal for referrals. The Alliance Manager of SET noted that ‘content is also important for me to understand the organization of my alliance partner.’ To this end, it is essential to link individuals with related backgrounds and close gaps from knowledge transfer on a general and product level. The Channel Manager of Binck emphasized the importance of speaking the same language to transfer knowledge from their organization to their alliance partner and to reach their end-users, noting, ‘our partners should know about our products, therefore we organize various gatherings to transfer knowledge’.

Based on these findings, the following proposition can be formulated.

Proposition 4: Speaking the same language as an alliance partner may lead to a referral.

Content

The content of communication also appears to stimulate alliance partners to refer a partner. The referral mechanisms that apply to this factor are relational embeddedness and knowledge transmission. Relational embeddedness becomes visible as a referral mechanism as there should be reciprocity and interaction for the content. Moreover, content also requires at certain stages knowledge access, which then stimulates an alliance partner to refer a partner. In terms of the content, transparency regarding bottlenecks and valuable information appears to be of particular importance.

Alliance partners find it important for referrals that a partner openly communicates and is transparent to prevent bottlenecks. The Alliance Director of Minihouse noted in his interview: 'For referrals, it is important the partner is known for their transparency and open communication. For instance, it is important to punctually indicate and communicate about bottlenecks. Somehow, in collaborations, obstacles or bottlenecks are often communicated too late which decreases trust and commitment.' According to the Project Leader of McOt, an organization becomes stronger when they can communicate their delays: 'Being able to be open and transparent about bottlenecks in the organization is powerful and not everyone is able to do so. He continued that, 'this comes from both sides, because often bottlenecks also have financial consequences. When my partner cannot handle the financial consequences, my organization would be able to. This stimulates trust and commitment for our partnership, favouring referrals'. The New Business Development Manager of McOt and the Manager Strategic Partnership of Conac suggested that to prevent bottlenecks, knowledge transmission should occur and be carefully noted, as they said, respectively, 'with more information transmission, the bottlenecks in the process can be rectified' and 'with regards to communication, it is important that the partner really listens so bottlenecks could be signalled at an early stage'.

Furthermore, alliance partners are stimulated to refer when the content of the communication contains insightful information. Insightful information plays a decisive role in creating new opportunities, stimulating trust, commitment and communication, as the Channel Manager of Binck said, 'insightful information is valuable for me and would stimulate me to trust my partner which in turn stimulates me to refer my partner'.

Moreover, the Alliance Manager of Itfind and the Alliance Manager of GI specified that insightful information includes information about the end-users and competitors. The interviewee from Itfind stated that their partners are well connected and understand the needs of their customers. Moreover, the interviewee from GI shared that they find information about their rivals important.

Based on these findings, the following proposition can be formulated:

Proposition 5: The content of the conversation with an alliance partner may stimulate the referral of its partner.

Table 3. Cross-case analysis: Communication		Formal vs. informal communication	Shared language	Content
High-tech	SET – Alliance Manager	Communication can be formal or informal, depending on the circumstances.		When the connected companies are not complementary, I will not refer them. Content is also important for me to understand the organization of my alliance partner.
	Binck – Channel Manager	I may refer faster when my partner is accessible and is informal in his communication.	Our partners should know about our products, therefore, we organize various gatherings to transfer knowledge.	Insightful information is valuable for me and would stimulate me to trust my partner which in turn stimulates me to refer my partner.
	Itfind – Alliance Manager	Professionalism regarding communication with customers is important for me when I refer.		
	GI – Alliance Manager	It is nice to interact informally as it enables contact outside of the work schedule. It is also nice to speak and meet often so parties can connect with each other.		
	PMP – Partner Strategic Outsourcer		It is important to connect individuals who speak the same language.	
Low-tech	McOt – Program Manager McOt –New Business Development Manager	The communication is mostly informal, but when it is necessary, it is also formal. For example, our partner occasionally organizes social events during which we have the opportunity to get to know each other. This relationship helps when contact is sporadic, increasing its frequency.		With more information transmission, bottlenecks in the process can be rectified.
	McOt – Alliance Partner	It is in favour of referrals when the communication is informal. Social activities such as golfing or dining stimulate the relation. This deepens trust in the relation.		
	McOt –Project Leader	The communication is informal on a team level.		Being able to be open and transparent about bottlenecks in the organization is powerful and not everyone is able to do so. This comes from both sides, because often bottlenecks also have financial consequences. When my partner cannot handle the financial consequences, my organization would be able to. This stimulates trust and commitment for our partnership, favouring referrals.
	Minihouse – Alliance Director	It is for favourable referrals when communication occurs informally.		For referrals, it is important the partner is known for their transparency and open communication. For instance, it is important to punctually indicate and communicate about bottlenecks. Somehow, in collaborations, obstacles or bottlenecks are often communicated too late which decreases trust and commitment.
	RBBK – Sr Procurement Manager			Both companies should commit to cooperation, understanding that there can be disadvantages. A problem solving attitude should be mutual and is important.
	Conac – Manager Strategic Partnership PLS – Program Manager	There is a solid team that communicates with our partner. The two teams are quite informal with their communication.	When I know that two companies from my network speak the same language, I match them.	With regards to communication, it is important that the partner really listens so bottlenecks could be signalled at an early stage.

