Marketing

THE INFLUENCE OF RELATIONSHIP QUALITY AND CULTURE IN THE RELATIONS BETWEEN EXPORTER AND DISTRIBUTOR. THE CASE OF PORTUGUESE EXPORTS TO ANGOLA.

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ABSTRACT

The objective of this research is to investigate the role of the relationship quality, cooperation and culture between Portuguese companies and their export market intermediaries in Angola. In particular, we aim to understand the importance that the quality of the relationship has in cooperation and the role of cultures in export activities.

An important aspect of this study is precisely the fact that it includes an African country, where, in terms of the literature, there is a strong lack of studies.

In terms of methodology we opted for qualitative analysis; we present the results of two case studies of Portuguese exporting companies and one case study of Angolan intermediate.

In general, the results are that the business relationships are characterized by trust, commitment, cooperation, culture, similar values, as in the past, Angola belonged to Portugal there is easy communication because both countries share the same. Such factors will influence the trade relations between Portuguese exporters and their Angolan distributors.

KEY WORDS: Angola, Portugal, Exporter, Distributor, Relationship Marketing.

1. INTRODUCTION

This study is of great relevance since, increasingly, Portuguese companies are not confined only to the domestic market but they seek new markets to ensure their survival. Thus, it becomes relevant to analyze the quality of the relationships, cooperation and culture in the relations between the Portuguese export companies and their intermediaries in the Angolan market. For this purpose we used the input from Morgan and Hunt (1994) that systematizes the KMV model which designates the concepts that explain the commitment and trust in the automotive sector.

The choice of the Angolan market is due to the fact that it is an expanding market, and also one of the most promising countries in the African continent. The trade balance in terms of Portuguese exports to Angola, from January to May 2011, is about € 787,923 thousand, according to data from the National Institute of Statistics (INE).

In addition, Angola currently is a major destination for the Portuguese exports outside the EU, being the fifth in the ranking of destination countries accounting for an output of 4.55%, according to data provided by INE.

The objective of this research is to investigate the role of the relationship quality, cooperation, culture between Portuguese companies and their export market intermediaries in Angola. In particular, we aim to understand the importance that the quality of the relationship has on cooperation and the role of cultures in export activities.
2. LITERATURE REVIEW

A growing liberalization, integration and competition in world economies since the post-war period have been responsible for the increasing engagement of firms in exporting activities (Douglas and Craig, 1995), because export plays a vital role in world economic affairs and its importance is expected to grow further as markets become more globalized.

Export development has been highly regarded by both public and corporate policy-makers, due mainly to the substantial macroeconomic and microeconomic benefits derived from external trade. From a macroeconomic perspective, exporting can enable national economies to enrich their foreign exchange reserves, provide employment, create backward and forward linkages, and, ultimately, lead to a higher standard of living (Czinkota, Rivoli and Ronkainen, 1992). In microeconomic terms, exporting can give individual firms a competitive advantage, improve their financial position, increase capacity utilization, and raise technological standards (Terpstra and Sarathy, 1994).

The exporting phase of the firm's internationalization process is defined as the transfer of goods or services across national boundaries using indirect or direct methods (Young, Hamill, Wheeler, and Davies, 1989).

The interest in the impact of buyer-seller relationships in business markets has increased over the past decade. The interest reflects the importance of distribution in the value chain and the relevance of social networks and personal relationships for many conductive exchange transactions (Dwyer, Schurr and Oh, 1987).

In the same way Achrol (1991, p. 78, 89) forecasts the rise of “true marketing companies” within networks of functionally specialized organizations whose interrelationships, being driven, are “held together and coordinated by market driven focal organizations” by means of “norms of sharing and commitment based on trust”.

Talking about export, once a domestic manufacturer decides to introduce a product to a foreign market, a difficult question must be solved. Should the new product be distributed via a company-owned distribution channel, or is it more efficient to contract distribution to an independent organization? Anderson and Coughlan (1987) believe that for an economist, this is a question of vertical integration, in which the choice is between primarily captive agents (company sales force and company distribution division) or primarily independent intermediaries (outside sales agents and distributors). The former solution is an integrated channel, which generally affords the manufacturer more control than the latter, which is a non-integrated channel (Anderson and Coughlan, 1987).

2.1 RELATIONSHIP MARKETING

According to Dwyer et al., (1987); Palmatier et al., (2006); Sheth & Parvatiyar, (1995) quoted by Gupta, A. and Sahu, P. G. (2012) the evolution of relationship marketing has been one of the most significant developments in marketing over the decades, particularly in relation to industrial marketing.

Relationship marketing refers to all business activities directed towards establishing, developing and maintaining successful relational exchanges (Morgan and Hunt, 1994).


