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The link between export relationship quality, performance and expectation of continuing the relationship: A South Asia exporters' perspective

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The link between export relationship quality, performance and expectation of continuing the relationship

A South Asia exporters' perspective

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Abstract

Purpose – The purpose of this study is threefold: to investigate how relationship quality affects export performance; to see if and to what extent export performance affects exporter satisfaction; and to determine whether exporter satisfaction ultimately affects the expectation of continuing the export-import relationship in an emerging market.

Design/methodology/approach – The paper reports the findings of a survey of 185 respondents from the ready-made garments industry in Bangladesh chosen from a convenience sample. The responding exporters were located in Dhaka city or nearby areas. The data were analyzed using the partial least squares technique.

Findings – The results support four out of five hypotheses, indicating that there is a significant relationship between exporter relationship quality and financial and strategic export performance. Additionally, a positive relationship between financial export performance and exporter satisfaction and between exporter satisfaction and the expectation of continuing the relationship are shown. No significant relationship between strategic export performance and exporter satisfaction is found.

Practical implications – The findings have practical implications for managers and policy-makers interested in developing effective strategies for building and maintaining high quality export-import relationships, especially in the context of an emerging market.

Originality/value – In order to accomplish the research goal, the main constructs from two influential streams of literature – social exchange theory and the disconfirmation of expectation theory – are utilized. This is new in the context of an emerging economy perspective.

Keywords Bangladesh, Disconfirmation of expectation theory, Relationship quality, Relationship strength, SmartPLS, Social exchange theory

Paper type Research paper

1. Introduction

Over the last couple of decades emerging market economies are making their noticeable presence in the world economy; for instance, the share of world foreign exchange reserves held by emerging markets was 75 percent in 2008 compared with 20 percent in 1990 (Kose and Prasad, 2010). Because of the high economic growth and investment potential, international business relations are frequent in emerging markets. It is therefore essential to explore the dynamics of relationships in those markets. Moreover, researchers argue for more research in emerging market contexts because of the development of advancing marketing as an academic discipline, and to maintain the managerial relevance of the discipline (Burgess and Steenkamp, 2006). Bangladesh is an emerging economy in South Asia. According to the country's Board of Investment (www.boi.gov.bd), its annual exports amount to some 24 billion USD. The ready-made garments (RMG) sector is the main export industry, alone contributing 80 percent of the



total export earnings and 13 percent of the gross national product, with a total value of 12.59 billion USD in 2010-2011 (Bangladesh Garment Manufacturers & Exporters Association (BGMEA), www.bgmea.com.bd). The market is expected to grow at an annual rate of 7-9 percent within the next ten years, resulting in an export value of 36.42 billion USD. Hence, the purpose of this study is threefold:

- (1) to investigate how relationship quality affects export performance;
- (2) to study whether and to what extent export performance affects exporter satisfaction; and
- (3) to determine whether exporter satisfaction ultimately affects the expectation of continuing the relationship in an emerging market context.

In order to accomplish the research goals, contributions from social exchange theory (Emerson, 1976) and the disconfirmation of expectation theory (Oliver, 1980) are used in this study.

The transformation of the marketing field from discrete-transaction based to relationship-based has been well developed and documented in contemporary marketing literature (Woo and Ennew, 2004; Lages *et al.*, 2005; Leonidou *et al.*, 2006). For its origin, the field of relationship marketing is indebted to social exchange theory (Morgan and Hunt, 1994; Styles and Ambler, 2000). The main theme of social exchange theory is that parties enter into and maintain relationships with the expectation that doing so will be rewarding (Lambe *et al.*, 2001). In relationship marketing literature, relationship quality is argued to be a central construct (Smith, 1998) and has attracted considerable research attention over the last couple of decades (Svensson and Mysen, 2011; Hutchinson *et al.*, 2012; Mysen *et al.*, 2012). Relationship quality is defined as the strength of the relationship among the parties involved (Ural, 2009), and is viewed as a second-order construct, having a set of first-order constructs like trust, commitment and satisfaction (Lages *et al.*, 2005; Leonidou *et al.*, 2006; Skarmas and Robson, 2008; Ural, 2009).

