

# The Conceptual Research on International Relationship Quality

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## Abstract

This study was to develop a framework of dimensions and factors of international relationship quality. The purpose of this paper is three parts. 1) To definition and dimensions of relationship quality 2) To examine the antecedents and consequences, including the moderator and mediator of international relationship quality and 3) To present a framework for international relationship quality. To address this gap in the literature, the author review 39 articles published between 2004 and 2017. The results found that the author classified dimensions, antecedents and consequences, including the moderator and mediator for international relationship quality from literature review. This study is a guideline for academic and marketer for research studies in the future to be used to create international relationship quality for your business.

## Introduction

Today's business competition is constantly changing and businesses may face many levels of competition both domestically and internationally cause the domestic market saturated. As a result, businesses are expanding foreign, which international marketing is what drives the economy to thrive. Therefore, doing business foreign can be a success. Companies should study about international marketing theories, competitiveness and the international marketing environment and important to study international relationships, which Nguyen (2010) said that relationship quality is important in the maintaining enduring relationships of the business. Relationship resources are a kind of intangible assets that conduce to performance of company [2].

Relationship quality is a popular research field for a long time [3]. In the study of international relationships considers the view of behaviors for maintaining partnership and creating satisfaction with the relationship [4]. The creation of trust in the relationship between the partners and trust and commitment, causing inter-organizational relations, are important in maintain efficiency and effectiveness [5]. Therefore, academics and practitioners should be study international relationships of operation in the international market, it is important to create a relationship quality. As a result, literature review by integrative review is interesting to be useful for future research.

This study was to develop a framework of dimensions and factors of international relationship quality. The purpose of this paper is three parts. (1) To definition and dimensions of international relationship quality (2 ) To examine the antecedents and consequences, including the moderator and mediator of international relationship quality and (3) To present a framework for international relationship quality. The author offering the following:

### **Scope and Analytical Approach of the Review**

This study examine the integrative review of international relationship quality. In this study, the author have studied the following issues. 1) The author using the search terms “international relationship quality” in the Source Complete, Science Direct and, EMERALD Management database and the author also limit the period of time in 14 years (2004-2017). 2) The study must identified either as an antecedent or a consequence of international relationship quality, including the moderator and mediator 3) The study must have a conceptual paper or empirical nature, with reports on data analyses and statistical tests.

The author identified articles in this study from journals concern international marketing. The study has a number of articles 39 article, especially in empirical research and conceptual paper related to international relationship quality and the author identified the definition of international relationship quality, dimension of international relationship quality, the antecedents and consequences, including the moderator and mediator of international relationship quality of each research.

In term of country of study, most study collected the data from Asian country (43%) followed by Europe country (31%), North America country (15%), Australia country (5%), South America country (3%), and Africa (3%) respectively. About 72% of use sample size in studies more than 200, average sample size is 288 (maximum is 1500 and minimum is 10). The data collected by survey (97%), systematic review (2%), case study (1%). The review studies reported an average response rate of 34% (maximum is 90% and minimum is of 10%). In term of statistical analysis, the most popular analytical approach is SEM (69%), followed by Regression (23%) and other (8%).

This study literature reviews both empirical and conceptual paper, which findings on the antecedents and consequences, including the moderator and mediator of international relationship quality and to help researchers understand what must be done in the future about international marketing by creating international relationship quality.

### **Theoretical Bases**

From the study of literature on international relationship quality was found to have used the theory in the research as follows.

Social exchange theory is perspective about the exchange of social and material resources is obligatory on the interaction of human beings [6]. The theory is based on economics, sociology, and psychology emphasize on the exchange of benefits and considers cost and value [7]. The overall relationship have both "give-and-take" element, which may not have the balance between parties. Which Social exchange observes a consideration of the person on the relationship to the best choice is minimize costs and maximize rewards.

Therefore, social exchange theory posits that relationships are built on the basis of outcomes [8].

Transaction cost theory is a theory that has received interest from scholars in the area of inter-organizational relationships, which is the main analytical paradigm regarding the design of efficient governance mechanisms for supporting exchange [9].

Resource-dependence theory posits that firms build inter-organizational relationships for an attempt to reduce uncertainty and manage critical resources that are not complete within the company [10]. To survive, which is the ultimate goal, the company will establish relationships with other companies to gain access to needed supplementary resources [11].