According to Grönroos (1994), relationship marketing aims to "establish, maintain and improve relationships with customers and other partners as well as maintenance of corporate profit, so that all objectives of all parties are satisfied." That is, there is a mutual exchange and fulfillment of reciprocal promises.

Chien and Moutinho (2000) reported that the level of involvement in relationships and information exchange are instrumental in developing and maintaining marketing relationships and for buying behaviour and legitimacy.

In the case of bilateral relationships, the actors in exchange events are often committed to continuing relationships which involve neither a unified hierarchy nor necessarily comprehensive and detailed
contractual obligations (Heide and Stump, 1994). This type of business relationship is driven by shared behavioural norms which allow for the adoption of common business behaviour where opportunistic motives are constrained because of the long term benefits of conforming to system norms and other social pressures (Dwyer, Schurr and Oh, 1987). Marketing represents how important is to develop and nurture relationships, especially when we talk about the international market.

According to Morgan and Hunt (1994) the expectation of reducing overall costs is one reason to build a committed relationship, thus affecting the customer-supplier relationship. The partners in turn should prevent opportunistic behaviour that would be detrimental to one of the parties.

The theory of Morgan and Hunt (1994) is assumed to be relevant in explaining the relationship between exporters and local intermediaries based on the concepts of trust and commitment, concepts which central to the development of business activities based on the establishment, development and maintenance of successful relational exchanges. In this sense, it can be concluded that whenever they are successful, relational exchanges contribute to cooperation between the parties involved.

According to Vahlne (1997), companies decide to choose to start the process of internationalization through exports to bring closer markets in psychological terms.

Gupta, A. and Sahu, P. G. (2012, p. 63) state that an “effective relationship marketing programme provides better results in terms of increased customer base, sales & profitability”. Maintain that marketing literature provides some important dimensions of relationship marketing like commitment, trust, cooperation etc, and these factors being very important for any firm to consider in its marketing program (Gupta, A. and Sahu, P. G. 2012)

2.2 TRUST

In relationship marketing, trust has been recognized as an important concept (Lagrosen, S. and Lagrosen, Y. 2012). Morgan and Hunt (1994) conceptualize trust as existing when one party has confidence in the reliability and integrity of the other exchange partner.

For Nicholson, Carolyn Y., Larry D. Compeau and Rajesh Sethi (2001) trust is the security in the reliability and integrity of the other party.

According to Abosag, Tynan and Lewis (2006) trust is based on the emotion. These authors consider that trust that one party puts in the other party is based on feelings and emotions generated by love, empathy, politeness, similarity and concern for the other part, which is demonstrated in their interaction.

In Marshall’s (2003) view, based on Blau (1994), trust is the belief that another person will fulfil its obligations and generally do what he can.

To Hakansson (1982) to increase trust is a social process that takes time and must be based on personal experience. Therefore, interaction is important for interpersonal confidence building (Zaheer et al., 1998, Nicholson et al., 2001).

According to Boersma, Margreet F., Peter J. Buckley and Pervez N. Ghauri (2003), trust is on the expectation that one of the parties will be reliable in the fulfilment of the agreements, will play its role in a competent manner and will act honourably even when promises or guarantees of performance have been given. Relational trust is the perceived ability and willingness of the other party to act in order to consider the interest of parties in the relationship (Selnes and Sallies 2003). According to Abosag et al. (2006) trust emerges from the foresight of a part on his partner as for meeting future actions/behaviours to fulfil the promises (Zaheer et al., 1998), forecasts being based on an accumulated knowledge gained through interaction of the parties (Harris and Dibben, 1999) or based on the reputation of the partner or on other relationships (Johnson and Grayson, 2005). The expectations of the parties can be a good indicator of the level of confidence. In this sense it may be said that when the trust level is high, the expectations can be predicted with confidence as all parties feel secure in their interaction. But when trust is low, expectations will be clouded by uncertainties. From the standpoint of Morgan and Hunt (1994), "willingness to trust" should be seen as a result (or alternatively, a potential indicator) of trust and not as a part of its definition.

Blois (2003) based on Baier (1986), states that trust is the acceptance of vulnerability to possible but not expected bad faith (or lack of good faith) for you.
To Marshall (2003), quoting Carnevale, Pruitt and Carrington (1982), trust is a concomitant expectation that the other (in a dyad) will reciprocate.

Next are presented some authors whose testimonies corroborate that trust is crucial in business relationships.

Berry and Parasuraman (1991, p. 144) consider that the "company-client relationship requires trust in marketing services, since the customer generally buys first and then experiences."

