

# Relationship Marketing: Effect on Firms' Export Performance

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Exporting is a vital business activity that impacts critical areas of an economy such as currency reserves, trade balance, investment attraction, employment, competitiveness, productivity, and economic integration. At the firm level, exporting affects costs, sales, risk, and competitiveness. It also plays a key role to achieve sustainable competitive advantage by firms operating in turbulent markets because of the progress in financial position, increased capacity utilization, higher technological standards, and attainment of a desired performance (Leonidou and Katsikeas, 1996). Over the past two decades, exporting has been one of the fastest growing economic activities. Interest in exporting is driven by the changing economic conditions across the world, viz. growing liberalization, integration, and global competition, which are in turn responsible for the increasing engagement of firms in exporting activities.

In this increasingly competitive global arena, exporting firms have to invest in relationships with their importers to ensure effective and profitable actions. In export setting, relationship quality refers to relationships developed beyond national boundaries

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(Ural, 2009). Unlike the relationships in the domestic market, relationships developed with buyers in foreign markets are predisposed to a higher degree by cultural dissimilarity, economic, and other environmental factors. That is why, in the global context, empirical testing of relationship marketing has been slower than its conceptual development (Samiee and Walters, 2003). This paper attempts to examine the effect of relationship quality between the exporter and the importer on firm's export performance. It also aims to throw light on the exporting firms' awareness regarding relationship marketing, along with increasing their understanding about the concept's utility in handling foreign market operations.