

The Effects of Cultural Familiarity and Value Similarity on Benevolence in the Export-Import Relationship

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Abstract

This study examines the effects of importer's cultural familiarity and value similarity on the importer's benevolence towards its foreign exporter in an export-import relationship. The results indicate that both the importer's cultural familiarity and value similarity significantly affect the importer's commitment to the relationship with the exporter partner. The results also indicate that affective commitment has a positive effect on altruistic benevolence and calculative commitment has a positive influence on mutualistic benevolence. In turn, the importer's mutualistic benevolence is shown to have a positive impact on relationship performance. Managerial implications for international marketers are discussed.

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Keywords: cultural familiarity, value similarity, benevolence

INTRODUCTION

Globalization of commerce leads domestic firms to create and develop close relationships with foreign firms. There is an increasing literature in marketing that deals with “close” relationships between trading firms (Doney, Cannon, and Mullen 1998; Dyer and Chu 2000; Lovett, Simmons, and Kali 1999). Close relationships among trading firms are deemed positive, and marketing scholars have focused on developing models to help marketers build and manage close business relationships (Geyskens, Steenkamp, and Kumar 1996; Lee et al. 2004). The nature of a close relationship between trading firms has been conceptualized using social exchange theory (Blau 1964), interaction approach (Hakansson 1982), and relational exchange theory (MacNeil 1980).

Firms in close relationships often behave benevolently and help one another beyond the call of duty. In this paper, we define *benevolence* as voluntary helping behaviors beyond the call of duty motivated by expectations of mutual gain as well as altruism. In a business relationship, firms often provide help beyond what is specified in their formal agreements. This extra-contractual helping behavior is called benevolence (Doney and Cannon 1997; Lee et al. 2004; Mayer, David, and Schoorman 1995). Benevolence promotes the effective functioning of the relationship by signaling the firm’s intention to care for the well-being of its exchange partners (Gao and Brown 1997; Selnes and Gønhaug 2000).

In international marketing, it has been found that cultural values affect relational exchange (Doney, Cannon, and Mullen 1998). Specifically, benevolence was found to be an important factor affecting long-term relational exchange (Doney, Cannon and Mullen 1998; Dyer and Chu 2000; Lovett, Simmons, and Kali 1999). For example, it has been proposed that cultural values affect benevolence (Doney, Cannon, and Mullen 1998), and that benevolence boosts relational exchange especially in collectivistic countries (Dyer and Chu 2000). An important

research issue concerns the factors that elicit and affect benevolence in the international business relationship.

This study focuses on an importer's benevolence towards its foreign exporter in an export-import relationship. In the international exchange context, it is important to examine how cultural differences in a relationship expectations influences the success of their cross-border alliances (Shamdasani and Sheth 1995).

Despite the emphasis of benevolence in developing close relationships in international contexts, no study has been conducted to systematically examine the role of cultural familiarity and value similarity on benevolence between exporters and importers. When exchange partners share similar business values, they are more benevolent towards one another because they understand each other's underlying intentions better (Doney and Cannon 1997). In a similar vein, an importer's familiarity with its exporter's culture can facilitate mutual understanding and a mutually caring attitude.

The purpose of this paper is, therefore, to examine the role of these cultural values on benevolence in the context of the export-import relationship. This study empirically tests the potential effects of these two variables (value similarity and cultural familiarity) on benevolence between the exporter and importer relationship. A better understanding of factors affecting an importer's benevolence will provide exporters with practical guidelines on how to turn the transactional relationship into a benevolent relationship. In addition, the study should help exporters select business opportunities with importers that are likely to lead to long term and successful relationships.

This paper is organized as follows. First, we discuss the definition and conceptual domain of benevolence. Second, we describe the conceptual model and deduce hypotheses regarding antecedents and consequences of importers' benevolence. Finally, we describe our study method, the study results, as well as the managerial implications of the study.

