

# REVISITING IMPORTERS' ROLE IN EXPORT PREFORMANCE MODELS

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**Abstract:** Most export performance models ignore the role of the importer in achieving economic success. This research shows that importer role performance mediates the link between relationship quality and export performance. It also uncovers the darker aspects of cross-border relationships by showing that relationship quality has concomitant opposite effects on export performance. Hence, the relational approach to export performance is completed by the demonstration of the key importance of the importer role and by discriminating the positive and negative influences of interfirm relationship quality. Hypotheses are verified using structural equation modeling with data from two samples of French and Slovene exporters.

## 1. Introduction

The relational paradigm views exporters and importers as proactive, interdependent entities that interact with each other over time (e.g., Ambler & Styles, 2000; Leonidou, 2003). The export literature has investigated how attitudes and behavioral norms, help the exporter achieve economic success in an international venture.

Many researchers to emphasize the role of the foreign representative in achieving international success. However, the majority of the empirical research on export performance anchored in the relationship paradigm ignores the effect of the importer role performance on exporter economic performance.

To the best of our knowledge, this study represents the first attempt (1) to investigate the importer's role performance as an antecedent of export performance, (2) to model the importer's impact and thus demonstrate its mediating effect on the link between relationships and economic performance, and (3) to verify these hypotheses in two countries. From a practitioner perspective, our research offers empirically based insights for exporters. Clarifying the essential role of the importer will enable exporters to select more adequate tools to manage their cross-border business relationships.

## **2. Conceptual framework**

When researchers discuss the effect of organizational attitudes (e.g., trust–commitment) and behavioral norms in the context of export performance, they typically introduce intermediate variables in their conceptual model, but they do not include these in their tested model. Nes et al. (2007: 412) recognize that it is difficult to hypothesize a direct relationship between trust–commitment and export performance: “While we have seen an enthusiastic interest in this line of research in marketing, we still need more documentation of the link between commitment and financial performance” (see also Ambler et al. 1999; Zhang et al. 2003).

The empirical neglect of importer role performance as an antecedent to export success is problematic for several reasons. First, omitting a major explanatory factor results in an incomplete theory of export performance. Second, most models posit direct links among attitudes, norms, and economic performance and thus do not respect the basic principles of the theories on which the focal paradigm is based (Cannon & Perreault, 1999). Third,

the incomplete representation of the export process in the literature is paralleled by a common exporter misconception that transactions end when the goods are shipped.

Hence, we intend to test the following four hypotheses:

**Hypothesis 1.** Importer role performance mediates the relationship between relationship quality and export performance

**Hypothesis 2.** Relationship quality has a positive impact on importer role performance.

**Hypothesis 3.** Importer role performance influences exporter economic performance positively.

**Hypothesis 4.** Relationship quality is associated with higher export performance.

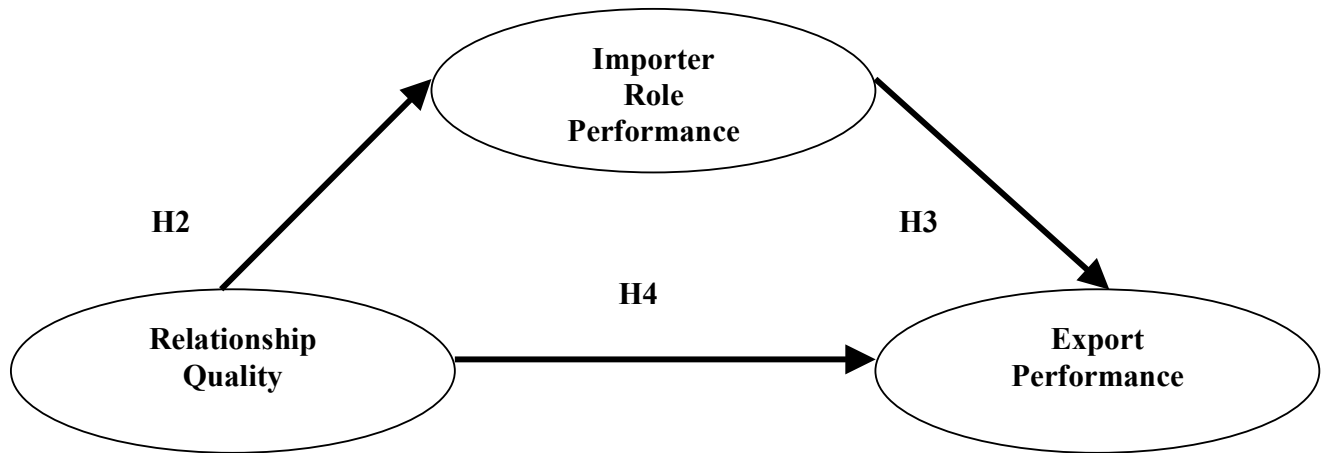
### **3. Methodology**

Using structural equations modeling, we tested these four hypotheses with data from two samples of French and Slovene exporters. After we ensured the competence of our respondents and their responses, our final samples consisted of 283 French (26.8% response rate) and 224 Slovenia (27.05% response rate) respondents.