The disconfirmation of expectations theory is a dominant research focus in studying consumer satisfaction/dissatisfaction (Westbrook and Reilly, 1983). The applicability of the disconfirmation of expectations theory in a business-to-business exporting setting is also empirically supported in the literature (Patterson *et al.*, 1997; Wang and Olsen, 2002). In the disconfirmation of expectations theory, exporter satisfaction is a function of export performance perceptions and positive disconfirmation of prior expectations (Wang and Olsen, 2002). Furthermore, the export satisfaction of managers may affect their future exporting behavior in terms of continuation/discontinuation of exporting (Wang and Olsen, 2002).

In addition to studying relationship quality only as perceived by the customer, there is a new trend of looking at relationship quality from the perspective of the exporting firm by considering the organizational behavior approach instead of the buyer behavior approach (Lages *et al.*, 2005; Leonidou *et al.*, 2006; Ural, 2009; Mysen *et al.*, 2012). In 2005, Lages and colleagues suggested a relationship quality scale to assess the degree of relationship quality between the exporting firm and the importer. By using the relationship quality scale developed by Lages *et al.* (2005), Ural (2009) explored the effects of relationship quality on export performance of Turkish small- and medium-sized enterprises. We extend their conceptual model by also including the exporter's expectation of continuing the relationship. We push the boundary of the extant export marketing literature a little further by merging key constructs from two influential

theories in business marketing (i.e. social exchange theory and disconfirmation of expectations theory) into a unified framework. The relationships between these construct are rarely investigated, at least in the context of an emerging economy. The study develops theoretical and managerial contributions that may be used to understand and manage export-import relationships in an emerging market context. Finally, the study also contributes to the export performance research called for by various researchers (Leonidou *et al.*, 2002; Styles *et al.*, 2008), which is itself a contribution and paves the way for future research.

The conceptual framework and research hypotheses are developed in the next section, followed by the method section. The succeeding sections will showcase the results. Finally, discussion, implications, and directions for future research are presented.

2. Conceptual framework

2.1 Relationship quality and export performance

Because of its inherent ambiguity a common definition of relationship quality that is accepted by everyone is not found in the literature (Ashnai *et al.*, 2009). However, trust, commitment and relationship satisfaction are mentioned by various researchers as the focal dimensions of relationship quality (Smith, 1998; Ulaga and Eggert, 2006). Trust is a cornerstone in business marketing and a necessary determinant and requirement of sound business relationships (Ashnai *et al.*, 2009). Trust implies belief, integrity, reliability, and confidence between the trading parties (Dorsch *et al.*, 1998; Ashnai *et al.*, 2009). Inclusion of mutual trust in building relationship quality is accepted by researchers almost without any dispute (Ashnai *et al.*, 2009; Athanasopoulou, 2009). Commitment, which is another fundamental building block of relationship quality, represents the highest level of relational bonding between the parties involved, and is an essential factor in developing successful relational exchanges (Dorsch *et al.*, 1998). Satisfaction is defined as a positive affective state resulting from the appraisal of all aspects of a firm's working relationship with another firm (Geyskens *et al.*, 1999). Researchers have indicated that satisfaction with a business relationship helps to increase morale and cooperation between the parties and reduce litigation and the propensity to terminate the relationship (Ganesan, 1994; Geyskens *et al.*, 1999; Hernandez-Espallardo *et al.*, 2009).

Similarly to Cavusgil and Zou (1994), we define export performance as the extent to which a firm's objectives, both economic and strategic, with respect to exporting a product into a foreign market, are achieved through planning and execution of export marketing strategy. Examining various studies conducted over a decade (1987-1997) in the literature on the determinants of export performance, Zou *et al.*, in 1998, identified the performance of an exporting venture as a composition of three dimensions: the financial and strategic performance of the export venture, and the firm's satisfaction with the export venture (Zou *et al.*, 1998; Ural, 2009). Financial performance, the most commonly used indicator of export performance, takes the view that exporting is part of a firm's marketing program and is measured in terms of export sales, export sales growth, export profits, and export intensity. Strategic performance relates to the fact that firms often have a set of strategic as well as financial goals in exporting, and according to this view the attainment of strategic goals such as improved competitiveness, increased market share or strengthened strategic position should be integrated into the export performance construct (see Ural, 2009, for a review). In this paper we conceptualize that export satisfaction is a focal consequence of an export-import

relationship; it is not only a close proxy for concepts such as perceived effectiveness, but is also predictive of future actions by the members involved in the relationship (Hernandez-Espallardo *et al.*, 2009). The relationship of financial and strategic export performance with export satisfaction is discussed in the next section of this paper.