BENEVOLENCE

Benevolence involves the giving party showing consideration

and sensitivity to the needs of the receiving party, acting in a way that protects their interests and refraining from exploiting the receiving party. At the center of inter-organizational benevolence is a firm's willingness to help another firm (Gao and Brown 1997). Examples of benevolence include provision of support, expression of consideration for the exchange partner's welfare, restraint of self-serving opportunism, and willingness to assume fiduciary responsibilities (cf. Sirdeshmukh, Singh, and Sabol 2002). Hence, we define an importer's benevolence towards its exporter as: *the importer's extra-contractual helping behavior that enhances the well-being of its export exchange partner*. A review of benevolence definitions indicates that there are two different types of benevolence depending on the underlying motive; namely, mutualistic and altruistic benevolence.

Doney and Cannon (1997) define benevolence as "the degree to which one party is genuinely interested in the other's well-being and seeks joint gain (p. 36)." Similarly, Johnson et al. (1996) define it as "the extent to which a firm in the relationship believes that its partner has intentions of goodwill and will behave in a fashion beneficial to both." These two definitions suggest that the helping behavior is motivated by the expectation of mutual gain, specifically referred to as mutualistic benevolence (Doney and Cannon 1997; Johnson et al. 1996). *Mutualistic benevolence* is based on utilitarian motives. Thus, reciprocity is expected in this situation.

Other definitions of benevolence focus on altruism. For example, Mayer, David and Schoorman (1995) define benevolence as "the extent to which a trustee is believed to want to do good to the trustor, aside from an egocentric motive (p. 718)." Similarly, Jarvenpaa, Knoll and Leidner (1998) describe it as "the extent to which a trustee is believed to feel interpersonal care and concern, and the willingness to do good to the trustor beyond an egocentric profit motive (p. 31)." This type is called altruistic benevolence. *Altruistic benevolence* refers to extra-contractual helping behavior that enhances the partner's well-being without an expectation of future gain. A benevolent party may want to help its partner even though it is not required to be helpful and it does not have any extrinsic motive. Altruistic benevolence is voluntary in nature and is not motivated by egocentric needs (Mayer, David, and Schoorman 1995). It may be

manifested in providing unilateral assistance and accommodating unique requests. It may be motivated by morality. The extent of help is determined by the need of the recipient. Altruistic benevolence is an end in itself, and no reciprocity is expected (Batson 1991). Benevolence, the key construct in this study, is conceptualized as a composite of mutualistic and altruistic benevolence.

THE MODEL

Figure 1 shows our basic model of importer benevolence. This model proposes that an importer's value similarity and cultural familiarity positively affect importer's commitment and benevolence towards the exporter. This, in turn, positively influences the business performance in the importer-exporter relationship.

The Effect of Cultural Familiarity on Relationship Commitment

Cultural familiarity in this study refers to the degree to which an importer is familiar with its exporter's country in terms of its language, business practices, political and legal systems, and marketing infrastructure (Boyacigillar 1990). An importer's familiarity with the exporter's country facilitates more frequent

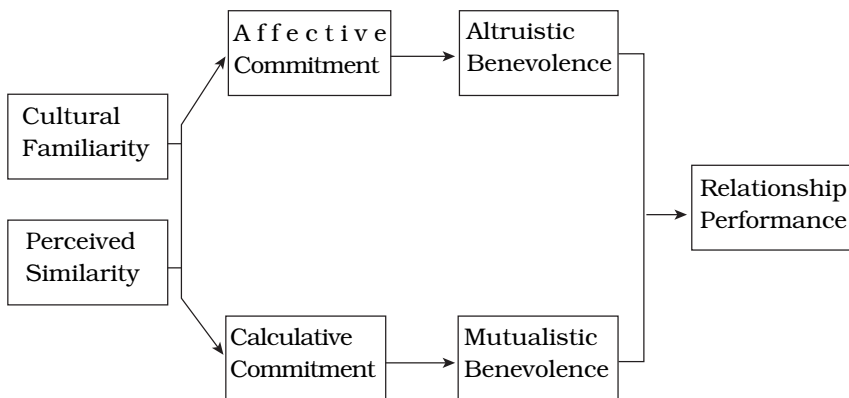


Figure 1. Conceptual Model

and bi-directional communications between exchange partners (Kale and Barnes 1992). In addition, an importer who is familiar with its exporter's country tends to adapt to cultural differences effectively (Harich and LaBahn 1998; Pornpitakpan 1999).

