Investigation the Effect of Relationship Quality, Performance and Exporter Satisfaction on Continuing Export-Import Relationship

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Abstract

The purpose of this study is at reexamining the initiative conceptual models to investigate how relationship quality affects export performance, 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 like Iran’s industrial markets. The paper reports the findings of a survey of 389 respondents from the industrial markets in Iran, chosen from a selected sample. The responding exporters and importers were located in Tehran. The data were analyzed using the Lisrel software. The results support all the hypotheses, indicating that there is a significant relationship between exporter, importer relationship quality and financial and strategic export performance. Additionally, positive relationships between financial export performance and exporter satisfaction and between exporter satisfaction and the expectation of continuing the relationship are shown. 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 in developing countries. 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.

Keywords: Iran, Disconfirmation of expectation theory, Relationship quality, Relationship strength, Lisrel, Social exchange theory.

Introduction

According to the international marketing trends in global markets, 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 especially in developing countries, because of the development of advancing marketing as an academic discipline, and to maintain the managerial relevance of the discipline (Burgess and Steenkamp, 2006).

The purpose of the research is to examine how relationship quality affects export performance, investigate whether and to what extent export performance affects exporter satisfaction and also determine whether exporter satisfaction ultimately affects the expectation of continuing the relationship in an emerging market context. Researchers have adopted different theoretical frameworks in order to explain relationship governance, including transaction cost theory, social exchange theory and resource-dependence theory. 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; Skarmeas 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.

**Conceptual framework**

**Relationship quality and export performance**

Relationship quality is thought as the essence of relationship marketing. “According to Ford (1980) quality of relationships between buyers and sellers bind members to each other in such a way that they are able to reap benefits beyond the mere exchange of goods. This leads to long-term and
more stable relationships in which both members mutually benefit” (Burca et al., 2004). Relationship quality is critical to achieve positive results in exporting (Solberg, 2006a). Huntley (2006) found that “when the quality of relationship is high, customers are more willing to recommend the seller’s offerings to colleagues and they purchased more from the seller.

In line with past research (Crosby et al., 1990; Dwyer and Oh, 1987; Kumar et al., 1995), we consider that relationship quality is a higher order construct made of several distinct, although related dimensions. Unlike previous authors who studied relationship quality as perceived by the customer (e.g. Dwyer and Oh, 1987; Crosby et al., 1990; Kumar et al., 1995), we look at relationship quality in the perspective of the exporting and importing firm. Hence, we adopt the organizational behavior instead of the consumer/buyer behavior approach (Carmen lages et al., 2005).

Understanding the factors that impact buyer-seller relationships is particularly important when the partners are from different countries. The challenge to executives in searching for improving the exporting performance lies in: understanding the real priorities of importer and the implications for building the profitable buyer-seller relationships. Piercy and et al. (2005) stated that relationship factors were highly important for exporters in the search for sustained export growth. Many studies re-searching the main reason why businesses lose loyalty of their customers refer to that “businesses simply do not pay sufficient attention to their relationships with customers” (Gummesson, 2004). Therefore, it seems logical to suggest that the most sustainable levels of customer loyalty are achieved through the development and maintenance of high-quality relationships with customers.

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

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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.

Relationship quality leads to explore, maintain or terminate a relationship. If exporter does not anticipate an importer’s need, this may result in deterioration of the relationship. Relationship quality motivates the importer to sustain the relationship with its exporter. On the other hand, relationship quality may decrease exporter’s relationship costs. It’s increasingly important that exporters have strong relationships with their importers to stay ahead of competition. There are many advantages for exporters that enter into productive relationships with their importers such as lower risk, more cooperation, increased knowledge, and information sharing (Ellram, 1995). According to the study of Bonnemaison et al. (2007) about the future of relationship marketing in 2015, “a consumer will increasingly resist firm’s attempts to ‘create’ a relationship and become increasingly powerful par-ties in relationships that they will want to shape. Business will learn to incorporate this shift in the relationship’s balance of power by involving customers in the value creation process. A consumer’s experience, alone and part of community, will become a key aspect of relationship approaches. It will be necessary to collect relevant data by using approaches taken from social sciences. Business will have to work on this highly emotional aspect without being intrusive and without wanting to over-manage or exert too much control”.

