



Factors Influencing the Relationship Quality and Export Performance of Exporters and Foreign Intermediaries

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ABSTRACT

The purpose of this study is to investigate the antecedents that influence the relationship between Malaysian SME exporters and foreign intermediaries which could potentially lead to exporters' performance. Previous studies have reported inconsistent findings for these critical factors (cultural similarity and relationship quality). Hence, this study examined the mechanism by which cultural similarity can lead to export performance by focusing on three antecedents and one mediating factor (trust). This study applied the Internationalisation Process (IP) theory and the Relational Exchange Theory (RET) as the underpinnings theories. A quantitative method was implemented in this current study whereby primary data was derived from 203 SME manufacturing exporting firms in Malaysia. Structural Equation Modelling using SmartPLS technique was used for the data analysis. The results indicated that all the antecedents proposed in this study have a positively significant influence relationship. The findings also showed the relevance of the integrating theories to explain the export performance of Malaysian SMEs which use foreign intermediaries.

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1. INTRODUCTION

The rapid changes in the global environment and business associations have forced small and medium-sized enterprises (SME) around the world to leverage their business networks and modify their mode of operations (Razzaque and Boon, 2003). Traditional exchanges involving discrete inter-firm

interactions are being replaced by a relational type of interactions characterized by high levels of personal involvement, long-term commitments and cooperative arrangements (Gulati, 1999; Razzaque and Boon, 2003). A network relationship is crucial for creating tangible and intangible assets, especially for the initial and growth stages of SMEs (Senik, Isa, Scott-Ladd & Entrekin, 2010). Through networking, an SME will be able to access various kinds of

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support and help, including help from the government, and collaboration with friends, colleagues, external parties, agents, competitors and families (Johanson & Vahlne, 2006; Coviello & Munro, 1997).

Due to the smaller size of SMEs and coupled with their lack of substantial resources, the selection of an entry mode to foreign markets is vital as a strategic decision for the success of new international ventures (Ripolles, Blesa, & Monferrer, 2012). Generally, firms have several modes of entry, such as exporting (direct/indirect), joint ventures, franchising, licensing or via wholly-owned subsidiaries (Pan & Tse, 2000). In Malaysia, SMEs prefer to internalize via exporting modes (75%) and most SMEs predominantly use indirect exporting to penetrate the foreign markets (Senik, Isa, Sham & Ayob, 2014). Indirect exporting with the assistance of intermediaries, such as agents, distributors and sales representatives is the main mode chosen by the majority of SMEs in Malaysia. This is because SMEs face some limitations, such as finance, manpower, experiences, knowledge, international contacts, etc. According to Balabanis (2000), intermediaries help exporters or their clients to identify customers. They can be distribution infrastructure providers, help exporters close the knowledge gap and reduce risks and uncertainties when operating in a foreign market. Therefore, a strong relationship between SME exporters and their intermediaries is very crucial for sustaining competitive advantage allowing them to enter foreign markets, overcoming the complexities inherent in exporting and eventually, succeeding in managing their foreign operations (Kuhlmeier & David, 2010).

In this regards, understanding the factors that impact buyer-seller relationships is important, particularly when the partners are from different countries. The Relational Exchange Theory (RET) emphasizes that developing a high quality relationship and building personnel trust are crucial due to geographically distant markets. From the exporter and intermediary context, developing a high quality relationship is really important as it can influence the outcomes of export performance. Due to these reasons, the investigation of the possible antecedents of relationship quality is critical. One of the possible antecedents is trust which has been identified as a key element for developing, establishing and sustaining a high quality relationship (Morgan & Hunt, 1994) that can lead to higher commitment and cooperation for both parties, ultimately transforming to enhanced export performance.

Nevertheless, when operating businesses across national borders, culture is one of the main stream challenges to developing a high quality relationship due to differences in terms of language, norms, business ethics, legal and legal formalities (Terawatanavong & Quazi, 2006). Cultural differences have been acknowledged as one of the significant predisposing factors of relationship dissolution. This notion is supported by Meirovich (2012) who claimed that culture issues have contributed to a major failure of cross-border partnerships. For this reason, to prevent conflict between exporters and intermediaries, Internationalization Process (IP) theory proposes that cultural similarity might help cross-border partnerships to nurture trust between the partners (Johanson & Vahlne, 1977). Hofstede (1980) said that people

are more attracted to others who have similar values and norms and it is easier to build a relationship because exporters prefer to cooperate with trusted middleman (intermediaries). A lack or absent of trust can sever the relationship or prevent the fostering of a high quality relationship (Hewett, Money & Sharma, 2002). Despite cultural similarity having a significant impact on trust and that ultimately leads to export performance, very few studies have looked into the critical antecedents that influence relationship quality and to what extent cultural similarity can influence trust and export performance?. Given these concerns, this issue is relevant and deserves research attention.