5. Conclusion & Discussion

Despite some studies focused on referrals, there was little understanding of how relational characteristics influence referrals among alliance partners. By selecting cases in various industries current study brought greater insights on the relational drivers of referrals among the strategic alliance partners, since more perspectives from other industries are included. The results provide insights about how trust, commitment and communication influence referrals among alliance partners. One may conclude that when competition is minimized, valuable knowledge transmitted, support, having a shared language, and discussions based on content are important factors for when the alliance partners want to receive referrals from their partner. The referral mechanisms, relational embeddedness and knowledge transmission activates the alliance partner in the process of referring their own alliance partner.

Trust

First, with regard to trust, all interviewees noted that competence trust is essential when the alliance partner refers its partner. It is important for them to be assured that a partner is capable of meeting the expectations that comes along with the referral. The existing theories is in line with this finding. Barber (1983) mentioned in its research that referral takes place when one believes that the referred company is compatible enough to meet the expectations of the party to whom the referral is addressed. This means that the alliance partners that have the best competence will only be referred. The high-tech alliance partnerships, where competition is present will likely decrease the probability that an alliance partner refers its partner.

The two factors within the field of trust that has influence on the occurrence of referrals among the alliance partner are competition and knowledge transmission. Noting that trust is negatively influenced by competition and positively by knowledge transmission these factors have influence on referrals (Renzi, 2008; Doz & Hamel, 1998; Burt, 2009). In addition, findings show also that alliances where competition is present among the partners does not stimulate referrals. During the research, the combination of having high-tech alliance partners that cooperated in a competitive environment and almost all low-tech alliance partners that did not cooperate in a competitive environment made it possible to point out that competition does not stimulate referrals. However one should note, to strengthen this proposition even more advice would be to prepare various cases as having high-tech and low-tech alliance partners that cooperate with

rivals and others that do not cooperate with rivals.

The second factor, current study has shown that alliance partners are motivated to refer their partner when the transmitted knowledge is valuable. In this research, the low-tech partners have point out that knowledge transmission motivates them to refer their partner, while high-tech alliance partners stated that did not motivate them to refer their partner. Noting, that many studies have declared that knowledge transmission contributes to trust which whereas stimulates one to refer its partner (Burt, 2009; Tsang, 2005), the findings of high-tech alliances might be limited. Perhaps having data in which high-tech companies are engaged in alliances where knowledge transmission is valuable would have brought other insights. To cover this item in the research, advice for the next study would to consider multiple case study. It would be interesting to select different kind of strategic alliance partnerships from various industries. Noting that it is difficult to find organizations that apply for all of these situations, it may bring valuable insights on referrals.

Commitment

Results of the current study show that high-tech and low-tech alliance partners find it important that they have a key figure that has the connection and the authority to reach out to others in its own organization. One may conclude that high-tech and low-tech alliance partner may refer quicker when support on a global level can be reached out and when there is a dedicated key figure.