In export-import settings trust is the belief and understanding of the partners that the contractual relationship between them will be honored, expected competencies will be performed by both the parties at specified quality standards and the mutual expectations of honesty and benevolence will be met (Styles *et al.*, 2008). Trust plays a key role in exploring the advantages of cooperation and in the reduction of transaction cost effects, in the reduction of opportunisms (Ganesan, 1994; Chiles and McMackin, 1996; Nooteboom *et al.*, 1997) and, as a consequence, positively affects performance (Zaheer *et al.*, 1998; Child and Möllering, 2003; Nielsen, 2007).

Several researchers (Lages *et al.*, 2005; Ural, 2009) extended Ganesan's argument (Ganesan, 1994) of long-term orientation in the export-import context and defined commitment or long-term orientation as the perception of mutual dependence on outcomes in such a way that joint relationship outcomes are expected to profit from the relationship in the long run. Thus exporter's commitment refers to the desire to maintain a stable export-import relationship, to make short-term sacrifices for the sake of long run profitability and confidence in the relationship's stability (Anderson and Weitz, 1992; Morgan and Hunt, 1994). Satisfaction which is one of the focal constructs of relationship quality that we used in this study, encourages the partners engaged in the relationship to be more perceptive about the quality of the relationship; more satisfied trade relationships are assumed to create sustainable and higher export performance (Lages *et al.*, 2005; Ural, 2009). Hence, the literature on export performance widely supports the positive influence of relationship quality dimensions on export performance. For example Shamsuddoha and Ali (2006) found a positive link between commitment and export performance of Bangladeshi exporters. Chadee and Zhang (2000) found that mutual trust has a positive impact on export performance (on sales growth and satisfaction) of New Zealand exporters exporting to China, Chattananon and Trimetsoontorn (2009) also found the positive effect of trust on business performance. Furthermore, Lages *et al.* (2005) found that relationship quality dimensions (information sharing, communication quality, long-term orientation, and satisfaction) are significant for the export performance for British exporters. Ural (2009) also came to almost the same conclusions for Turkish exporters (except communication quality). Both Lages *et al.* (2005) and Ural (2009) used the same export performance scale developed by Zou *et al.* (1998). Empirical studies show that correlation between trust, commitment and satisfaction is so high that some researchers advocate that it does not really matter which construct is used because of their complete interchange ability, and argue for a combined "relationship quality" scale (De Cannière *et al.*, 2009). Understanding the aforesaid theoretical and empirical arguments analogously with the preceding previous research, the following hypotheses are proposed:

H1. Relationship quality is positively related to financial export performance.

H2. Relationship quality is positively related to strategic export performance.

2.2 *Export performance and exporter satisfaction*

Throughout the literature, it is evident that performance has a direct impact on satisfaction (Wang and Olsen, 2002). Empirical studies have shown the positive

association between export sales and satisfaction, both directly and via disconfirmation (Patterson *et al.*, 1997). Export managers are believed to have developed their export expectations, and they are assumed to compare the actual performance and the expectations (Wang and Olsen, 2002). As per the disconfirmation of expectations theory, negative, positive and zero disconfirmation will occur when the actual performance is falling short, exceeds and is equal to the expectations, respectively (Wang and Olsen, 2002). Managerial judgments on export performance are said to be part of a “performance” iceberg (Madsen, 1998) that consists of both visible and invisible features, based on their professional experience. In this study, we assume that disconfirmation of prior expectation is built into the mind of the respondents through their professional experiences, and when they respond to the questions regarding export performance, they have compared the actual performance and the expectations in their mind. Based on the theory, we proposed that exporter satisfaction is a function of financial and strategic export performance. The following hypotheses are proposed:

H3. Financial export performance is positively related to exporter satisfaction.

H4. Strategic export performance is positively related to exporter satisfaction.

2.3 Exporter satisfaction and expectation of continuing the export-import relationship

Wang and Olsen (2002) assert that “exporter satisfaction is an important construct that not only indicates export effectiveness but also positively influences the firm’s continued effort in participating in the international trade arena.” Empirical studies (Ganesan, 1994; Patterson *et al.*, 1997; Hernandez-Espallardo *et al.*, 2009) have found satisfaction to be an antecedent of intentions to maintain a valued relationship in the future. Moreover, in a highly competitive export-import business, losing customers is very costly; research findings have concluded that it is five times more expensive to acquire a new customer than to retain an existing one (Athanasopoulou, 2009). Hence we conceptualize that the expectation of continuing the export-import relationship is a logical choice of the exporters as long as they are satisfied. Accordingly, we articulate the following hypothesis:

H5. Exporter satisfaction is positively related to the exporter’s expectation of continuing the export-import relationship.