According to Berry (1993, p. 1) "in the retail sector, trust is the basis of loyalty." In this sense, he concludes that the greatest obstacle to the success of alliances is the lack of confidence. It is also relevant to examine this concept from the perspective of the level of individualism of a country (Hofstede, 1980). According to Abosag et al. (2006) this perspective is crucial because people from an individualistic culture gives more room for professional interaction and give little room for personal interaction.

Trust is a complex concept with multiple meanings and dimensions (Abosag et al., 2006). Defining the scope of trust is difficult and can be frustrating. A common feature in the various definitions is that trust involves a part that depends on the other party to fulfil its obligations. Trust was conceptualized in several ways. Various studies have conceptualized it in the form of unidimensional concept (Morgan and Hunt, 1994, Jap 1999; Gabarino and Johnson, 1999) while others conceive trust as a two-dimensional construct (Geyskens et al., 1996, Doney and Cannon, 1997; Joshi and Stump, 1999, Nicholson et al., 2001). Still others take a multidimensional approach to the study of trust (Rodriguez and Wilson, 1995; Brashear et al., 2003; Miyamoto and Rexha, 2004, Johnson and Grayson, 2005). All these studies show a lack of consensus on the conceptualization and operationalization of trust. Once that trust is knowledge driven, missing or incomplete knowledge creates the need for trust.

According to Obadia (2008), an international organization, in which the legal differences between countries make it difficult to enforce contracts (Zhang et al., 2003), the existence of trust is even more important, because the partners need to trust the promises made by the other partner (MacNeil, 1980). In this sense, trust is central to all relational exchanges abroad. In short, we are able to synthesize that trust exists when one partner has faith, hopes and believes he can deliver (something) to someone without fear of loss or damage, that is, to indulge in full security.

2.3 COMMITMENT

According to Berghall (2003), the concept of commitment in the business relationships concerns a phenomenon in which one side of the social interaction limits its behavioural alternatives, due to the presence of a long-term orientation.

To Morgan and Hunt (1994), committed relationships exist only when there is an enduring desire to maintain a relationship considered as important.

Some authors believe that the level of commitment a partner feels towards a relationship is of major importance in relationship development and subsequent success (Morgan and Hunt 1994; Wilson 1995).

To Abosag et al. (2006) commitment is like an asset, a good and/or an intention to continue to maintain a relationship in the future. A committed relationship is known as an enduring desire to maintain a relationship (Dwyer et al. Al., 1987; Geyskens et al., 1996; Mooman et al, 1992; Morgan, and Hunt, 1994).

Commitment is often indicated by an ongoing “investment” into activities which are expected to maintain the relationship (Blois, 1998). Commitment has also been found to be reciprocal in nature with successful relationships relying on commitment from both parties (O’Malley, Patterson, and Evans, 1997).

According to Selnes and Sallis (2003) a commitment to collaboration is defined as the joint belief that the relationship is important enough to ensure joint efforts to maintain and strengthen the relationship.

To Abosag et al. (2006) a committed relationship is increasingly important; as suggested by Gundlanch et al., (1995, p. 78), commitment "may very well become a focal point of explanation in marketing."

To Conway and Swift (2000), commitment can be seen as an intention to continue the course of an action or activity or desire to maintain a relationship.
Berry and Parasuraman (1991, p. 139), argue that "relationships are built on a mutual commitment.

According to Kim and Oh (2002), commitment is the extent to which a company is dedicated to a close and lasting relationship with the channel partner. To Assael (1987, p.665), "brand loyalty is defined as a commitment to the brand, which is due to certain positive attitudes." Thus, consumers who become loyal to certain brands expect to obtain in return a certain quality in the acquisition of those products. It should be noted, however, that some authors who warn for the fact that a committed relationship is a difficult and complex phenomenon, and a deeper understanding of this concept hampered by the lack of a clear and complete commitment as it is mentioned by Abosag et al. (2006).

To Rodriguez and Wilson (2002), commitment reflects the relative strength of an individual's identification with, and involvement in, a particular organization.

The definition of commitment made in psychology as well as in other related disciplines has been marked by conflict, confusion and disagreement (Abosag et al., 2006).

As mentioned by Abosag et al. (2006), who examined the role of specific investments in developing commitment throughout the life cycle of a relationship, a transaction specific investment (TSI) highlights the commitment at the exploration phase and has a positive effect during the decline phase. According to these authors, the parties recognize the need to maintain their relationship, due to the high costs associated with termination or the continuous, safe access to important benefits. In summary, since relationships require investments, the parties recognize the need to maintain their relationship, since the costs associated with termination of these and looking for new partners are extremely high. According to Abosag et al. (2006) in the relationship marketing literature, it is assumed that the parties' ability to exercise greater social interaction reduces uncertainty (Achrol and Stern, 1988) acts as a barrier against opportunism of the partner, improves the quality of the relationship, helps to build satisfaction in the relationship (Selnes, 1998), increases the attractiveness of the relationship (Harris et al., 2003), and leads to better cooperation.