We believe that an importer's cultural familiarity has a positive influence on the importer's relationship commitment. This is because when an importer's cultural familiarity is high, exchange partners are likely to develop mutual understanding (Davis 1984, Harich, and LaBahn 1998, Johnson et al. 1996, Kale and Barnes 1992). When exchange partners have shared understanding of each other's situations and operations, they are likely to develop commitment towards each other. With a lower level of cultural familiarity, however, exchange partners have a more limited understanding of each other. This impedes the development of caring attitudes. Underlying uncertainty due to the lack of cultural familiarity makes it hard for an exchange partner to commit to the exchange relationship. Based on the discussion thus far, we propose the following:

H1a: An importer's *cultural familiarity* to the relationship with its foreign export supplier has a positive influence on its *affective commitment* to the relationship with the exporter.

H1b: An importer's *cultural familiarity* to the relationship with its foreign export supplier has a positive influence on its *calculative commitment* to the relationship with the exporter.

The Effect of Value Similarity on Relationship Commitment

Value similarity refers to the degree to which exchange partners share business values. When exchange partners share similar values, they come to have mutual understanding and shared expectations (Moorman, Zaltman, and Deshpande 1992).

Importers are strongly influenced by less economic factors such as effective communication and technical and management advice. Importers prefer to have working relationships with exporters with similar business values (Katsikeas and Al-Khalifa 1993). When value similarities exist between the exchange partners, they tend to communicate closely and to have a better understanding of each other's goals and objectives (Zenger and Lawrence 1989).

According to social identity theory, the more a firm strongly identify with the exchange partner, the stronger the firm's commitment to the relationship with the firm (Johnson, Korsgaard and Sapienza 2002). Value similarity facilitates social integration and mutual empathy (O'Reilly, Caldwell, and Barnett 1989). In such a relationship, firms are likely to share a "team spirit" and behave benevolently towards each other (Bonnici 1991; Doney and Cannon 1997). The presence of shared values between exchange partners will promote positive affect and mutual care during the interaction (George, Jones, and Gonzalez 1998).

We propose that an importer's value similarity has a positive influence on the relationship commitment. When they have different values, they have more limited understanding of each other and are less likely to trust each other and commit to the relationship (Morgan and Hunt 1994; Park and Ungson 1997). Based on the discussion, we propose the following:

H2a: An importer's *value similarity* with its foreign export supplier has a positive influence on its *affective commitment* to the relationship with the exporter.

H2b: An importer's *value similarity* with its foreign export supplier has a positive influence on its *calculative commitment* to the relationship with the exporter.

The Effect of Commitment on Benevolence

Commitment to the relationship is defined as a firm's intention to continue its relationship with another firm (Geyskens, Steenkamp, and Kumar 1996; Morgan and Hunt 1994), and is cited most frequently as a correlate of benevolence (e.g., Moorman, Deshpande, and Zaltman 1993; Van Dyne, Cummings, and Parks 1995; Williams and Anderson 1991). There are two types of commitment; namely, affective commitment and calculative commitment (cf. Brown, Lusch, and Nicholson 1995; Cullen, Johnson, and Sakano 1995; Geyskens, Steenkamp, and Kumar 1996; Meyer and Allen 1984; Shore and Wayne 1993).

In this paper, we focus on affective and calculative commitment for the following reasons. First, the literature

indicates that other types of commitment can be subsumed into these two dimensions (Mathieu and Zajac 1990, p.172). Second, affective and calculative commitment are two most widely researched and relevant dimensions of commitment in inter-organizational relationships (Brown, Lusch, and Nicholson 1995; Geyskens, Steenkamp, Scheer, and Kumar 1996; Gilliland and Bello 2002; Gundlach, Achrol, and Mentzer 1995). Third, these two types of commitment correspond to social exchange theory in that affective commitment focuses on social aspects of an inter-firm relationship, while calculative commitment represents the economic aspect of an inter-firm relationship.