Network theory is theory used to explain relationships, which consider the economy as a network of organizations, by which a firm's performance depends on the performance of other firms with the interaction [12]. This theory identifies the different dimensions of the network characteristics, such as 1) mutuality for the preparation of the company to engage in the transfer of knowledge and respect for other relationships members; 2) investments for the commitment of physical, financial, human, and allied resources in the creating relationship by the parties involved; 3) bonding of the social, technical, legal, and other ties between relationship partners; 4) dependence is the level which the company interaction will depend on the resources of the other; (5) exchanges is the process of exchanging social, financial, informational, and other components; and (6) adaptation of the technical, logistical, administrative, and other alteration between interacting parties [11].

Behavioral paradigm is theory used in relationship research mostly has focus on the role of communication in relationship quality [13] and on the impact of relationship quality dimensions towards performance (Matanda and Freeman 2009). For success in the control and coordinate with other partners in the create relationship [15].

### The Definition of Relationship Quality

**Table 1** Definition of Relationship Quality

<b>Author</b>	<b>Definition of Relationship Quality</b>
Dwyer and Oh [16]	- Relationship quality was a reflection of satisfaction with, and trust of, an exchange partner with minimal opportunism. - Relationship quality as a meta-construct containing several key components, including trust, satisfaction, and minimal opportunism, that strengthen channel relationships.
Henning-Thurau and Klee [17]	Relationship quality as the degree of appropriateness of a relationship to fulfil the needs of the customer
Kumar, Scheer, and Steenkamp [18]	Relationship quality is a composite measure of the overall evaluation of the strength of the relationship and provides the strongest insight into the performance of the relationship
Smith [19]	Relationship quality is a higher-order multidimensional construct that consists of different positive relationship outcomes reflecting the overall strength of a relationship and the extent to which it fulfills the needs and expectations of the parties involved in the relationship

### Dimensions of relationship quality

From the literature review about relationship, many authors have identified dimension of relationship quality as following.

**Table 2** Dimensions of relationship quality

<b>Authors</b>	<b>Dimensions</b>
Crosby [20]	Trust and Satisfaction.
Kumar [18]	Conflict, Trust, Commitment, Willingness to invest in the relationship, and Expectation of continuity.
Dorsch [21]	Trust, Satisfaction, Commitment, Minimal opportunism, and Ethical profile.
Smith [19]	Trust, Satisfaction, and Commitment.
Johnson [22]	Trust, fairness, and absence of opportunism
Hennig-Thurau [23]	Trust and Commitment
Naude´ and Buttle [24]	Trust, Power, Integration, Mutual understanding of needs, and Profit.
Hewett [25]	Trust and Commitment
Lang and Colgate [26]	Commitment, Trust, Satisfaction, Social bonds and Conflict.

From review dimensions of relationship quality, the author can be classified as follows: Trust, Commitment, Satisfaction, Cooperation, Adaptation, Communication, Understanding, Conflict, Teamwork, Strategies and action, Atmosphere, Benevolence, Interdependence, Specific assets, Coordination, which this study found that relationship quality have a variety of dimension.

In summary, relationship quality is a positive relationship with the strength, consists of with a multidimensional construct to reflect fulfills the needs and expectations of the parties involved in the relationship.

### Antecedents and Consequences of relationship quality

Figure 1 show antecedent and consequence of relationship quality in reviewed article as follows.