In export-import settings trust is the belief and understanding of the partners that the contractual relationship between them will honored, expected competencies will be performed by both the parties at specified quality standards and the mutual expectations of honesty and benevolence will be meet (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.

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 export performance. The following hypotheses are proposed:

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

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:

H4. Exporter satisfaction is positively related to the exporter’s expectation of continuing the export-import relationship.

The conceptual research model is shown in Fig. 1 and the hypothesis is displayed in Table 1.
Figure 1: Initial conceptual model

<table>
<thead>
<tr>
<th>Hypotheses</th>
<th>Description</th>
<th>Path</th>
</tr>
</thead>
<tbody>
<tr>
<td>H1</td>
<td>Relationship quality is positively related to financial export performance.</td>
<td>RQ ➔ FE</td>
</tr>
<tr>
<td>H2</td>
<td>Relationship quality is positively related to strategic export performance</td>
<td>RQ ➔ SE</td>
</tr>
<tr>
<td>H3</td>
<td>Financial export performance is positively related to exporter satisfaction.</td>
<td>FE ➔ ES</td>
</tr>
<tr>
<td>H4</td>
<td>Exporter satisfaction is positively related to the exporter’s expectation of</td>
<td>ES ➔ EI</td>
</tr>
<tr>
<td></td>
<td>continuing the export-import relationship.</td>
<td></td>
</tr>
</tbody>
</table>

Table 1: The definitions of the research hypotheses

<table>
<thead>
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<tr>
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</tr>
<tr>
<td>H2</td>
<td>Relationship quality is positively related to strategic export performance</td>
<td>RQ ➔ SE</td>
</tr>
<tr>
<td>H3</td>
<td>Financial export performance is positively related to exporter satisfaction.</td>
<td>FE ➔ ES</td>
</tr>
<tr>
<td>H4</td>
<td>Exporter satisfaction is positively related to the exporter’s expectation of</td>
<td>ES ➔ EI</td>
</tr>
<tr>
<td></td>
<td>continuing the export-import relationship.</td>
<td></td>
</tr>
</tbody>
</table>

Methodology

Research design and data collection

In order to test the conceptual model, a survey was conducted among managers in the industrial Markets in Iran. We used the convenience sampling design for data collection. The responses were taken from Tehran city and nearby areas.

The questionnaire design, survey execution plan, control mechanism, and methodology were solely done by the researchers. They appointed a group of experienced data collectors to execute the survey. First, a phone call was made from them to the respective firms 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 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 authors. In total 410 responses were collected, of which 21 responses were eliminated for having missing values. Thus we had 389 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.

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 Skarmeas 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 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.

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Data analysis

The hypothesized model was evaluated by using the Structural Equation Modeling (SEM) approach -Weighted Least Square (WLS) method- with LISREL8.8 as well as the method used by Kautonen et al research in 2007. According to Hair et al. research, SEM techniques examine the covariance structure and relationships between and among latent variables including the effects of direct, indirect, reciprocal and spurious causal relationships. SEM does not assume that variables are accurately measured and includes an estimate of measurement error. A conventional model in SEM terminology consists of two components, the measurement model, representing how measured variables come together to represent constructs, and the structural model, showing how constructs are associated with each other. Kline suggested a two-step model building approach to SEM (Kline 2005). First of all, the measurement model is evaluated to decide whether the selected constructs are properly measured by the underlying latent variables. This is known as a Confirmatory Factor Analysis (CFA) model. CFA basically assumes each manifest variable to be a distinct indicator of an underlying latent construct; hence different constructs are permitted to be intercorrelated. After proving the basic required measurement standards, the relationships between the constructs can be calculated. Secondly, the structural model is tested to investigate the strength and direction of the relationship between the theoretical constructs.