3. Method

3.1 Research design and data collection

In order to test the conceptual model, a survey was conducted among managers in the garment and knitting industries in Bangladesh. We used the convenience sampling design for data collection. The responses were taken from Dhaka city and nearby areas. Of the 2,917 members of the BGMEA, 1,862 are from the Dhaka zone, that is, from Dhaka or nearby districts. It is worth mentioning that the BGMEA is one of the largest trade associations in the country representing the RMG industry.

We hired an established survey company in Bangladesh to collect the data. However, the questionnaire design, survey execution plan, control mechanism, and methodology were solely done by the researchers. The company appointed a group of experienced data collectors to execute the survey. First, a phone call was made from the survey company to the respective firms (from the BGMEA directory) asking to speak with the head of the commercial/ merchandising / production unit and to explain the

survey, then requesting him/her to name a person who s/he thought would be capable of responding to the survey. Then an appointment was made and a data collector from the survey company visited the respondent, showed her/him the questionnaire and sought answers, and if necessary explained the question(s). When the data collection was complete, the filled-in questionnaire was returned to the person in charge in the survey company. It was the survey company that verified (by phoning the respondent) whether the data collector had collected the data properly or not, then signed that the data was verified, sealed it and sent it to the first author.

In total 185 responses were collected, of which five responses were eliminated for having missing values. Thus we had 180 complete questionnaires for further analyses. Most of the respondents were from the merchandising and commercial unit of the firms (78 percent) and had on average about five years of experience with the responding organization.

3.2 Measurement

The measurement scales were developed from the reviewed literature on the construction of the conceptual model. The items were either borrowed or slightly modified from previous research and all items were measured using a Likert scale anchored from 1 (strongly disagree) to 7 (strongly agree; see Appendix 1 for details of the items). The measures for all constructs were reflective. A three-item scale adapted from Lages *et al.* (2005) and Skarmees *et al.* (2008) was used to measure satisfaction. For measuring the other two focal constructs that constitute relationship quality such as commitment and trust, we employed a three-item scale adapted from Lages *et al.* (2005) and a two-item scale adapted from Ganesan (1994) and Zaheer *et al.* (1998), respectively. Nine items drawn from Zou *et al.* (1998) were used to measure financial export performance, strategic export performance and satisfaction with the export venture. Finally, three items were modified and adapted from Hernandez-Espallardo *et al.* (2009) to measure expectation of continuing the export–import relationship.

3.3 Data analysis

We tested the research model and hypotheses using structural equations modeling and the partial least squares (PLS) approach. For this purpose, we used SmartPLS 2.0 beta version (Ringle *et al.*, 2005). The “soft modeling” approach PLS regression was chosen because this technique is especially suitable for causal analysis in complex contexts where the theoretical knowledge is scant (Wold, 1982). In addition, the smaller sample size in this research motivates us to use the PLS approach (Chin, 1997; Chin *et al.*, 2003). Further attractiveness of the PLS approach includes the fact that the manifest variables do not require the conditions of a multi-normal distribution. This makes it suitable for explaining complex relationships (Chin, 1997), and the model tested is exploratory in nature and does not measure all of the constructs of a robust theory but only a subsection of it. Furthermore, the PLS approach enables us to investigate models at a higher level of abstraction (i.e. dealing with higher-order constructs; Wilson, 2010) and provides an opportunity to estimate complex models (Chin *et al.*, 2003).

We analyzed our data set using PLS in two stages (Chin, 2010). First we conducted an assessment of the measurement model, including the item reliability, convergent and discriminant validity; and then we conducted an assessment of the structural model. The item weights and loadings indicate the strength of measures, while the estimated path coefficients indicate the strength and the sign of the theoretical relationships.

4. Results

4.1 Assessment of the measurement model

Item reliability indicates whether the indicators measure the construct only. All relevant factor loadings are $g \geq 0.5$, a very conservative cut-off level (Hair *et al.*, 2010; see Appendix 2 for details). Composite reliability of all the constructs (both first and second order) are higher than the cut-off level of 0.70 (Nunnally, 1967). Thus reliability for all the constructs is shown. *Convergent validity* was assessed by examining average variance extracted (AVE) from the measures; this ranged from 0.61 to 0.85; all values are well above the recommended value of 0.50 (Fornell and Larcker, 1981), showing convergent validity. Table I summarizes the results of the measurement models.