Affective commitment refers to a firm's intention to remain in an inter-organizational relationship based on feelings of identification and involvement with its exchange partner (Cullen, Johnson, and Sakano 1995; Porter et al. 1974; Williams and Anderson 1991). That is, it results from a strong sense of emotional loyalty and belongingness to the relationship. *Calculative commitment* refers to a firm's intention to remain in an inter-organizational relationship based on its recognition of the costs and benefits of doing so (Meyer and Allen 1984). An importer's calculative commitment results from its constant evaluation of the benefits provided by the exporter (e.g., past performance, competency, credibility) as well as the costs (e.g., switching costs and transactional costs) of remaining in the relationship (Cullen, Johnson, and Sakano 1995; Geyskens, Steenkamp, and Kumar 1996). We conceptualize commitment as a composite of calculative and affective commitment.

We argue that committed importers are likely to assist exporters proactively. Firms affectively committed to their relationships are likely to engage in helping behaviors to further the well-being of those relationships (cf. Mathieu and Zajac 1990; Mowday, Porter, and Steers 1982; Robinson and Morrison 1995). They tend to define their roles more broadly and are willing to provide help for their exchange partners beyond the prescribed contractual roles (MacKenzie, Podsakoff, and Paine. 1998; Mowday, Porter, and Steers 1982). Firms with *affective commitment* are emotionally involved in the relationship, they tend to develop a caring attitude towards their exchange partners and behave altruistically towards their partners. In addition, firms with calculative commitment are willing to provide

assistance since they see possible future gains from assisting their partners (Shore and Wayne 1993).

Firms with a high level of calculative commitment are likely to help their partners only when they expect future gain. In summary, committed importers are likely to be more willing to assist exporters in different ways. One can argue that importers who are *affectively* committed to a relationship with exporters are likely to assist exporters in ways characterized as *altruistic* benevolence. In contrast, importers who are *calculatively* committed to a relationship are likely to assist exporters in ways characterized as *mutualistic* benevolence. Based on the above points, we propose the following:

H3a: An importer's *affective commitment* to the relationship with its foreign export supplier has a positive influence on its *altruistic benevolence* towards the exporter.

H3b: An importer's *calculative commitment* to the relationship with its foreign export supplier has a positive influence on its *mutualistic benevolence* towards the exporter.

The Effect of Benevolence on Relationship Performance

This study focuses on relationship performance in terms of cost savings, profitability, and other aspects of general financial gain that accrues from the relationship (Noordewier, John, and Nevin, 1990; Raven, McCullough, and Tansuhaj 1994). Mutualistic benevolence is likely to be reciprocated by exchange partners because it involves an expectation of mutual benefits. Altruistic benevolence does not involve an expectation of immediate payback, but the recipients of altruistic benevolence are also likely to form positive attitudes towards the benevolent party, have feelings of indebtedness, and feel a moral obligation to reciprocate (Selnes and G?nhaug 2000). All of these motivate the recipients to reciprocate, over the long run, the benevolence they received (cf. Goulder 1973).

We propose that benevolence within a relationship has a significant impact upon relationship performance. When exchange partners act benevolently in a relationship, they voluntarily cooperate with each other, proactively share their expertise and information, and effectively coordinate activities

between them. Information sharing and flexible accommodation reduce operating costs in a relationship (Cannon and Homberg 2001). In addition, benevolence leads to lower transaction costs (Aulakh, Kotabe, and Sahay 1996; Dyer 1997; Kumar 1996, Shamdasani and Sheth 1995; Smith, Organ, and Near 1983), thereby enabling firms to allocate their resources in other productive ways. Therefore, we propose that:

H4a: An importer's *altruistic benevolence* toward its exporter has a positive influence on *relationship performance*.

H4b: An importer's *mutualistic benevolence* toward its exporter has a positive influence on *relationship performance*.

All hypotheses are summarized in Figure 1.

METHOD

A mail survey using key informants was conducted in order to test our model. The study focused on the relationship between U.S. importers and their major foreign exporters from the perspective of the importers. The sample was randomly drawn from the directory of the National Association of Purchasing Managers (NAPM). The respondents were purchasing managers or executives who purchase products directly from foreign exporters and, thus, are considered most qualified to provide reliable and valid data.

Sample and Data Collection

The sample was composed of 679 members of the National Association of Purchasing Managers (NAPM) who had made purchases of industrial products from foreign exporters. Firms not engaged in international purchasing were excluded from the sample. To increase the response rate, a cover letter from the NAPM organization supporting this study was attached to each questionnaire, and executive summaries were offered as an incentive to participate. Seventy-three questionnaires were returned due to changes in business or wrong addresses. In total, 201 usable questionnaires were returned (a response rate

of 29.6%).