Results

Assessment of the measurement model

The model was estimated with the Weighted Least Squares (WLS) method. Construct validity of the model was assessed with an investigation of the model’s convergent and discriminant validity. The model provides good convergent validity as the items in the model load highly on the variables they were assumed to load and all factor loadings were significant. 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. Discriminant validity of the model was tested following Fornell and Larcker (1981). The test indicates that all items load higher on the construct they were intended to load than on other latent constructs. Thus, it can be concluded that the model has met an acceptable level of discriminant validity. Then the reliability and validity of the model can be deemed as satisfactory (Pavlou 2003).

The model’s overall goodness of fit was assessed using the following combination of common model-fit measures: $\chi^2$/d.f., the non-normed fit index (NNFI), the comparative fit index (CFI), the adjusted goodness of fit index (AGFI), the root mean square residual (RMR) and the root mean square error of approximation (RMSEA).

<table>
<thead>
<tr>
<th>Fit Indices</th>
<th>Recommended value</th>
<th>Measurement model</th>
<th>Structural model</th>
</tr>
</thead>
<tbody>
<tr>
<td>$\chi^2$/d.f.</td>
<td>$\leq 3.00$</td>
<td>2.16</td>
<td>2.15</td>
</tr>
<tr>
<td>NNFI</td>
<td>$\geq 0.90$</td>
<td>0.95</td>
<td>0.95</td>
</tr>
<tr>
<td>CFI</td>
<td>$\geq 0.90$</td>
<td>0.95</td>
<td>0.95</td>
</tr>
<tr>
<td>GFI</td>
<td>$\geq 0.90$</td>
<td>0.90</td>
<td>0.90</td>
</tr>
<tr>
<td>AGFI</td>
<td>$\geq 0.80$</td>
<td>0.87</td>
<td>0.87</td>
</tr>
<tr>
<td>RMR</td>
<td>$\leq 0.05$</td>
<td>0.049</td>
<td>0.049</td>
</tr>
<tr>
<td>RMSEA</td>
<td>$\leq 0.07$</td>
<td>0.053</td>
<td>0.052</td>
</tr>
</tbody>
</table>

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Table 2 lists the criterion cut-off used to judge the goodness of fit relative to the observed data. Although there is little consensus on cut-off values for adequate fit, conventional guidelines were followed. As shown in Table 2, the measurement model exhibited a fairly good fit with the data collected. Therefore, we could proceed to evaluate the psychometric properties of the measurement model in terms of reliability, convergent validity and discriminant validity.

**Assessment of the structural model**

Once the measurement model was correctly specified, a structural model was estimated to provide an empirical measure of the hypothesized relationships among the research variables and constructs. A similar set of goodness-of-fit indices was used to examine the structural model. Comparison of all the fit indices with their corresponding recommended values provided evidence of a good model fit (Table 2). The model provided similar parameter estimates and similar overall model fit to the CFA model (Chen and Tong 2003).

The goodness of fit statistics indicate that the proposed model provides an acceptable fit to the data (chi-squared = 293.32 with 142 degrees of freedom, p = 0.00, GFI = 0.90, CFI = 0.95, RMSEA = 0.052, NNFI = 0.95). Although it is suggested that the chi-square value should be small with p-value greater than 0.05, the value is highly dependent on the sample size and often the value remains poor with larger samples (Ullman and Bentler 2004). Thus, it has been suggested to regard the RMSEA value as the most informative indicator in structural equation modeling (Browne and Cudeck 1993). Other indices such as GFI and CFI indicate an acceptable fit of the model. In addition, the RMSEA (0.052) indicates a fairly good fit (RMSEA between 0.5-0.8) for all models (Browne and Cudeck 1993; Hartwick and Barki 1994). All indices suggest that the hypothesized structural model fits the data reasonably well.

The path coefficients and loading estimates of the structural model were examined so as to make sure they have not changed substantially from the measurement model. The loading estimates are virtually unchanged from the CFA results. This indicates parameter stability among the measured items and further supports the hypothesized model validity (Table 4).