Discriminant validity is the extent to which different constructs diverge from one another. As a rule of thumb, the square root of the AVE for each construct needs to be larger than the correlation of any specific construct with any of the other constructs (Gefen and Straub, 2005). In this study, following this procedure, we indicate the discriminant validity for all first-order constructs. The square-root of the AVE shown in the diagonal of the inter-construct correlations matrix in Table II, ranged from 0.82 to 0.91, exceeding the threshold of the correlation of any specific construct with any of the other constructs thus depicting the discriminant validity.

4.2 Assessment of the structural model

The structural model and hypotheses are evaluated by looking at the path coefficients and variance explained. The detailed research model is presented in Figure 1, showing the standardized path coefficient (mean value of 0, variance of 1), and the predictive power of the structural model is assessed by the R^2 values.

The variance explained for the endogenous variables (both first order and second order) is greater than the recommended level of 0.1 (Duarte and Raposo, 2010). In this study, the final dependent construct (expectation of continuing the relationship) has a R^2 value of 0.45, which can be considered satisfactory, taking into account the complexity of the model. Exporter satisfaction has the R^2 value of 0.63 and financial performance and strategic performance have the explained variances of 0.60 and 0.44 respectively, which ensure the strong predictive power of export performance indicators (i.e. financial and strategic) on exporter satisfaction and the predictive power

Construct	No. of items		CR ^a	AVE ^b	Source
	Initial	Final			
Expectation of continuing the export-import relationship	3	3	0.86	0.67	Hernandez-Espallardo <i>et al.</i> (2009)
Financial performance	3	3	0.93	0.81	Zou <i>et al.</i> (1998)
Strategic performance	3	3	0.90	0.75	Zou <i>et al.</i> (1998)
Exporter Satisfaction	3	3	0.93	0.82	Zou <i>et al.</i> (1998)
Relationship quality ^c			0.92	0.59	
Trust	2	2	0.93	0.86	Ganesan (1994) and Zaheer <i>et al.</i> (1998)
Commitment	3	3	0.87	0.70	Lages <i>et al.</i> (2005)
Satisfaction	3	3	0.92	0.79	Lages <i>et al.</i> (2005) and Skarmeas <i>et al.</i> (2008)

Table I.
Construct reliability and validity

Notes: ^aComposite reliability; ^baverage variance extracted; ^csecond order construct

	Commit.	Exp. of conti.	Exporter satisfaction	Financial perfor.	Satisfaction	Strategic perfor.	Trust
Commitment	<i>0.83</i>						
Exp. of conti. the export-import relationship	0.70	<i>0.82</i>					
Exporter satisfaction	0.69	0.67	<i>0.91</i>				
Financial performance	0.67	0.69	0.78	<i>0.90</i>			
Satisfaction	0.71	0.67	0.71	0.73	<i>0.89</i>		
Strategic performance	0.66	0.58	0.63	0.70	0.60	<i>0.87</i>	
Trust	0.58	0.54	0.58	0.59	0.58	0.43	<i>0.91</i>

Table II.
Inter-construct correlations and square root of the AVE in the diagonal (first-order constructs only)

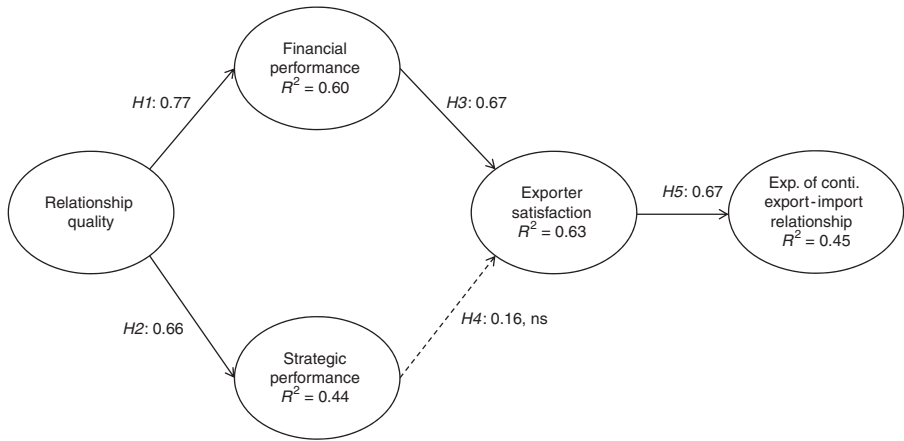


Figure 1.
The research model with path coefficient and variance explained

of relationship quality on financial and strategic export performance indicators as well. After computing the path estimates in the structural model, we conducted bootstrapping in SmartPLS to assess the statistical significance of the path coefficient. The *t*-statistic and the structural relationship within the model are shown in Table III.