Besides the analysis of the instrumental dimension (financial commitment) is also relevant to study the affective commitment. This one is more personal, involving social interactions among individuals with partner organizations. However, as it is reported by Gundlanch et al. (1995) the behaviour aspect of the affective commitment is critical in terms of developing trust, reciprocity, integrity and solidarity, which are required to maintain long-term relationships. Meyer and Allen (1991) argue that the level of emotional commitment in a relationship does not affect the degree of calculation commitment and vice versa. Abosag et al. (2006) contradict this argument and, instead, they argue that the parties may increase the commitment to a course of action.

The key factor in the early development of affective commitment, according to Abosag et al. (2006), is the social bond/emotion. These authors define the social bond and the degree of mutual friendship, and personal interests in common by the buyers and the sellers. A social bond leads to the creation of the emotional dimension and the cognitive dimension of commitment (meaning perception, knowledge, beliefs shared by pairs), which are important antecedents of affective commitment (Sanchez and Iniesta, 2004).

Despite it is understandable that a tight personal relationship helps the duration of trade relationships, a personal relationship may have a negative impact on trade relations in some situations. In this respect, Alajoutsijarvi et al. (2000) report the damaging impacts of personal conflicts in trade relations. They point out that the costs of the emotions at the end of relationships can be high when the level of affective commitment is high (Meyer and Allen, 1991).

Trust and commitment are key elements for relationship marketing strategy success (Siguaw, Simpson and Baker, 1998).

Moreover, Tellefsen and Thomas (2005) argue that the link between personal trust and personal commitment has not been fully examined or tested in the literature.

2.4 COOPERATION

Many researchers consider cooperation as a central part in relational exchanges and use this construct to assess the quality of the relationship of a firm (Leonidou et al. 2006, Palmatier et al., 2007). Within relationships between exporters and importers, cooperation is essential because it helps companies to deal
with the complexity and multiplicity of tasks involved in the distribution across borders. Several authors propose the following definitions for the construct cooperation.

Morgan and Hunt (1994) state that there is cooperation in business since this is not like a jungle in which everyone has to stand on its own. Cooperation is considered a key concept in the literature of relationship marketing, because it shows the desire of both partners to hold a joint work (Morgan and Hunt, 1994).

Leonidou et al. (2002, p.106) define cooperation as a process, as "the degree of joint effort, team spirit and collaboration between parties involved in the working relationship."

Obadia (2008) chooses the same approach: he defines cooperation as a bilateral norm. Cooperation as a relational norm refers to the expectations of the parties that both partners must work together to achieve success and solve problems. That is, cooperation is seen as a relational connector that describes how the parties should interact and reflects the expectations of behaviour in relationship management (Obadia, 2008).

For Anderson and Narus (1990) the term cooperation stems from the Latin meaning "together", operari, "to work", relating to situations in which parties work together to achieve mutual goals.

Obadia (2008) contributes to the understanding of the phenomena that facilitate the development of exports relationships and the factors that prevent a premature dissolution of the relationship, thereby reducing the costs and the difficulties faced by exporters.

Thus, exporters and importers can form pairs to overcome adversity, because the social ties have improved the resilience of international business. Recommendations for exporters may be structured in terms of economic benefits that can be achieved to provide guidance on cooperative relationships with overseas agents (Obadia, 2008).

Exporters can improve their performance by developing levels of cooperation with their importers. A cooperative orientation shared by both parties can replace the control mechanisms and thus reduce the cost of managing export relationships (Obadia, 2008).

Cooperation can be used to improve underperforming relations. However, a caveat must be mentioned about the use of cooperation to improve low performance relations, as this tool may not be available to all exporters when they need it. The relational norms do not arise from one day to another. Macneil (1980) shows that social ties development over time. Thus, in case of adversity, cooperation is an option only for companies that are already engaged in high social relationships. In other words, relationships are like insurance: When
problems occur, they help only if all premiums have been paid. Whenever possible the exporting companies, especially those who strive for a higher performance and lower costs, should select foreign partners with whom they would be able to develop close relationships. However, they should be careful not to let these relationships become too permissive and should keep the pressure to achieve and improve economic performance (Obadia, 2008).

According to Morgan and Hunt (1994) cooperation is the only result confirmed to be directly influenced by the relationship commitment and trust. In this sense, it can be said that a committed partner will cooperate with the relationship due to a desire to render it profitable for both parties.