The structural model and hypotheses are evaluated by looking at the path coefficients and variance explained. The detailed research model is presented in Figure 2, showing the standardized path coefficient (mean value of 0, variance of 1), and the predictive power of the structural model is assessed by the R² values.

### Table 3: Path coefficients t-values of hypotheses

<table>
<thead>
<tr>
<th>Hypotheses</th>
<th>Path</th>
<th>Coefficient</th>
<th>t-value</th>
</tr>
</thead>
<tbody>
<tr>
<td>H1</td>
<td>RQ → FP</td>
<td>0.47</td>
<td>5.27</td>
</tr>
<tr>
<td>H2</td>
<td>RQ → SP</td>
<td>0.63</td>
<td>8.61</td>
</tr>
<tr>
<td>H3</td>
<td>FP → ES</td>
<td>0.45</td>
<td>6.64</td>
</tr>
<tr>
<td>H4</td>
<td>ES → EI</td>
<td>0.66</td>
<td>9.47</td>
</tr>
</tbody>
</table>

**Figure 2: Conceptual model**

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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 0.54, which can be considered satisfactory, taking into account the complexity of the model. Exporter satisfaction has the $R^2$ value of 0.45 and financial performance and strategic performance have the explained variances of 0.65 and 0.55 respectively, which ensure the strong predictive power of export performance indicators (i.e. financial and strategic) on exporter satisfaction and the predictive power 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 Lisrel to assess the statistical significance of the path coefficient. The t-statistic and the structural relationship within the model are shown in Table 3.

**Discussion**

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 four hypotheses, all 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 H4.

**Table 4: Standardized factor loadings and individual item reliability**

<table>
<thead>
<tr>
<th>Item</th>
<th>Factor Loading (&gt;0.7)</th>
<th>$R^2$ (&gt;0.5)</th>
</tr>
</thead>
<tbody>
<tr>
<td>TR1</td>
<td>0.71</td>
<td>0.51</td>
</tr>
<tr>
<td>TR2</td>
<td>0.48</td>
<td>0.23</td>
</tr>
<tr>
<td>CO1</td>
<td>0.69</td>
<td>0.48</td>
</tr>
<tr>
<td>CO2</td>
<td>0.67</td>
<td>0.45</td>
</tr>
<tr>
<td>CO3</td>
<td>0.48</td>
<td>0.23</td>
</tr>
<tr>
<td>SA1</td>
<td>0.75</td>
<td>0.56</td>
</tr>
<tr>
<td>SA2</td>
<td>0.63</td>
<td>0.4</td>
</tr>
<tr>
<td>SA3</td>
<td>0.82</td>
<td>0.67</td>
</tr>
<tr>
<td>FP1</td>
<td>0.9</td>
<td>0.82</td>
</tr>
<tr>
<td>FP2</td>
<td>0.82</td>
<td>0.68</td>
</tr>
<tr>
<td>FP3</td>
<td>0.77</td>
<td>0.6</td>
</tr>
<tr>
<td>SP1</td>
<td>0.74</td>
<td>0.55</td>
</tr>
<tr>
<td>SP2</td>
<td>0.72</td>
<td>0.52</td>
</tr>
<tr>
<td>SP3</td>
<td>0.73</td>
<td>0.53</td>
</tr>
<tr>
<td>SE1</td>
<td>0.65</td>
<td>0.42</td>
</tr>
<tr>
<td>SE2</td>
<td>0.83</td>
<td>0.71</td>
</tr>
<tr>
<td>SE3</td>
<td>0.87</td>
<td>0.76</td>
</tr>
<tr>
<td>EI1</td>
<td>0.72</td>
<td>0.51</td>
</tr>
<tr>
<td>EI2</td>
<td>0.74</td>
<td>0.55</td>
</tr>
<tr>
<td>EI3</td>
<td>0.78</td>
<td>0.61</td>
</tr>
</tbody>
</table>
**Conclusion and further research**

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 Iran industrial markets. 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 all the 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).

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.

**References**


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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).