Overview of SMEs in Malaysia

SMEs in Malaysia provide employment opportunities, job creations and growth opportunities specifically for exporting to abroad as the simplest form considers as one of the important factors contribute to a country's economic growth. *Figure 1.1* shows Malaysian SMEs make up almost 97% of the total business establishment with a 33% contribution to GDP and 57% to employment (Department of Statistics (DOS), 2015). Despite the growing importance of SMEs in penetrating the foreign market, evidence shows that out of 90% of SMEs in the manufacturing sector in Malaysia, the total exported manufacturing products is only 10.8%. The question arises as to what has happened to the other almost 90% of manufacturing SMEs do not seem to have participated in exporting activities.

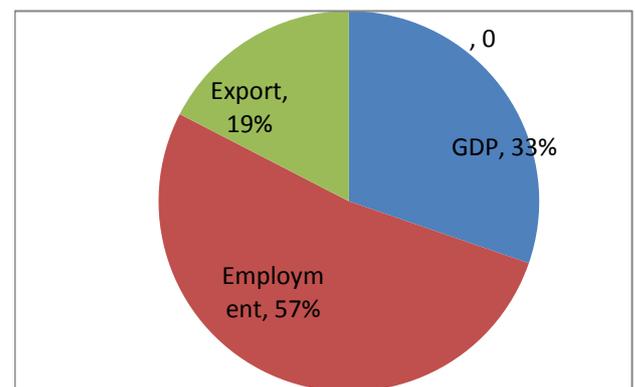


Figure 1:

The Contribution of SMEs to the Malaysian Economy

Source: (DOS, SME Corporation, 2015)

As discussed earlier, a lack of confidence or difficulties in developing a high quality relationship between SME firms and intermediaries might be one of the possible reasons for this phenomenon. Recognizing the important of SMEs for the country's performance, the Malaysian government has provided many support programs to encourage SMEs to penetrate the foreign market. The government has taken serious efforts to advance the growth of SMEs, particularly for their internationalization process. For example, the government has intensified efforts for capacity building to strengthen SMEs, provided sufficient infrastructure for SMEs

and improved access to financing (Senik et al., 2014). In addition, the government also launched the “going export” (GoEx) programmes in 2014 to accelerate the internationalization process of SMEs. Through these programs, 150 SMEs that are ready to export are selected yearly to penetrate the foreign market (MATRADE, 2014). For continuous development of SMEs, the main agencies, i.e., the SME Corporation Malaysia (SME Corp), Ministry of International Trade and Industry (MITI), Malaysia External Trade Development Corporation (MATRADE) and Malaysian Industrial Development Association (MIDA), aims to develop a competitive and resilient SME sector. With the involvement of these agencies, it is expected that the growth of SMEs particularly in global markets can be enhanced.

2. LITERATURE REVIEW

Triggering Factors that influence SMEs’ Export Performance

Cultural similarity refers to the cultural closeness that eliminates cultural barriers and achieves a greater degree of closeness in terms of institutional value, business ethics, business practices and style of communication (Swift, 1999). In the case of SMEs, the concept of psychic distance has been invoked lately to explain exporting strategy and performance consequences (Sousa & Lages, 2011). According to Johanson and Vahlne (1977), psychic distance is defined as the factors that prevent the flow of information to and from the market. Meanwhile, in the scientific literature, psychic distance is related to the perception of individuals with respect to the differences between home and host countries. Sousa and Lages (2011) indicated that compared to larger firms, smaller companies (SMEs) are more impressed and influenced by psychic distance which has a negative outcome on financial export performance. One of the factors most often mentioned that influences psychic distance is cultural differences (O’Grady & Lane, 1996). Due to these constraints, the IP theory posits that a similar cultural background could potentially influence the partnership across borders as well as influence export success (Johanson & Vahlne, 1977; Saleh et al., 2014), which in turn can trigger the development of trust towards building a quality relationship between exporters and intermediaries (Erdil, 2014).