2.5 CULTURE

In the international environment, culture, is an element of paramount importance when a company decides to internationalize. There isn’t much agreement on how culture should be defined. The choice of a theoretical and conceptual frame means the choice of different objects, methods and research instruments and angles of analysis. Next we present several points of view for this concept.

Parsons, T. (1951, 1954, 1960 and 1964) consider the culture of human societies as a coherent whole, harmonious and functional in relation to the imperatives of the social system and believes that the social order will eventually be formed whenever the symbolic values are formulated in a coherent and harmonious manner and internalized by social actors.

Hall, Edward T. (1973, 1977 and 1990) uses criteria to differentiate cultures in order to facilitate international comparisons and an anthropological description of the different national cultures. That is, he identifies two behavioural criteria which are deciding in terms of the impact on the approaches to work and professional relationships: "polychromic cultures" (that means that a number of actions are to fulfilled at the same time or in the same period) and "monochromic cultures" (refers essentially to the performance of an activity at a time) and "reference to the context” (organization of information that may be implied (high context) or explicit (low context) versus “content of the message" in human communication in societies. According to this author Portugal and Africa fit into the "high context".

National culture is like a collective mental program of the human mind or a system of patterns and meanings about the way of thinking, feeling and acting on common problems that characterizes and distinguishes one group or category of people from another group or category (Hofstede, 1980 and 1991).

Hofstede, F. Trompenaars and others authors use an onion diagram, where culture is shown as consisting of several layers, in which the center, in the main and deeper level, are the values, while the first layers are more visible, namely the level of symbols, heroes and rituals.

The essential of Geert Hofstede’s model can be described as follows:

• 1st Dimension - the Index of the Power Distance (PDI) or "emotional acceptance of inequality",
• 2nd Dimension - Individualism vs. Collectivism Index (IDV) or what is more important: the "I" "or" We "? 
• 3rd Dimension - Masculinity versus Femininity Index (MAS) or should we compete or cooperate?
• 4th Dimension - Uncertainty Avoidance Index (UAI): the need for (emotional) to control, reduce or avoid the uncertainty,
• 5th Dimension - Confucian Dynamism Index (CDI / LTO) or Temporal Orientation.

In the Hofstede's research, which has more than 30 years, Portugal shows the following scores: average to high power distance (63), low individualism (27), low masculinity (31), strong need to control uncertainty (104) and short-term orientation (30). Angola shows the following scores: power distance (80), low individualism (25), masculinity (45) and need for control of uncertainty (85) (Hofstede, G. 1980 and 1991).
Skarmeas et al. (2001) suggest that constructs reflecting cultural differences should be included in studies on the relations between exporters and importers. Conway and Swift (2000) reported that, when there is a high level of psychic distance, the establishment and/or development of business relationships can be damaged. Swift (1999) mentions studies that address the impact of culture on the interaction process between buyers and sellers. Kale and Barnes (1992) suggest that international interactions should be affected by aspects of the national culture. Shankarmahesh et al. (2003) conclude that a strong organizational culture, characterized by low level of individualism, power distance, uncertainty avoidance and masculinity, favour the maintenance of international relations. Mehta et al. (2003) add that it is necessary to include aspects of cultures when the research deals with feelings and behaviours of actors belonging to different countries, since underlying the culture of each country are "systematic differences in behaviour" (Steenkamp, 2001). Companies with international operations need to evaluate the possible impact of cultural differences on the partners' reaction to the marketing strategies. Rodriguez and Wilson (2002) argue that, on one hand, cultural distance contributes to the emergence of communication problems, distrust and distant interpersonal relationships, and on the other hand, an intercultural adjustment is required for the development of commitment in the relationship.

3. Methodology

According to Yin (1994) the case study methodology is more appropriate when the research questions involve the "how" and "why", as it happens in this research, allowing to greater contact with the players involved, resulting in a more detailed and thorough analysis, which allows us to highlight details that might otherwise go unnoticed.

The geographical scope of this study is Portugal and Angola. Given the cross-cultural nature of this study we will take into account the specific nature of these markets.

This methodology has been applied in the field of international strategic management, since one has access to information of persons involved in decision making, which results in being able to better analyze, and with more depth, one’s options (Rialp, 1998).
According to Morse and Richards (2002) in areas where the skills are not well cemented or where existing theories seem inadequate, it is appropriate to opt for this type of analysis.

At the time of choosing a single case study or multiple case studies, it was taken into account that a "potential weakness of a case study relates to the fact that this case could prove to be different from what was initially expected" (Yin, 1994, p. 41). According to this author the option of a single case is justified only if that case is critical (in order to test a well-founded theory).