Adapting scales from the literature, we assessed their validity through a Confirmatory Factor Analysis.

To prove our hypothesized mediating effect we compared two models: a direct model M1 (including only a relationship between Relationship Quality and Export Performance) and a mediated Model M2, corresponding to our conceptual model.

**Figure 1: Mediated Model (M2)**



We confirmed the association between relationship quality and export performance (Hypothesis 4) in the direct model. Hypotheses 2 and 3 were also supported, indicating that relationship quality enhances the performance of the importer, which in turn improves export performance. In the mediated model M2, we found a surprising negative link—or “suppressing effect” (see Shrout and Bolger 2002)—between relationship quality and export performance. This extreme form of mediation (thus verifying Hypothesis 1) occurs when all the positive effects of a variable are channeled through the mediating variable and the direct effect accounts only for its negative influence on the dependent variable (for a discussion of the “dark side” of relationships, see Selnes and Sallis 2003). The results of the structural models are summarized in Table 1.

**Table 1. Results of the Structural Models**

Hypothesis				Standardized Path Coefficients	t-Value*	Results
<b>Direct Model M1</b>						
H4(M1)	Relationship quality	→	Export performance	0.61 (0.59)	7.63 (6.29)	<b>Supported</b>
<b>Fit Indexes for M1</b>						
FRA: $\chi^2 = 59$ , d.f. = 50, $p = .17$ ; GFI = .96; NFI = .97; TLI = .99; CFI = .99, RMSEA = 0.03 SLO: $\chi^2 = 92$ , d.f. = 50, $p = .00$ ; GFI = .94; NFI = .95; TLI = .97; CFI = .98, RMSEA = 0.06						
<b>Mediated Model M2</b>						
H2	Relationship quality	→	Importer's performance	0.87 (0.78)	10.12 (8.5)	<b>Supported</b>
H3	Importer's performance	→	Export performance	1.21 (1.1)	7.4 (8.7)	<b>Supported</b>
H4(M2)	Relationship quality	→	Export performance	-0.43 (-0.20)	-2.73 (-1.72)	<b>Not Supported</b>
<b>Fit Indexes for M2</b>						
FRA: $\chi^2 = 123$ , d.f. = 98, $p = .05$ ; GFI = .94; NFI = .96; TLI = .99; CFI = .99, RMSEA = 0.03 SLO: $\chi^2 = 196$ , d.f. = 98, $p = .00$ ; GFI = .90; NFI = .92; TLI = .95; CFI = .96, RMSEA = 0.06						

\*Significant at  $p \leq 0.05$  if  $|t| \geq 1.96$ .

Notes: Results for Slovenia appear in parentheses. FRA = France, and SLO = Slovenia.

#### 4. Conclusions

The analysis of the data from the French and Slovene exporters demonstrates that importer role performance mediates of the impact of relational factors on export performance. Furthermore, the explanatory power of our parsimonious model (only two antecedents) is much higher than that of the direct model. The percentage of variance in export performance reached 74.4% (mediated model) versus 37.6% (direct model) with the French data and 76.4% versus 34.3% with the Slovene data, thus demonstrating the increased explanatory power achieved from injecting the focal variable into the model.

This study is the first to explore importer role performance as an antecedent of export performance and a mediator of the impact of relational factors on export performance. The export context exacerbates the division in importer–exporter roles, such that the importer has increased control over design and implementation of local

policies. The importer becomes the only interface between the exporter and the foreign retailers and end users.

Our findings also suggest that exporting firms should redefine their exporting function by shifting from a mere sales operation to interorganizational coordination. The export function should focus on developing and managing a network of foreign distributors.

Finally, our results suggest that though good relationships are an effective lubricant that can facilitate all the previously described export department activities, they should not be considered an end in and of themselves. Good relationships are only one means by which an adequate exporting managerial process can achieve successful outcomes; sometimes, they might even prove detrimental to success (i.e., the dark side of relationships; see Selnes and Sallis 2003).

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