Nevertheless, this issue of whether partners should possess cultural similarity or cultural difference is still debated by researchers. Previous studies have yielded totally contrasting findings; for example, Park and Ungson (1997) found that the duration of International Joint Ventures (IJVs) has a positive correlation with national-cultural distance and U.S.–Japanese partnerships tend to be better sustained than U.S.–U.S ones. Studies on mergers and acquisitions have also led to the conclusion that a larger cultural distance has a positive correlation with export performance (Krishnan, Miller, & Judge, 1997). Notwithstanding, theories of cognitive dissonance (Aronson & Carlsmith, 1962) predict that people will favour information consistent with their attitude and behavior, i.e., people are biased to gather data that reinforce their beliefs (Fiske & Neuberg, 1990). Studies by Byrne (1971) in social psychology have revealed that trust is often related to similarity while experiments conducted by Golbeck (2009) have claimed that similarity is related to the users’ determinant, whether or not to trust each other. For these reasons, cultural similarity is proposed in this study as a fundamental basis to guide a trust relationship between exporters and intermediaries.

On the other hand, Ha, Karande and Singhapakdi (2004) asserted that the exporters’ cultural background does not have a significant influence on trust. However, most scholars have found that national and organizational cultures have a positive influence on trust (e.g. Zaheer et al., 2011; MacDuffie, 2011) which eventually translates to performance outcomes. Following this notion, there exists a gap in the identification of the relevant determinants (e.g., trust) that link cultural similarity to the export performance of SMEs. Therefore, to delve further into this issues and supported by ample evidence in the literature, the following hypotheses are proposed:

Hypotheses 1: There is a positively significant influence between cultural similarity and export performance

Hypotheses 2: There is a positively significant influence between cultural similarity and trust

Hypotheses3: There is a positively significant influence between trust and export performance

Relationship Quality Elements (Trust, Commitment and Cooperation)

According to Ural (2009), relationship quality is defined as the strength of the relationship among the parties involved. Relationship is a critical aspect for sustaining and evaluating the relationship between exporters and intermediaries. As claimed by Ural (2009), "relationship quality is a reflection of the overall state of the relationship; it supposedly has a strong, positive correlation with the strength of the relationship". The higher order constructs, such as trust, commitment and cooperation have been regularly conceptualized under relationship quality as relational factors (Erdil, 2014; Pinho, 2013). In this sense, relational factors are crucial specifically for Asian firms as compared to Western firms. This is because Asian people recognized interpersonal relationships that promote invaluable social processes as an undeniable asset (Behyan, 2011).

Morgan and Hunt (1994) noted that the existence of trust and commitment in a relationship can present three benefits for the organization. First, trust and commitment support the business partners to cooperate in order to improve the relationship performance as well as business performance. Second, it can sustain the relationship for long-term exchange partnership rather than a short-term one. Third, business partners trust that their exchange partners will not act opportunistically. In other words, assumptions can be made that the existence of trust can lead to commitment, cooperation and enhanced export performance (Morgan & Hunt, 1994). Despite the importance of trust, some authors have argued that trust has no significant or positive influence on commitment (e.g., Liu, Li, & Zhang, 2010; Tellefsen & Thomas, 2005). Therefore, the researcher believes that more evidence is needed to quantify the relationship and offer more proof of the significant relationship between trust and commitment. As such, the following hypotheses are offered for testing:

Hypotheses 4: Trust has a positively significant influence on commitment

Hypotheses 5: Commitment has a positively significant influence on cooperation

Many studies have accepted commitment as a critical element of successful relationships (Andaleeb, 1996; Geyskens et al., 1996; Morgan & Hunt 1994). The importance of relationship commitment stems from the fact that it will probably lead to cooperative behaviour, minimize or eliminate the likelihood of

tempting short-term alternatives, and improve the profit margins (Andaleeb, 1996; Anderson & Weitz 1992; Morgan & Hunt 1994). A party involved in a partnership will be cooperative, motivated by an aspiration to work on the relationship and make it succeed (Anderson & Narus (1990). Haahti et al. (2005) reported that cooperation between firms is driven by a desire to compete effectively in foreign markets and reap the benefits of synergy that enable the intense exchange of market information and valuable knowledge (Amble & Styles, 2000). This is parallel to the contention of Anderson and Narus (1990) who maintained that achieving a great cooperative behavior among committed partners is very crucial as it leads to mutually beneficial outcomes.