According to Huberman (1994) the cases selection should be guided by theory, in order to establish a reference from which one can meet the objectives of the investigation, not to mention the limitations of time and resources. According to Eisenhardt (1989), the selected cases that may have a function to replicate previous cases or to extend the theory or they may still be chosen to fill a theoretical category or to exemplify polarized cases. According to Dubois and Gadde (2002) more interesting than the similarities to be found among the cases, are the differences and their possible explanations. In this sense it will be interesting to study contrasting cases. Based on what was proposed by Yin (1994) the choice of the cases should meet with certain objectives between the three possible options:

- Selecting cases fulfilling the theoretical categories in order to extend the theory.
- To opt for cases that serve as replication, to test the theory, or
- To choose contrasting cases to extend the theory.

In summary, cases should be relevant (George and Bennett, 2005) and with a potential for learning (Dubois and Gadde, 2002), in order to be able to build a more complete and noticeable mosaic.

The criteria for selection of the case studies were:

- To be successful Portuguese export companies to the Angolan market.
- To export to the Angolan market through a distributor based in Angola.

In order to fulfil the criteria and to meet with the suggestion of the authors mentioned above it was decided to ask AICEP, in August 2011, the most recent list of the fifty largest Portuguese companies exporting to the Angolan market.

According to Miles and Huberman (1994), one of the advantages of using a qualitative method is that the analysis may focus around phenomena in their natural environment, and therefore the data collection occurs close to the situation under consideration.

The methods to determine the reliability of a measuring instrument used in qualitative research are the validity of interviews, the validity of documentary analysis and the validity of the observation techniques. According to Yin (1994), a case study can be used to test a theory.

3.1 Population and Sampling

The sampling process is not random and is based on the latest data provided by the Agency for Investment and External Commerce of Portugal, EPE (AICEP) in August 2011, including the list of the top 50 Portuguese exporters and their respective counterparts (Angolan distributors). In short, companies are not selected randomly, nor intended to be a representative sample of any manufacturing business (belonging to different sectors in order to get a general view of the market). We are interested in companies that have a long-term relationship with their distributors but also in companies that have just started dealing with a new distributor (newly established vs. long established).

The sample was selected according to the criteria of external validity/reliability. As for the activity sector, we opted for companies belonging to different sectors of the market, in order to get as much information about manufacturer-distributor relations in different businesses, therefore increasing this study validity.

The option to select companies within the list of the 50 largest Portuguese exporting companies and their respective pairs provided by AICEP was based on the fact of these being an added value to this investigation.
The sample was two case studies of Portuguese export companies (Petróleos de Portugal- Petrogal. S.A. (Galp Energia-(GE)) and Unicer Bebidas, S.A.) and one case study of an Angolan distributor (Mota & Tavares Lda.).

Unicer Bebidas, S.A. (Unicer) actually is the Portuguese company, in all the sectors of activity that exports more to Angola. Unicer is a company that is now 125 years old.

The company Mota & Tavares Lda. (M&T) was founded 50 years ago and it imports from Portugal since 1970.

3.2 Data collection

Culture

“Galp Energia builds its reputation on service quality and products delivered to customers. The Lusophone component of Galp Energia operates as a further facilitating factor of the relation of cultural affinity between the parties,” [GE]

“Portuguese companies at this time, some Angolans have bought from Portuguese companies for a simple reason: habits and customs, there were 500 years. And Portugal and Angola, like it or not, created a family of 500 years that is almost difficult to separate.” [M&T]

…“The culture is the same, because the Portuguese have a culture of long years of qualities and customs of Angola, the food, habits of dressing, are equal. Now what happens is that sometimes, both on one side as the on the other, are not properly prepared and make things easier, and then things go wrong. But the culture is the same, no differences. Habits, customs of the Angolan and Portuguese are the same and you cannot change them.” [M&T]

Phillips et. al. (1994) quoted by Swift (1999) define cultural empathy as the ability to (a seller) to put himself in a buyer position from another culture.

“Notion of time: The African concept of time is completely different from the European concept. There is a bias for the short term. The African reality is more oriented living day after day and the moment without a long-term referential. This fact often leads to misunderstandings as for a benchmark for the assessment of investments. Distinct social hierarchies: Still prevails the importance of age and position in the family as a benchmark of social relations. For example, the importance of the elder in decision making and in social relations. Nationalism: There is an extreme sense of belonging to the Angolan nationality and patriotism; therefore, the business behaviours must take into consideration this sense of belonging. It is easy to adopt behaviours that offend the notion of Angolanity which can have severe negative repercussions on business and on brands. It's easy to be perceived as neo-colonial.” [Unicer]

LaBahn and Harich (1997) argue that cultural sensitivity is needed to succeed in international markets, since importers may be susceptible to behaviours they deem inappropriate.