The representativeness of the sample was examined by comparing the sample's demographics with those of the NAPM population. No significant Chi-squared differences were found in terms of the firms' major product categories ($p > 0.05$), numbers of employees ($p > 0.05$), and annual sales volumes ($p > 0.05$). However, the sample respondents had significantly more business experience than the broader NAPM population ($p < 0.05$). Nevertheless, this difference was expected since we collected data from senior level purchasing directors and company executives.

Comparing early responders to late responders, we tested for non-response bias (Armstrong and Overton 1977) and found no significant differences for various organizational demographic variables. Hence, non-response bias does not appear to be an issue in this study.

On average, respondents had 19.7 years of business experience and 9.6 years of international business experience. Importing firms had an average of 677 employees and 45 million dollars in annual sales. They purchased industrial goods from foreign export suppliers in Asia (46%), Europe (42%), and the Americas (12%).

Development of Measures and Tests of Reliability

We measured the constructs in our model using a structured questionnaire. The measures in this study were adapted from those of previous studies and were further refined on the basis of feedback from academicians and practitioners. These measures were purified through traditional psychometric methods (e.g., coefficient alphas, exploratory factor analysis) in addition to confirmatory factor analyses using LISREL VIII (Jöreskog and Sörbom 1993). All the measures used in the study are shown in the Appendix.

We defined benevolence as the importer's helping behaviors beyond the call of duty to enhance the well-being of its exporter exchange partners. We developed the measure of benevolence on the basis of previous measures (Doney and Cannon 1997; Kumar, Scheer, and Steenkamp 1995) as well as interviews with several academicians and practitioners. Using 7-point Likert-type

scales (1 = "strongly disagree," 7 = "strongly agree"), we measured altruistic benevolence with three items and mutualistic benevolence with another three items. The measure of mutualistic benevolence was found to be reliable ($\rho = 0.93$), as was the altruistic benevolence measure ($\rho = 0.91$). For measuring benevolence in this study, we used a composite of the measures of mutualistic and altruistic benevolence.

The measures for commitment were based upon previously used measures (Geyskens, Steenkamp, and Kumar 1996); in addition, several measures were developed expressly for this study. As noted previously, affective commitment results from a strong sense of loyalty and belongingness, while calculative commitment is motivated by cost-benefit analyses. High cross-loadings compelled us to delete one item from each commitment scale. The resulting two-item calculative commitment measure was found to be reliable ($\rho = 0.88$), as was the two-item measure of affective commitment ($\rho = 0.89$). Commitment was measured as a composite of affective and calculative commitment.

As stated earlier, cultural familiarity refers to the degree to which an importer is familiar with the culture of its exporter's country. Four 7-point items (ranging from 1 = "not familiar at all," to 7 = "very familiar"), adapted from Johanson and Vahlne (1977), were used to measure this construct. After one item was deleted because of a low item-total correlation, the measure was deemed to be reliable ($\rho = 0.92$).

Value similarity refers to the degree to which exchange partners share business values. The item measures adapted from Doney and Cannon (1997) were used for this construct. The three-item measure was also found to be reliable ($\rho = 0.92$).

Using three 7-point Likert-type scale items, we measured the performance of the import-export relationship in terms of its cost savings, profit, and general financial performance. After one item was deleted due to a high cross-loading, the reliability of the relationship performance measure was found to be high ($\rho = 0.97$).