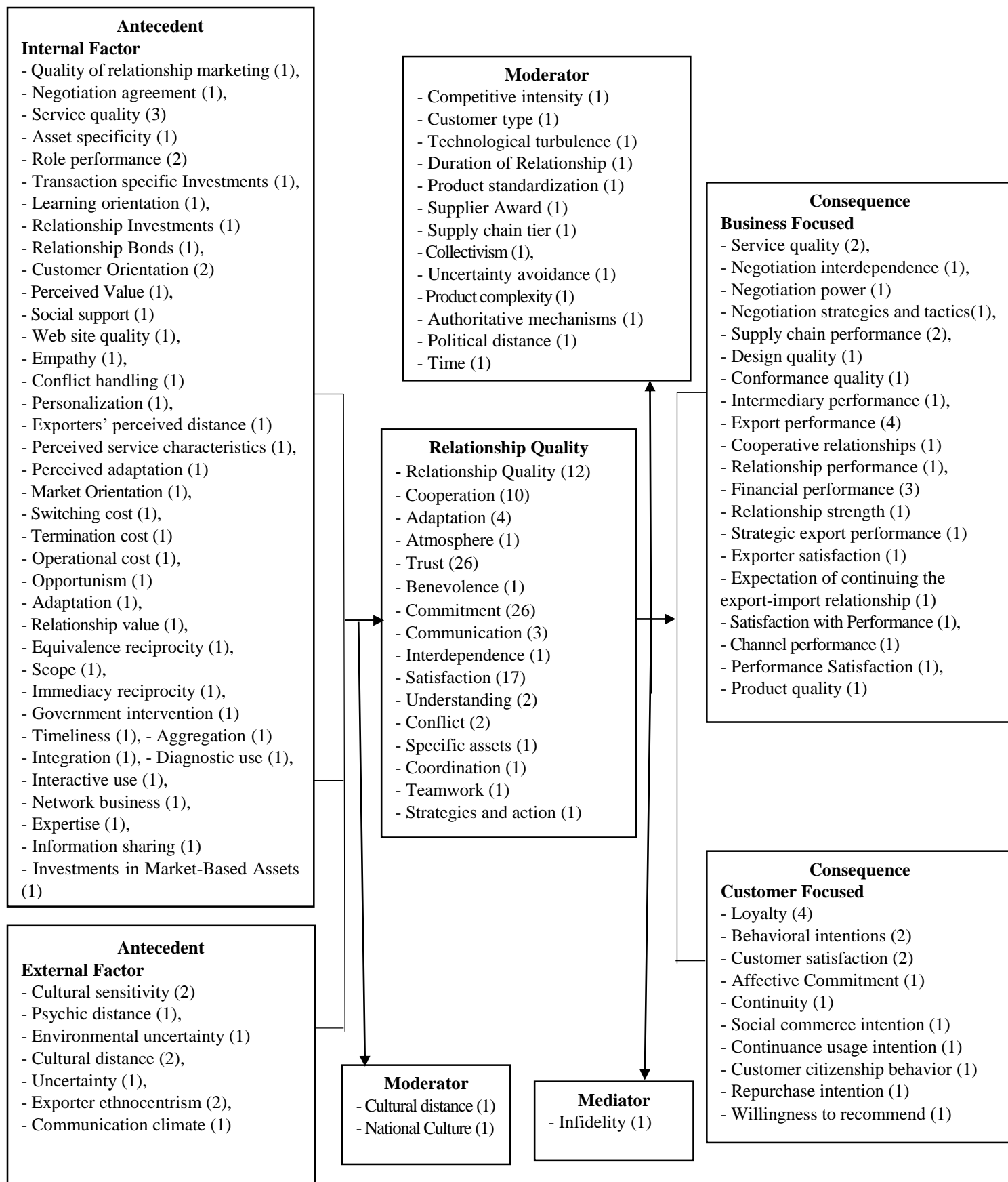
#### Antecedents of relationship quality

From study, the author classified the antecedents of relationship quality as 2 group consist of internal factor and external factor as follows.

**Internal Factor;** Quality of relationship marketing, Negotiation agreement, Service quality, Asset specificity, Role performance, Transaction specific Investments, Learning orientation, Relationship Investments, Relationship Bonds, Customer Orientation, Perceived Value, Social support, Web site quality, Empathy, Conflict handling, Personalization, Exporters' perceived distance, Perceived service characteristics, Perceived

## Framework for International Relationship Quality

The summarized framework in the review is show in Figure 1.



**Figure 1** Framework of International Relationship

adaptation, Market Orientation, Switching cost, Termination cost, Operational cost, Opportunism Adaptation, Relationship value, Equivalence reciprocity, Scope, Immediacy reciprocity, Government intervention, Timeliness, Aggregation, Integration, Diagnostic use, adaptation, Market Orientation, Switching cost, Termination cost, Operational cost, Opportunism Adaptation, Relationship value, Equivalence reciprocity, Scope, Immediacy reciprocity, Government intervention, Timeliness, Aggregation, Integration, Diagnostic use, Interactive use, Network business, Expertise, Information sharing, Investments in Market-Based Assets (For example; [27,28, 29,30])

**External Factor;** Cultural sensitivity, Psychic distance, Environmental uncertainty, Cultural distance, Uncertainty, Exporter ethnocentrism, Communication climate (For example; [28, 31, 32])

### **Consequences of relationship quality**

From study, the author classified the consequences of relationship quality as 2 group consist of business focused, and customer focused as follows.