Values

“One of the main bases is honesty…” … “…because of this aspect Angola prefers to work with the Portuguese than with any other, this is known, the same language, other easiness.” [M&T]

Ghemawat, P. (2001) proposes a common language being a trade facilitator is here mentioned by Mota & Tavares CEO.

“Most of moral values are honesty from both parties. Knowing that I will deliver a product and the customer will be satisfied with the product, he will not be badly served. This is the main base, don’t sell to the customer a pig in a poke. This is the main base in moral values.” [M&T]

“Credibility: The Company must demonstrate financial and operational capacity, i.e. the existence of physical facilities and human resources in order to succeed in marketing the company's products. Knowledge: Demonstrated evidence of market knowledge. Reputation: The distributor and/or its members must have to demonstrate an enduring presence in the market and to be able to attest by his reputation the medium/long-term commitment to the market. Capacity: distributors must demonstrate their ability by repeatedly placing orders.” [Unicer]

“Transparency: Will to share market knowledge and philosophy of information share about the market, customers and business conditions in order to enable maximum efficiency of the joint operation and maximizing value. Partnership: Partner interest in developing a relationship that ensures a sustained presence in the market in the long-term.” [Unicer]

“Unicer made a huge effort to communicate locally either by the use of local expressions in language, or through the “Angolanisation” of events like the Super Bock Super Rock. Crucial to the success of the product has also been the creation of myths about the brand. The Super Bock became known in the Angolan market as the GTI, beer with power to the riot troop. That is, through “rappers” and expressions of contemporary Angolan popular music a myth was created that responds to the desires of masculinity in society and that corresponds to the diffusion of the belief that Super Bock is a strong beer only for those who have power, those who are manly, hence Super Bock for the riot troop. This is an example of how the knowledge of cultural realities, at the consumer level, can be used for the
communication strategy for a product/brand. This however requires the knowledge of the idiosyncrasies of local consumers and of the culture that shapes their behaviours.” [Unicer]

“Landlord Behaviour: The Angolan deems to be the owner of his country and therefore he thinks he can take possession of some income from foreign business operating in his country. This leads, for example, to the requirement of quotas and shares in companies without capital inflows. Status orientation: Recognition by the group is determining of the individuals’ attitudes. Prevalence of informality: Most relationships, in Angola, are defined outside the current legal context. There is a prevalence of personal relationships and plots. They set up creative ways to make money that sustain an entire subsistence economy. Without knowledge of the rules in force in the informal sector, on which substantial part of the distribution networks of consumer products is based, you cannot successfully do business in Angola. Acceptance of delayed deliveries: There is an established tolerance for delays and non-fulfilments. Virility: Displays of virility are a form of trust building or of coming together with partners. Importance of the rumour: The rumour spreads very fast and can be used as a weapon of guerrillas to positively influence the performance of the company's products, as well as, if not controlled, it can cause irreparable damage to a brand or a business relationship with a distributor.” [Unicer]

Trust

“As within any business relationship, trust must exist between both parties. The activity of Galp Energia in the Angolan market has demonstrated the existence of this perennial feature, and both parties have fulfilled their commitments.” [GE]

“As already answered, the relationships with our partner are based on mutual trust which has proved to be robust over the years.” [GE]

“I already have been working with Portugal for many years, I have good relationships, and they all are my friends.”... “He is a friend of mine and when I come to Portugal, I have all cars, I have to go to the factories, so I can only say good things about Portugal. In every corner I have a friend, friend.” [M&T]

The trust dimension called benevolence aims to assess whether the customer sees the exporter as a friend and believes he is on his side (Siguaw et. al., 1998).

“Pig in a poke. And in Portugal, throughout this time I have no problem. I do not mean that there are no individuals, but I have no problem.” [M&T]

Li and Ng (2002), state that there may be opportunistic behaviours in export channels, when the cultural gap and psychic distance hinder communication

Trust is the expectation that the word of another can be relied upon and implies honesty in negotiations. Trust is the precondition for increased commitment (Mietilla and Moller, 1990) and like commitment is often stated as a vital factor in successful relationships.

Ford sees trust as an important consideration as “many aspects of relations between customers and suppliers cannot be formalized or based on legal criteria. Instead relationships have to be based on mutual trust” (Ford 1984 p.18). Promises must be kept in order to maintain relationships, with mutual trust being a main factor in long-term relationships (Takala and Uusitalo, 1996).