Tests of Reliability and Validity of the Measures

We assessed the reliability and validity of the measures using confirmatory factor analysis (Bentler and Chou 1987). The

Table 1. Reliability and Validity Assessment of the Theoretical Construct Measures

Variable	Indicators	Factor Loading	t-value	SMC	Composite Reliability (ρ)	AVE
Value Similarity	SIM1	0.95	19.57	0.84	0.92	0.89
	SIM2	1.00	0.86			
	SIM3	0.85	16.03	0.67		
Cultural Familiarity	CF2	0.94	17.62	0.77	0.92	0.86
	CF3	1.00	0.83			
	CF4	0.96	17.44	0.76		
Altruistic Benevolence	ALTBEN1	0.84	16.29	0.69	0.91	0.82
	ALTBEN2	0.88	17.83	0.76		
	ALTBEN3	1.00	0.86			
Mutualistic Benevolence	MUTBEN1	0.95	16.76	0.70	0.93	0.85
	MUTBEN2	1.08	21.18	0.89		
	MUTBEN3	1.00	0.83			
Affective Commitment	AFFCMT2	1.00	0.89	0.89	0.80	
	AFFCMT3	0.81	13.73	0.69		
Calculative Commitment	CALCMT2	1.00	0.72	0.88	0.78	
	CALCMT3	1.08	13.54	0.83		
Relationship Performance	PERF2	0.95	25.12	0.90	0.97	0.94
	PERF3	1.00	0.98			

- 1) $\chi^2 = 330.65$, $df = 113$, $p = 0.00$; GFI = 0.89; NFI = 0.92; NNFI = 0.93; CFI = 0.95; RMSEA = 0.07
- 2) SMC = Squared multiple correlation; AVE=Average variance extracted; Factor loadings without a corresponding t-value were fixed at 1.00.

results are reported in table 1 and suggest that our measurement model provides a good fit to the data ($\chi^2 = 330.65$, $df = 113$, $p = 0.00$; GFI = 0.89; NFI = 0.92; NNFI = 0.93; CFI = 0.95; RMSEA = 0.07).

As evidence of convergent validity, the confirmatory factor analysis results indicate that all items are significantly related to their hypothesized factors without high cross-loadings ($p < 0.01$). Evidence for the discriminant validity of the measures was provided in two ways. First, none of the 95% confidence intervals of the individual elements of the phi-matrix (ϕ , or the correlation

Table 2. Correlations among Underlying Constructs (Phi) (N = 201)

	Cultural Familiarity	Perceived Similarity	Perceived Commitment	Calculative Commitment	Altruistic Benevolence	Mutualistic Benevolence	Relationship Performance
Cultural Familiarity	1						
Perceived Similarity	0.04	1					
Affective Commitment	0.23	0.17	1				
Calculative Commitment	0.22	0.23	0.37	1			
Altruistic Benevolence	0.21	0.14	0.58	0.21	1		
Mutualistic Benevolence	0.28	0.21	0.27	0.48	0.37	1	
Relationship Performance	0.13	0.09	0.38	0.61	0.1	0.36	1

matrix of the latent constructs) contained a correlation of 1.0. Second, a series of Chi-squared difference tests was conducted for each pair of constructs between the constrained model ($\phi_{ij} = 1.0$) and the unconstrained model. In all cases, the unconstrained model provided a significantly better fit to the data than did the constrained model ($p < 0.01$). These results *in toto* provide support for the convergent and discriminant validity of the measures used in the study. The correlations of the underlying constructs used in this study are reported in table 2.

There is a possibility of common method bias since all data are collected from the same source at the same time. We tested the measurement model with the first order common method factor.

The results in table 3 suggests that both trait factor and method factor are significant (Cote and Buckley 1987). The mean percentage of variance in the construct items explained by the trait factors was 67 (after Fisher's z-transformation), while the mean percentage of variance in the construct items explained by common method factor was 17 (after Fisher's z-transformation). The results indicate that common method factor played a minor role in this study.

Table 3. Fit Statistics for Various Confirmatory Factor Analysis Models

a. Models	χ^2	df	p
M1: Null	4,334.05	153	0.00
M2: Trait	330.65	113	0.00
M3: Method	3,180.24	135	0.00
M4: Trait and Method	195.18	94	0.00
b. Model Comparisons	$\Delta\chi^2$	Δdf	p Conclusion
i) Testing for the Presence of Trait Factors			
• M1-M2	4,003.40	40	0.00 M1 > M2 ^a
• M3-M4	2,985.06	41	0.00 M3 > M4 ^a
ii) Testing for the Presence of a Method Factor			
• M1-M3	1,153.81	18	0.00 M1 > M3 ^b
• M2-M4	135.47	19	0.00 M2 > M4 ^b

^aEvidence supporting the existent of trait factors.