PLS path modeling includes no proper single goodness-of-fit (GoF) measure. However, a global criterion of GoF proposed by Tenenhaus *et al.* (2004) has been used in this study. According to them, GoF is the square root of the product of average R^2 and average communality and by applying this formula we derived the GoF index as 0.69. By nature, this index is descriptive, thus there is no inference-based threshold to judge the statistical significance of the value (Vinzi *et al.*, 2010). However, for our model the GoF index seems to be acceptable.

The results indicate that relationship quality is significantly and positively related to the financial ($\beta = 0.77, p < 0.01$) and strategic performance ($\beta = 0.66, p < 0.01$) of the exporter (supporting *H1* and *H2*). The effects of financial export performance on exporter satisfaction are significantly positive ($\beta = 0.67, p < 0.01$), hence *H3* is also supported. The link between strategic export performance and exporter satisfaction is insignificant ($\beta = 0.16, p > 0.01$), hence not supporting *H4*. However, the link between

<i>H</i> no.	Relationship	Path coefficient	<i>t</i> -statistic	Sign
<i>H1</i>	Relationship quality→financial performance	0.77	16.32*	Yes
<i>H2</i>	Relationship quality→strategic performance	0.66	11.18*	Yes
<i>H3</i>	Financial performance→exporter satisfaction	0.67	9.47*	Yes
<i>H4</i>	Strategic performance→exporter satisfaction	0.16	1.77	No
<i>H5</i>	Exporter satisfaction→expectation of continuing the export-import relationship	0.67	14.38*	Yes
–	Relationship quality→trust	0.79	15.89*	Sign
–	Relationship quality→commitment	0.89	31.71*	Sign
–	Relationship quality→satisfaction	0.91	70.96*	Sign

Note: * $p < 0.01$

Table III.
Structural relationships

exporter satisfaction and the exporter's expectation of continuing the export-import relationship is significant ($\beta = 0.67, p < 0.01$) and supporting *H5*.

5. Discussion and conclusions

The purpose of this study was to investigate how relationship quality affects export relationship, how and to what extent export performance affects exporter satisfaction, and whether export satisfaction ultimately affects an exporter's expectation of continuing the export-import relationship in an emerging market. The theoretical section of the paper develops five hypotheses, four of which are supported by our findings. We found positive relationships between relationship quality and financial and strategic export performance (in support of *H1* and *H2*), which is expected from previous research. Financial export performance also has a positive effect on exporter satisfaction, which supports *H3*. Furthermore, a positive effect of exporter satisfaction on the exporters' expectations of continuing the export-import-relationship was found, supporting *H5*.

However, the findings do not support the hypothesis that strategic export performance is positively related to exporter satisfaction (*H4*). This insignificant effect may be interpreted in two ways. First, as Madsen (1998) asserted, managers' perceptions of export performance are often quite static, narrow, and short-term oriented. Madsen (1998) concluded that actual sales seem to be much more important than the enhancement of organizational capabilities and future profits. The respondents in the present study may also have overlooked the long-term strategic benefits of engaging in the export-import relationship, which meant we could not establish a significant relationship between strategic performance and exporter satisfaction. The second reason may be related to organizational practices within the industry, which might involve pressure from top management to achieve financial goals. Our findings suggest that managers of exporting firms in developing countries are most concerned about their companies' financial performance.

5.1 Theoretical and managerial implications

The contribution and impact of export performance research has been criticized for its lack of theoretical rigor (Morgan *et al.*, 2004). The present paper contributes to our understanding of exporter-importer relationships in emerging economies, particularly by merging two prominent theoretical perspectives in business marketing: social exchange theory and the disconfirmation of expectation theory. The results show that the model depicted in Figure 1 has acceptable construct validity, reliability, and relationships in terms of both the measurement and structural properties. We tested the conceptual model developed by linking relationship quality, export performance, and expectations of continuing the relationship within the context of Bangladeshi garment industry. Personal relationships and reputation-building play a crucial role in inter-firm transactions, especially in exporting (Tuang and Stringer, 2008). The development of high-quality relationships with importers has a significant positive effect on the performance of emerging marketers exporting ventures.