On the other hand, some studies have failed to prove that cooperation has a positive influence on performance, whilst a few other studies have found that there is seem apparently a weak relationship between cooperation and performance. In short, findings on these two constructs have been inconsistent and further research has been called for looked into this case (e.g., Vereecke and Muylle, 2006; Fynes, Voss and Burca, 2005). Given these concerns, further research is important to validate the relationship between cooperation and performance, hence leading to the following hypotheses:

Hypotheses 6: Cooperation has a positively significant influence on performance.

Hypotheses 7: Trust mediates the relationship between cultural similarity and export performance.

Figure 3.1 presents the theoretical framework of this current research. The pertinent independent variables in the framework are similarity of culture of the exporter and exporting intermediary, commitment and cooperation. The mediating variable is trust and the outcome is export performance.

This study argues that having intermediaries that share a larger extent of cultural similarity (e.g., manner of greetings, business practices, legal formalities, ethical values and business contract) facilitates relationship development. Following the suggestion of the IP theory, psychic closeness promotes performance. However, having a relationship alone is insufficient; the quality of the relationship needs to be consciously maintained through a high level of trust, as suggested by the RET, and only then will it result in a positive outcome (export performance).

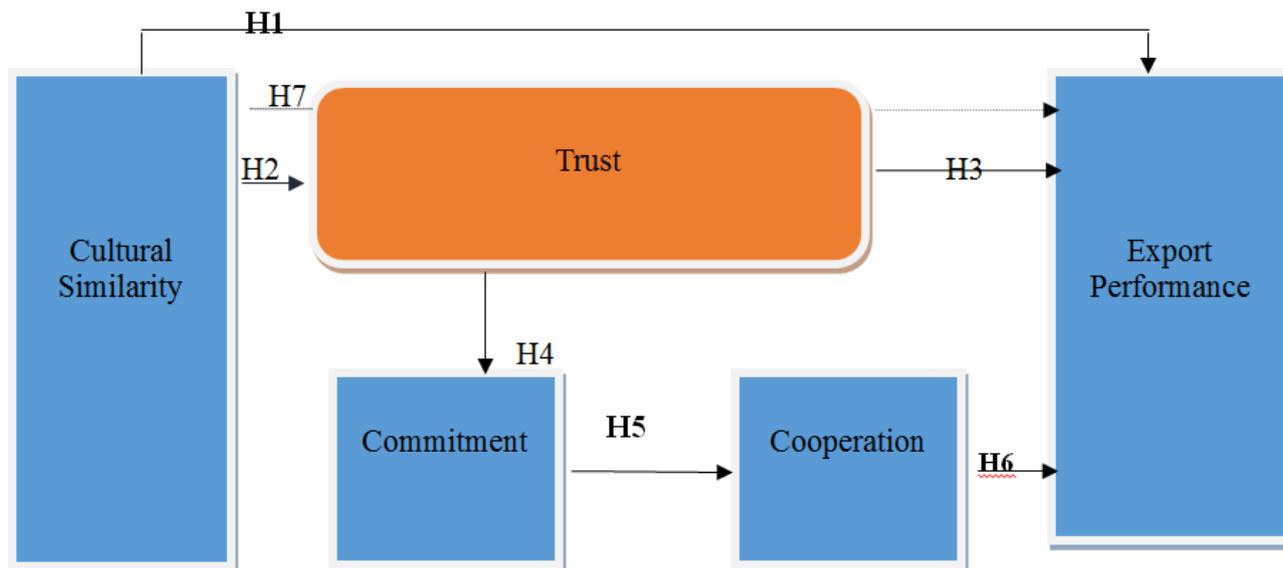


Figure 1: Research Framework

3. RESEARCH METHODOLOGY

This section provides and justifies the method used in this research, including the research design and research instrument.

