

DOES ECONOMIC DISTANCE MATTER IN INTERNATIONAL BUSINESS TO BUSINESS RELATIONSHIPS?

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ABSTRACT

Based on survey data from 160 importing firms from 33 countries/regions, this study examines the effects of firm-owned versus sales rep-owned commitment on firm performance across varying degrees of economic distance between import and export countries. Results reveal both firm- and rep-owned commitment have positive effects on the export firm's financial outcomes including the current and predicted future purchase share. Moreover, findings show that the larger the economic distance, the stronger the effect of rep-owned commitment but the weaker the effect of firm-owned commitment on sales performance. We also find two important antecedents to rep-owned commitment: economic-based instruments and relationship-based instruments, whereas only economic-based instruments have positive effect on firm-owned commitment.

Keywords: relationship marketing, emerging markets, exporting, economic distance, commitment, sales representatives

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