^bEvidence supporting the existent of a method factor.

RESULTS

We tested the proposed conceptual model (see figure 1) using structural equation modeling. The model provided a good fit to the data ($\chi^2 = 482.53$ df = 126, p = 0.00; GFI = 0.84; NFI = 0.89; NNFI = 0.90; CFI = 0.91; RMSEA = 0.09). The empirical estimates for the “main effects” are shown in table 4.

Hypothesis 1 posits that the importer’s cultural familiarity has a positive effect upon the importer’s commitment to the relationship with the exporter. The results indicate that the importers’ cultural familiarity has a positive influence on affective commitment ($\alpha = 0.24$, p < 0.05) and on calculative commitment ($\alpha = 0.17$, p < 0.05). Hence the results support both hypothesis 1a and hypothesis 1b.

Hypothesis 2 proposes that an importer’s value similarity has a positive influence on its commitment to the importer-exporter relationship. The results shown in table 4 indicate that an importer’s value similarity does indeed have a significant influence on its affective commitment ($\beta = 0.17$, p < 0.05) and on calculative commitment ($\beta = 0.17$, p < 0.05). The results support both hypothesis 2a and hypothesis 2b.

Hypothesis 3 suggests that an importer's commitment to the importer-exporter relationship has a positive influence on its benevolence. The results in table 3 indicate that an importer's affective commitment does have a significant impact on its altruistic benevolence ($\beta = 0.59$, $p < 0.05$) and an importer's calculative commitment does have a significant impact on its mutualistic benevolence ($\beta = 0.41$, $p < 0.05$). The results provide support for both hypothesis 3a and hypothesis 3b.

Hypothesis 4 deals with the effect of the importer's benevolence on relationship performance. The results indicated that mutualistic benevolence has a positive influence on relationship performance ($\beta = 0.65$, $p < 0.05$), supporting hypothesis 4b. The results also indicate that altruistic benevolence does not have a positive influence on relationship performance ($\beta = -0.03$, $p < 0.05$). Thus, the results failed to support hypothesis 4a.

Although not hypothesized, we tested the moderation effect of

Table 4. Results of Structural Relationships

Dependent Variable	Independent Variable	LISREL Estimates	Standard Error	T-value
Affective Commitment	Value Similarity	0.17**	0.06	2.81
	Cultural Familiarity	0.24**	0.06	3.76
	Valu Familiarity	0.17**	0.05	3.76
Calculative Commitment	Value Similarity	0.17**	0.05	3.76
	Cultural Familiarity	0.17**	0.05	3.36
	Affective Commitment	0.59**	0.06	9.46
Altruistic Benevolence	Calculative Commitment	0.41**	0.05	7.77
Mutualistic Benevolence	Calculative Commitment	0.41**	0.05	7.77
	Altruistic Benevolence	-0.03	0.06	-0.50
	Mutualistic Benevolence	0.65**	0.10	6.54

1) Model Fit: $\chi^2 = 482.53$ df = 126, $p = 0.00$; GFI = 0.84; NFI = 0.89; NNFI = 0.90; CFI = 0.91; RMSEA = 0.09

2) ** $p < 0.05$

relationship duration on the relationship between benevolence and performance. This study used a median split to test the interaction effect. The results indicate that altruistic benevolence has a positive influence on relationship performance only in the long duration relationship ($\beta = 0.22$, $p < 0.05$), but not in the short duration relationship ($\beta = -0.14$, $p > 0.05$). Mutualistic benevolence has a significant influence on relationship performance in long duration relationship ($\beta = 0.35$, $p < 0.05$) as well as short duration relationship ($\beta = 0.32$, $p < 0.05$).

DISCUSSION

The results of our empirical test indicate that both the importer's cultural familiarity and value similarity have a significant bearing upon the importer's commitment to the relationship with its export exchange partner. As the importer's cultural familiarity and value similarity increases, the importer comes to have close communications and mutual understanding of the underlying intentions of its exchange partners, increasing the chance of developing commitment.

The findings of this study indicate that affective commitment has a positive influence on altruistic benevolence and calculative commitment has a positive impact on mutualistic benevolence. While the importer's mutualistic benevolence has a positive influence on relationship performance, the importer's altruistic benevolence failed to have a positive influence on relationship performance.