The study's findings replicate and extend previous research in an emerging market setting. Exporting is important because it can create employment and provide foreign exchange for imports. It is important to focus on emerging markets' exporters in order to gain a more complete picture of the link between relationship quality and export performance in an emerging market perspective (Tesfom and Lutz, 2006). The results

of the present study support four out of five hypotheses. The supported hypotheses are convergent with previous research (Akroush and Al-Mohammad, 2010; Chattananon and Trimetsoontorn, 2009; Sim and Pandian, 2007), indicating empirical evidence to support the applicability of social exchange theory and the disconfirmation of expectation theory in an emerging market setting.

Some managerial implications can also be derived from the study. The study shows that relationship quality is a driving force in achieving financial and strategic performance and exporter satisfaction in an emerging market. It is vital for emerging market exporters to understand that it is challenging to build trust, commitment, and satisfaction in cross-border relationship (Tuang and Stringer, 2008). Unlike relationships in a domestic context, international relationships extend beyond national boundaries, meaning that they are much more affected by social, cultural, and other environmental dissimilarities. Hence, it is important for managers to nurture and guide their organization to maintain a healthy atmosphere in its working relationships with foreign buyers, and to invest time, personnel, and other company resources in these relationships (Leonidou and Kaleka, 1998).

5.2 Limitations and future research

We acknowledge some limitations of this study which can be addressed in future research. First, we only considered the exporters' perspective, which is just one side of the dyad. However, perceptions may vary across the dyad (John and Reve, 1982). Thus future research could focus on the perspectives of both exporters and importers at the same time. Second, the lack of a statistically significant relationship between strategic export performance and exporter satisfaction deserves future exploration, to determine whether this is an emerging market phenomenon or not. Relationships in international context are much more affected by social, cultural and other environmental differences compared to relationships in a domestic context (Lages *et al.*, 2005); thus relationships and findings in this study may differ across different samples and context. We therefore urge for further research in this direction, especially in the context of emerging economies.

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Appendix 1. Measurement items

Relationship quality

Trust

- (1) The importer has been frank in dealing with us.
- (2) Our importer is trustworthy.

Commitment

- (1) We believe that, in the long run, our relationship with the importer will be profitable.
- (2) Maintaining a long-term relationship with this importer is important to us.
- (3) We are willing to make sacrifices to help this importer from time to time.

Satisfaction

- (1) Our association with the importer has been highly successful.
- (2) This importer is a good company to do business with.
- (3) In general, we are satisfied with our dealings with this importer.

Export performance

Financial performance

- (1) Our export to this importer has been very profitable.
- (2) The export to this importer has generated a high volume of sales.
- (3) The export has achieved rapid growth.

Strategic performance

- (1) The export has improved our global competitiveness.
- (2) The export has strengthened our strategic position.
- (3) The export has significantly increased our global market.

Satisfaction with export venture

- (1) The performance of this export has been very satisfactory.
- (2) The export has been very successful.
- (3) The export has fully met our expectations.

Expectation of continuing the export-import relationship

- (1) We will not leave the relationship even if other alternatives are available.
- (2) Our relationship with the importer is a long-term alliance.
- (3) We want to continue our export for the foreseeable future.

All measurement items are anchored as Likert-type scales ranging from strongly disagree (1) to strongly agree (7).

Appendix 2

	Commit- ment	Expectation of continuing	Exporter satis-faction	Financial perfor- mance	Satisfaction with export venture	Strategic perfor- mance	Trust
Commitment 1	0.89						
Commitment 2	0.88						
Commitment 3	0.72						
Expect_contin1		0.76					
Expect_contin2		0.82					
Expect_contin3		0.87					
Financial performance 1				0.90			
Financial performance 2				0.93			
Financial performance 3				0.87			
Exporter satisfaction 1			0.93				
Exporter satisfaction 2			0.93				
Exporter satisfaction 3			0.86				
Strategic performance 1						0.87	
Strategic performance 2						0.90	
Strategic performance 3						0.83	
Satisfaction 1					0.87		
Satisfaction 2					0.90		
Satisfaction 3					0.90		
Trust1							0.93
Trust2							0.93

Table AI.
Factor loading of the
measurement items

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