**Business Focused;** Service quality, Negotiation interdependence, Negotiation power, Negotiation strategies and tactics, Supply chain performance, Design quality, Conformance quality, Intermediary performance, Export performance, Cooperative relationships, Relationship performance, Financial performance, Relationship strength, Strategic export performance, Exporter satisfaction, Expectation of continuing the export-import relationship, Satisfaction with Performance (For example; [33, 34])

**Customer Focused;** Loyalty, Behavioral intentions, Customer satisfaction, Affective Commitment, Continuity, Social commerce intention, Continuance usage intention, Customer citizenship behavior, Repurchase intention, Willingness to recommend, Channel performance, Performance Satisfaction, Product quality (For example; [25, 35])

### **Moderator of relationship quality**

From study, the author classified the moderator of relationship quality as 2 group consist of moderator between antecedent with relationship quality, and moderator between relationship quality with consequences as follows.

**Moderator between antecedents with relationship quality;** Cultural distance, National Culture. (For example; [25, 36])

**Moderator between relationship quality with consequences;** Competitive intensity, Customer type, Technological turbulence, Duration of Relationship, Product standardization, Supplier Award, Supply chain tier, Collectivism, Uncertainty avoidance, Product complexity, Authoritative mechanisms, Political distance, Time. (For example; [33, 37])

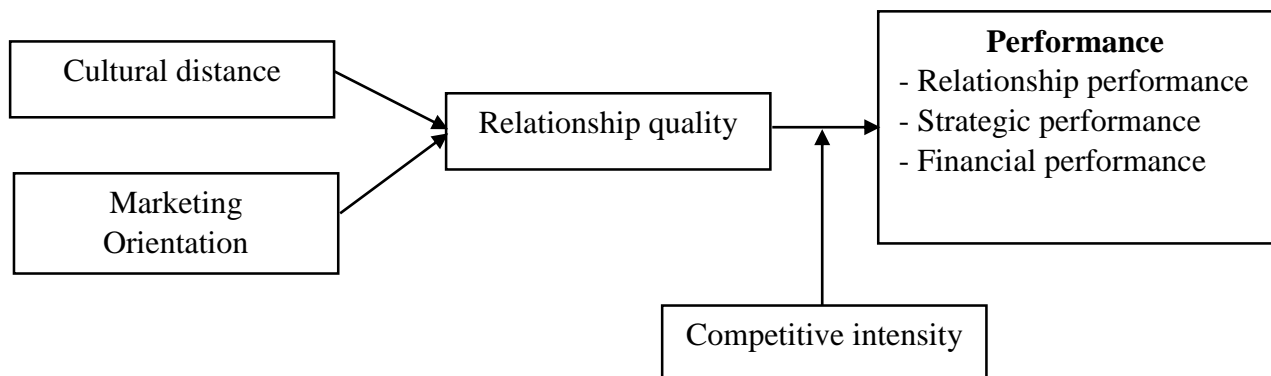
### **Mediator of relationship quality**

From study, the author found that the mediator between relationship qualities with consequences is Infidelity [37].

## Discussion

In 14 years, the study of relationship quality has been studied more interest and more study. A study on the antecedents and consequences of relationship quality in an increasing number of issues. Including a study on the moderator and mediator to establish a good relationship of antecedent, relationship quality, and consequences

The review of research on issues related to relationship quality, the study found that most studies with export, which not found the study regarding relationship quality on the other entry mode. Therefore, to the useful academic and business, there should be a study in the other entry mode such as joint venture. For instance, study in joint venture.



The study mediator between relationship quality with consequences are few, which has just infidelity studies in future research may study more about the mediator with relation to relationship quality and consequences, which relationship quality such as trust, commitment, satisfaction and consequences such as relationship performance, Financial performance, and export performance.

## Conclusion

This study points out the importance of relationship quality, which is an important concept for the create relationship marketing. The research on relationship quality continues to be interesting and get more study in both academic and marketing management as an important part of creating relationship marketing strategy and it is one of the strategies in the international marketing in order to create competitive advantage. This article has study the relationship quality of 39 articles from 14 years (2004-2017). The purpose of this paper is three parts. (1) To definition and dimensions of international relationship quality (2) To examine the antecedents and consequences of international relationship quality , including the moderator and mediator and (3) To present a framework for international relationship quality. This study will guide the study of relationship quality in the future for academic and marketer to take advantage of the business and create relationship marketing strategy for the company in global market.

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### **Acknowledgement**

The author would like to thank Mahasarakham Business School, Mahasarakham University, Thailand for the support and assistance with the research and the appreciation of the benefits to be gained from this research.