Research Design

A survey design was used for this study to assess how the variable are linked and are appropriate for testing the research model. More importantly, the survey sought responses from top management such as CEOs, managers or officers of SMEs, who could not be accessed via other methods (Bartholomew & Smith, 2006). The sample elements were provided by the SME Corporation database. A total of 2500 SME manufacturing firms are listed. Since this study focused on the relationship between exporters and intermediaries, the target respondents had to possess two criteria: (1) SME manufacturing firms in Malaysia involved in export; and (2) these SME manufacturing firms used intermediary services. A purposive sampling was implemented in this study. After cross-checking the database, only 1,000 firms fulfilled the requirements for this study. Therefore, 1,000 SME manufacturing firms were identified as the sample population. The questionnaire was posted (mail survey) to all the respective respondents. Then, a follow-up via email and telephone call was done to increase the response rate.

Research Instrument and Development

This study adopted a quantitative methodology by using a structured questionnaire. Measurement items were obtained from relevant literatures. Before operationalizing the questionnaire, a pre-test was undertaken which involved seven export managers and 15 academicians for reliability and validity of the constructs. After receiving feedback and making some improvements based on their comments, the final draft of the questionnaire was developed. Subsequently,

pilot testing was conducted involving 30 respondents. For export performance measurements, sixth items were drawn from the literature (Katsikeas et al., 1996; Nes, Solberg & Silkoset, 2007) using a 7-point Likert scale (1=much below expectation and 7 = much above expectation).

For other constructs such as cultural similarity, trust, commitment and cooperation, the measurement items were also based on a 7 point Liker scale (1 = strongly disagree and 7 = strongly agree). For cultural similarity, five measurements items were borrowed from Saleh et al. (2014), i. e., manner of greetings, business practices, legal formalities, ethics and value and business contract. Nine items were borrowed fromInho (2013) for trust. Concerning relationship commitment, this construct was measured using seven items adopted from Morgan and Hunt (1994). Similarly, for the cooperation construct, five items were adopted from Morgan and Hunt (1994).

Survey and Response Rate

A survey package containing the English and Malay versions of the questionnaire, together with a reply paid self-addressed envelope was mailed to 1,000 SME manufacturing firms who satisfied the criteria as mentioned above. After two rounds of follow-up calls and email reminders, a total of 232 responses were received. However, only 203 usable responses were retained for further examination with 29 responses being discarded due to incomplete responses in some important sections. Most of the respondents were managers of SME firms.

Data Analysis

After the data collection process, data was analyzed by using the Statistical Package for Social Sciences (SPSS v. 23) and Partial Least Squares (PLS) with smart PLS 2.0 (Hair et al., 2012). This software is an extension of the general linear model (GLM) that allows researchers to test a set of regression equations all at the same time. For the first step, the reliability and validity assessment of the constructs was conducted and results indicated that composite reliability (CR) level were very good (Table 1) with internal consistency in all the constructs (Barclay et al., 1995). Convergent validity and

discriminant validity tests were implemented conducted to assess the validity of constructs. According, to Fornell and Larcker (1981), the Average Variance Extracted (AVE) should be greater than 0.5 to show that at least 50% of the variance is explained by different reflective items. Discriminant validity is established if the square roots of AVE of the constructs are higher than its correlation with other constructs (Fornell and Larcker, 1981). For this study, it can be assumed that discriminant validity in this study was established (Table 1) because the square roots of AVE of the constructs were higher than its correlation with other constructs.

Table 1: Measurement Model: Factor loadings, CR and AVE

| Model Constructs | Measurement items | Loadings | AVE | CR |
|---------------------|-------------------|----------|-------|-------|
| Cultural Similarity | D8a | 0.782 | 0.685 | 0.915 |
| | D8b | 0.848 | | |
| | D8c | 0.844 | | |
| | D8d | 0.848 | | |
| | D8e | 0.815 | | |
| Trust | C11a | 0.829 | 0.693 | 0.932 |
| | C11b | 0.861 | | |
| | C11c | 0.864 | | |
| | C11d | 0.847 | | |
| | C11e | 0.854 | | |
| | C11f | 0.865 | | |
| | C11g | 0.837 | | |
| | C11h | 0.667 | | |
| | C11i | 0.85 | | |
| Commitment | C12a | 0.849 | 0.678 | 0.936 |
| | C12b | 0.799 | | |
| | C12c | 0.781 | | |
| | C12d | 0.852 | | |
| | C12e | 0.818 | | |
| | C12f | 0.819 | | |
| | C12g | 0.844 | | |
| Cooperation | C13a | 0.722 | 0.684 | 0.915 |
| | C13b | 0.852 | | |
| | C13c | 0.787 | | |
| | C13d | 0.881 | | |
| | C13e | 0.838 | | |
| Export Performance | D15a | 0.909 | 0.782 | 0.955 |
| | D15b | 0.897 | | |
| | D15c | 0.899 | | |
| | D15d | 0.891 | | |
| | D15e | 0.869 | | |