Managerial Implications

Our study suggests that relationship performance is positively influenced by expressions of benevolence. Therefore, exporters should make every attempt to facilitate benevolence by developing marketing programs specifically designed to increase their importers' level of commitment (Gundlach, Achrol, and Mentzer 1995; Morgan and Hunt 1994). Although both mutualistic and altruistic benevolence have a significant influence on relationship performance, the results of the t-test indicate that mutualistic benevolence has a stronger effect on

relationship performance than altruistic benevolence. Therefore, importers should make every attempt possible to enhance mutualistic benevolence in their relationship with exporters. In order to facilitate importers' benevolence, exporters should make efforts to enhance importers' commitment by providing additional benefits to the relationship and/or reducing the cost of remaining in the relationship.

The findings indicate that the exporter's effort to enhance the importer's commitment and benevolence needs to be accompanied by an effort to increase the importer's cultural familiarity. Cultural familiarity can be improved by close communications, face-to-face interactions, mutual visits, and increased cultural diversity among employees. Training to enhance cultural sensitivity can also help the importer improve cultural familiarity with the exporter's country (Harich and LaBahn 1998; Kale and Barnes 1992). Importers with high cultural familiarity are more likely to be responsive to the conditions of their exporters, and willing to adapt to the conditions of their exchange partners. Value similarity is likely to be enhanced by aligning the goal of each exchange partner. Exchange partners can have gatherings for mutual understanding and make exchange partner's performance as part of their own goal and evaluation criteria. Through these efforts, exchange partners are likely to develop a favorable attitude towards their foreign exchange partners and make efforts to turn the transactional relationship into a committed and benevolent one.

Research Implications

Future research should develop and test a more fully articulated conceptual model of benevolence as well as its antecedents and consequences. For example, one might argue that benevolence leads to shared norms (e.g., bilateral information exchange, mutual identification or solidarity, flexibility), which, in turn, affect relationship performance (Heide and John 1992; Lusch and Brown 1996). Other factors that might influence a firm's benevolence toward its exchange partner would be structural factors in the business relationship (e.g., transaction specific assets, interdependence), managerial and

cultural values (e.g., ethical orientation, collectivism, ethnocentrism), environmental factors (e.g., environmental dynamism, environmental diversity), and/or strategic factors (e.g., strategic adaptability, cultural adaptation), as suggested in the literature (Doney et al. 1998; Gouldner 1973; Miles and Snow 1978; Pornpitakpan 1999; Selnes and Gønhaug 2000; Van Dyne, Cummings, and Parks 1995). Thus, future research should include a more comprehensive set of antecedent factors in the benevolence model and test relative contributions of these factors as compared to one another.

This study has focused on the importer-exporter relationship from the importer's perspective. The degree of symmetry in satisfaction and commitment needs to be examined in order to fully understand the nature of the exchange relationship. Future studies should build upon the results of this study by examining the relationship from a dyadic perspective.

In general, reciprocal benevolence is considered to be much more important in societies that emphasize collectivistic and egalitarian values than in those that stress individualistic values (Oishi et al. 1998; Schwartz 1992). Importers in collectivistic cultures may place heavier emphasis on the social aspects of a relationship than on its economic aspects (Hofstede 1991, Kim et al. 1994; Oishi et al. 1998). Hence, expanding the sample to include importers based in other cultures might shed additional light on the nature of benevolence in importer-exporter relationships. In addition, future studies should go beyond the economic aspects of relationship performance to incorporate behavioral dimensions such as customer satisfaction, customer loyalty, customer quality perceptions, and customer perceived value.

Finally, because of its cross-sectional nature, this study fails to explain the process of developing benevolent relationships over time. A future longitudinal study could capture the dynamic process more fruitfully.

Despite these limitations, our study represents an important step in its attempt to identify systematically the underlying conditions that facilitate benevolence between exporters and importers. Understanding the factors affecting an importer's benevolence towards its foreign suppliers will help international marketers develop appropriate strategies to facilitate benevolence

in a relationship. We hope that future efforts will be directed toward identifying additional contexts that facilitate the development of benevolent relationships.

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