Allegations in the existing theory with regards to commitment for referrals is partially substantiated. First, the emerging theory indicates that the kind of commitment is related to the 'type' organization. The high-tech and low-tech alliance partners have point out that the benefits that comes along with referrals would increase the probability of referrals. The high-tech and low-tech alliance partner are driven by economical benefits that comes along with the referrals. However, the low-tech alliance partners gave also signs of expressive commitment based on benefits alliance partners can also be persuaded to refer due to the personal bond. Davies (1995) describes commitment based on personal bond as expressive commitment. Based on the study of Porrini (2004) study the high-tech alliance partners can be categorized as instrumental committers, since the high-tech companies are forced to think and act calculative due to their high competitive environment. Despite the results of the current study, the low-tech alliance partners may be categorized as hybrid committers, which includes features of instrumental but also expressive commitment. Despite the fact that results show that low-tech alliance partners have signs of expressive commitment, one may note that

instrumental commitment may also apply for the low-tech alliance partner. The low-tech alliance partners ally in a less competitive environment which stimulates trust among the partners. Noting that trust is stimulated and competition is less present, it is likely that when 'the rule of need' occurs (Mavondo, 2001), the partners will help each other and the probability of opportunistic behavior will likely decrease.

An interesting contrast and similarity has been found among the emerging and existing theory, is the level of commitment that occurs on organizational level versus personal relationships. Gulati (2000) emphasize the importance of organizational relationship for strategic alliance partners. This theory seems to be in line with the current theory, because the findings point out that the relationship that is built is strictly business as the alliance partnership is an interorganizational relationship. The individuals of the partner organizations are conscious of the need to come together for their own organization's purpose. Despite the fact that various studies support the findings of the emerging theory, there are also studies that suggest that commitment may occur also on personal level since a relationship is built among individuals (Cullen et al, 2000). The personal relationship is built by time (Mavondo, 2001). Noting that the age of the relationship contributes to the form, it is likely that it may also stimulate alliance partners to refer when their relationship is based on personal level. A limitation of this research might be that the age of the alliance partnerships are not considered as a factor that has influence on the occurrence of referrals. Hindsight it would have been wise to gain and structure the data on the age.

At last, the factor that has influence on the commitment for referrals is support. Based on the findings of the emerging theory, one may note that alliance partners would refer when there partner can involve support on global level and when there is a key figure that finds the necessary individuals. The existing theory, support these findings too. According to Culpan (1993) international support contributes to commitment among collaborators. In addition having a key figure as in a dedicated person that is well connected with middle and topmanagement in its own organization is preferable as a senior manager would have positive influence on the cooperation among the alliance partners (Kale & Singh, 2007; (Lambe, Spekman, & Hunt, 2002). Having a dedicated contact person with a senior level, gives the key figure the responsibility and the mandate to act when its company is referred. Noting that the data included middle and topmanagement, one may note that the division of the data among the middle and top management could be divided more. In addition, it appeared to be essential to gain data from different levels, because the middle manager and top managers have a different view on referrals as their role differs. Suggestion would be per organization four

interviews, two with middle and two with top management level per organization. This enables the researcher to compare the data which would be in favour of generalizability of the findings.

Communication

All interviewees noted that informal communication contributes to referrals. One may conclude that an alliance partner may be referred when this partner communicates informal with its partner. The informal communication activates the referral mechanisms *relational embeddedness* and *knowledge transmission* by creating accessible circumstances for alliance partners. First, the emerging theory found for alliance partners informal communication important tool to motivate them to refer their partner. Theory of Boje and Whetten (1981) states that many referrals occur through informal communication. In addition to that Kraut, Fussel, Brennan and Siegel (2002) state in their research that many collaborations occur due to informal communication.

Two factors that stimulate alliance partnerships to refer are shared language and content of a conversation. The second factor, enables alliance partners to refer their partner when this organization shares insightful information and/or communicates open and transparent regarding the process of collaboration. The findings regarding shared language is in line with the existing theory is shared language. In the emerging theory it came upfront that shared language may motivate alliance partners in the process of referring their partner. However there is a comment to be placed, because the high-tech alliance partners found shared language important but the low-tech alliance partners did not note this subject. Evidently one may assume that speaking the same language is important for high-tech alliance partners, because of the technical expertise that is necessary for the business of their company. Having said this, due to the low-tech business of the low-tech alliance partner's technical expertise is less required compared to the high-tech alliance partners and therefore it is less relevant for their communication. The existing theory strengthen this finding. According to Cohen and Levinthal (1990) shared knowledge and expertise is essential for communication. With other words, when an alliance partner aims to gain referrals from its partner it is wise to select partners with whom the absorptive capacity has similar levels. The individuals that are connected in the partnership should be able to understand each other.