Note: ^x Composite Reliability (CR) = (square of the summation of the factor loadings) / [(square of the summation of the factor loadings) + (square of the summation of the error variances)] ^y
 Average Variance Extracted (AVE) = (summation of the square of the factor loadings) / [(summation of the square of the factor loadings) + (summation of the error variances)]

Table 2: Discriminant Validity

| Latent Construct | Commitment | Cooperation | Cultural Similarity | Export Performance | Trust |
|------------------|--------------|--------------|---------------------|--------------------|--------------|
| COM | 0.823 | | | | |
| COO | 0.692 | 0.828 | | | |
| CS | 0.455 | 0.396 | 0.828 | | |
| EXP | 0.394 | 0.462 | 0.233 | 0.884 | |
| TR | 0.731 | 0.697 | 0.469 | 0.403 | 0.832 |

Note: Diagonal indicates $\sqrt{\text{AVE}}$ off diagonal indicates correlations between constructs: Where, COM=Commitment, COO=Cooperation, CS=Cultural Similarity, TR=Trust, EXP=Export Performance,

The Structural Model

To test the proposed hypotheses, the structural model was estimated. The bootstrapping technique was used to test the significance of the weighting. The proposed mediating effect relied on Preacher and Hayes (2008) and used non-parametric bootstrapping.

Table 3: Path Co-efficient Assessment (N=203)

| Hypotheses | Path/ Relationship | SEM Output-Full Model | | | | Results |
|------------|-----------------------|-----------------------|-------|--------|--------|------------------|
| | | B | SE | T | P | |
| H1 | CS-EXP | 19 | 0.063 | 3.03 | P<0.01 | Supported |
| H2 | CS-TR | 0.469 | 0.065 | 7.227 | P<0.01 | Supported |
| H3 | TR-EXP | 0.35 | 0.048 | 7.263 | P<0.01 | Supported |
| H4 | TR-COM | 0.731 | 0.031 | 22.885 | P<0.01 | Supported |
| H5 | COM-COP | 0.393 | 0.109 | 3.615 | P<0.01 | Supported |
| H6 | COP-EXP | 0.19 | 0.073 | 4.861 | P<0.01 | Supported |

Note: COM=Commitment, COO=Cooperation, CS=Cultural Similarity, TR=Trust, EXP=Export Performance

Table 4: Mediation Result

| Hypotheses | Path/Relationship | VAF | T | Result |
|------------|-------------------|-------|------|--------------------------|
| H7 | CS-TR-EXP | 0.739 | 8.44 | Partial Mediation |

Note: COM=Commitment, COO=Cooperation, CS=Cultural Similarity, TR=Trust, EXP=Export Performance

Results indicated that all hypotheses are supported (Table 3) and for mediation effect of trust, results showed that a mediation effect existed in the relationship between cultural similarity and export performance (Table 5). It was thus verified that trust had an intervening effect.

Discussion and conclusion

Hypothesis 1 which predicted that cultural similarity has a positively significant influence on export performance is supported by the data. Five elements in cultural similarity are rated highly suggesting that these elements might be helpful. Therefore, cultural similarity is really important to ensure success and to enhance the performance of SMEs in the international arena.

The finding also indicates that trust partially mediates the relationship between cultural similarity and export performance. It can therefore be justified that a trustworthy relationship between exporters and intermediaries is a key element to develop a high quality relationship. Similarly, H3 and H4 have a significantly positive influence, which means that trust has a positive influence on performance as well as commitment. It can be stressed that a trusted relationship contributes to enhancing both export performance and commitment.

The findings represent that trust can avoid possible misunderstanding between partners and provide more opportunities to commit themselves by exchanging their ideas or resources freely (Tsai & Goshal, 1998). The study also found support for H5 and H6 which indicates that high commitment in the relationship between exporters and intermediaries can lead to better cooperation, an increasingly cooperative relationship can lead to enhanced export performance. The result confirms that higher commitment has a positively significant influence on cooperation, whilst greater cooperation ultimately enhances export performance. This finding is in line with research conducted by Racela et al. (2007) who found that a cooperative relationship can influence export success.

Contribution, Limitations and Future Research

This study relies on the IP theory which supports the notion that psychic closeness (similarities in culture) in internationalization of SMEs helps SME managers understand the strategic implications of cross-cultural buyer and seller interaction, communication and negotiation. It explains that cultural similarity influence trust and performance. This study also confirms that relationship quality is better understood within a mediation effect.

The study suggests that relationship quality is relevant not only in initial stages of a relationship but it is crucial also for a long-term relationship in an effort to create an intangible assets and new opportunities through a high quality relationship.

From a practical perspective, it offers a very useful guideline to suggest that cultural similarity is relevant for SMEs managers to consider when identifying their foreign intermediaries. It also shows that SME managers should develop trust for nurturing a high quality relationship that will have a positive influence on performance.

As previously mentioned, export managers should focus on the relational factors (trust, commitment and cooperation) for developing relationship quality with foreign intermediaries and for exchanging resources, such as knowledge and experience which can be drives for enhanced export performance (Pinho, 2013).

As with any empirical research, this study has its limitations. This study only looks solely at SME exporters. It is therefore suggested that, future researchers consider the perspective of both exporters and foreign intermediaries. Furthermore, this study focuses on manufacturing companies without including the service sector; thus, future research can consider other sectors or conduct a comparative study to determine if there will be different outcomes and findings.

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Appendix

| Construct | Instruments |
|---------------------|--|
| Cultural Similarity | <p>Our manner of greetings/addressing people/making an introduction is the same as those of our intermediary.</p> <p>Our business practices (such as keeping appointments and attending meetings punctually) are similar to those of our intermediary.</p> <p>Our legal formalities pertaining to business dealings are the same as those of our intermediary.</p> <p>Our standard of ethic and values in business are similar to those of our intermediary.</p> <p>The functions of our business contracts and agreements are similar to those of our intermediary (Saleh et al., 2014; 0.89 CR)</p> |
| Trust | <p>Our intermediary is truthful.</p> <p>Our intermediary is perfectly honest and truthful.</p> <p>Our intermediary is completely trustworthy.</p> <p>Our intermediary can be relied on to do what is right.</p> <p>Our intermediary is always faithful.</p> <p>Our intermediary is someone that our organization has a great confidence.</p> <p>Our intermediary is someone that our organization believes has a high degree of integrity.</p> <p>We have no worries about our intermediary taking advantage of us even if the opportunity arises.</p> <p>Our intermediary has always kept the promises made to our organization.</p> <p>(Pinho, 2013; 0.95 CR)</p> |
| Commitment | <p>Our intermediary is a partner that we are very committed to in dealing with our business transactions</p> <p>Our intermediary is very important to our firm</p> <p>Our intermediary's contribution is very significant to our firm's growth.</p> <p>We expect to carry on working with this exporting intermediary for a long time.</p> <p>We help each other very much like a family.</p> <p>Our intermediary is a partner that our firm really cares about</p> <p>We are very satisfied with the level of collaboration with our intermediary that deserves our firm's giving full commitment to maintain the relationship.</p> <p>(Morgan & Hunt, 1994; 0.89 CR)</p> |
| Cooperation | <p>Our intermediary gives a very good response related to joint marketing promotions in creating future growth.</p> <p>Our intermediary will take action immediately involving warranty reimbursement.</p> <p>Our intermediary can be trusted to be faithful when giving dealer discounts.</p> <p>Our intermediary reveals the exact level of inventory in a timely manner.</p> <p>Our intermediary has mutual goals in discussing business transactions with our company.</p> <p>(Morgan & Hunt, 1994; 0.73 CR)</p> |
| Export Performance | <p>Export sales.</p> <p>Export sales growth in foreign market.</p> <p>Export profitability.</p> <p>Market share</p> <p>Changes in profits as a result of using intermediary services.</p> <p>Changes in sales as a result of using intermediary services.</p> <p>(Katsikeas et al., 1996; 0.90 CR)</p> |