The second factor that has influence on communication and with that also on referrals, is content of the conversations. The findings show that insight information about the customer and information about the process of the collaboration is important. The

high-tech alliance partner noted that they value insight information that contributes to economic benefits and the low-tech alliance partners focus on the process of the collaboration. While the insight information as well as focus on collaboration process both contributes to the occurrence of referrals, one may note that there was a clear pattern that high-tech alliance partners noted often insight information and the low-tech alliances mentioned often the process of collaboration. Evidently, focus of both type organization is different because they operate in other environments (Porrini, 2004; Coad & Rao, 2008). One may assume that high-tech alliance partners operate in a higher competitive environment than the low-tech alliance partners which may clarify their focus on new engagements. The insight information, described as the information that is necessary to engage in new collaborations. The existing theory supports this finding. Anderson and Narus (1990) describes insight information as 'meaningful and timely information'.

Managerial implications

The managerial implications determined that trust regarding the competence of a to-be referred alliance partner, and the presence of instrumental and expressive commitment stimulates alliance partners to refer a partner. Moreover, parties that aim to receive referrals should communicate informally. The process of referring a partner can be positively influenced by the transmission of valuable knowledge and the referral mechanism relational embeddedness. These would help alliance partners to receive referrals from their partners.

With regards to trust, the managerial implications suggest avoiding competition and stimulating opportunities for transmitting valuable knowledge. Note that when an alliance partner aims to receive referrals from a partner, attention should be given to decrease, and most preferably avoid, competition within the collaboration. The absence of competition in collaboration stimulates trust and drives partners to refer each other. Furthermore, transmitting valuable knowledge to an alliance partner creates trust and encourages alliance partners to refer their partners. This suggests that alliance partners should have an understanding of the types of knowledge that are valuable for and can be offered to a partner. This not only likely stimulates the occurrence of referrals among partners but also positively stimulates collaboration.

The managerial implications for commitment largely depend on instrumental commitment. The economic benefits that arise from collaboration appear to encourage alliance partners to refer their partners. Additionally, it is likely, and existing theory indicates, that parties are also positively influenced when there is expressive commitment. This implies that a partner who offers economically beneficial collaboration and adheres to agreements will likely receive referrals faster than when this does not occur. Alongside commitment, it is advisable for representatives of alliance partners to inform each other about their abilities in their organization and generate involvement for global support.

The final managerial implications regarding communication regard informal communication. Informal conversations appear to positively affect collaboration because interaction and knowledge transmission are stimulated. This form of communication generates connection faster, stimulating knowledge transmission. Factors that stimulate communication are shared language and content based communication. When an alliance partner shares a language with its partner, this contributes to referrals. Having

an individual in an organization that understands and can speak with the same level of technical or formal expertise as an individual within the alliance partnership results in more connections. This suggests that parties who desire referrals from a given alliance partner should have a shared language and individuals in the (potential) alliance partnership should be connected. Moreover, a content based conversation, in which information is revealed regarding the collaboration of partners with regard to constraints or insightful information, also helps alliance partners to provide referrals. This suggests that consistently acting in an open and transparent manner is important for receiving referrals from a partner.

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Appendix I: Interview guide

1 Researcher: Explains the purpose of the research, recording, transcription and the notes taken during the interview

2 Interviewee: Has the opportunity to explain its role, inform about the organization and to inform about the strategic alliance

3 Researcher: explains each subject mentioned, below and ends with an open questions.

Trust

- 1) How would you describe trust with your alliance partner?
- 2) How did you develop trust with your contact?
- 3) How did this effect gaining and providing referral?

Commitment

- 1) How are you committed within the strategic alliance, with your alliance partner?
- 2) What does commitment mean to you?
- 3) In what way did this contribute to gaining and providing referral?

Communication

- 1) How do you communicate with your alliance partner?
- 2) What do you find important in the communication?
- 3) In what way is this important for gaining and providing referrals?