“...he phoned me to say he was troubled with the payment of things, it was not much, $30 000 or $45 000 and if I could help out. I sent, I transferred that money and I told him not to send the goods to keep them until we see how it goes in the next 15 days; a week later there was a withdrawal then the goods were settled within the price they could sell. Therefore it was this help that I gave because otherwise he said he would have been obliged to shut down the factory.” [M&T]

“Most important, from both parties, not just one. If both parties have this behaviour, the deal will go far and builds friendships. There is a Portuguese company that sells there, they created a sausage factory in Angola, a greenfield partnership, and they both have mutual trust.” [M&T]

According to Sheth and Parvatiyar (1995), Berry (1995), for customers, relationship marketing provides closer and long-term relationships leading to three types of benefits: 1) social (familiarity, friendship and information-sharing), 2) economic (discounts or other money-saving benefits) and 3) customization (tailor made services/products).

"It helps a lot, because the culture is the same, the habits are the same and there is an understanding and doing business is fast because that is what sometimes, when you are going to do business for example with a Chinese guy, with an individual of another country that has not the same language, it is not the same culture, the same customs and habits, it is always more difficult, more time consuming. A business with a Portuguese is always faster. And if there is understanding and honesty from both parties is always much, much faster than with any other foreign business.” [M&T]

Confirming the interviewee’s statement, Harris and Ghauri (2000) note that sharing language, beliefs and understandings is required for high quality interactions and trust development to occur.
“Trust: You have to develop a climate of mutual trust, so that Unicer has confidence in the ability of the entity distributor to meet its commitments and to respect the values of the brand, not causing any damage to its image and possessing the ability to distribute products with success.” [Unicer]

Commitment

A marketing manager should prioritize the demonstration of commitment in relationships, in order to build partners’ trust (Buttle, 1996).

If there is no other single construct like trust that so thoroughly influences interpersonal and group behaviours (Colerbiewski and McConkie, 1975, quoted by Andaleeb, 1995), on the other hand, it has been stated that commitment serves to discriminate between those "who stay" and those "who leave" (Mummalaneni, 1987, quoted by Wilson, 1995).

“It has always remained the same, simply because here in Porto everyone knows me. Now after independence, because I was in debt in the market square here in Porto, $7 million, it was a supply to the state (Angolan) and the state did not pay me, then tomorrow, we will pay tomorrow. And then they decided to pay and I paid in two or three installments, here in Porto, I had no problems …”[M&T]

The affective commitment is more effective than the calculation commitment in maintaining relationships (Sanzo et. al., 2003).

The loyalty commitment stands for a manufacturer affection for, and obligation to, the distributor (Gilliland and Bello, 2002).

“Over the years I have a credit, a friendship with all the companies, all give me credit. We have a great friendship, over 30 or 40 years.”[M&T]

“Especially if you have paid in advance. Portugal does not, Portugal if one pays in advance; they fulfil (the contract). It is very difficult to miss their commitments. Even me, I appreciate in all the imports.”[M&T]

“Exactly. This is the main base, there has to be trust and commitment.”[M&T]

Continuity commitment can be referred to as the importer's desire to continue the relationship with the distributor (Skarmeas et. al. 2002).

Continuity commitment can be assessed by the belief of the exporter that the importer wants to continue to buy his products (Kim and Frazier (1997) and Kumar et. al. (1995) quoted by Van Brugger et. al., (2005)).

“Identification: Reflection of the desire of the operator to develop UNICER brands. Commitment: Firstly commitment to the UNICER brand and products and desire to work in exclusive with company’s brands.” [Unicer]

According to Conway and Swift (2000) commitment can be seen as an intention to continue the course of an action or activity or the desire to maintain a relationship.

Cooperation

“Portugal and Angola are brother countries, independent, and with perfectly normal and healthy relations, with structured cooperation policies.”[GE]

According to Ghemawat, P. (2001) the colony-colonizer relationship is very important (+900% change in intended trade). In his opinion the common language is also important (+200% change in intended trade).

“I continue to work with them in the future, to work together. They also give their counterpart, what we need in Angola. Also some want to go there, to open their businesses and partnerships, and have helped many in the Portuguese embassy. Do it this way, does that way.”[M&T]

Table 1- Conclusions of data collection

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<th>RQ 1</th>
<th>RQ 2</th>
<th>RQ 3</th>
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1 RQ1) How does culture ((Portuguese vs. Angolan) - differences and similarities)) and values influence the quality relationship in trade relations between the Portuguese exporting companies and their Angolan distributor(s)?

2 RQ2) Why does trust influence commitment between the Portuguese exporting companies and their Angolan distributor(s)?
4. Conclusions and implications

The objective of this paper is to investigate the role of relationship quality, cooperation and cultural between the Portuguese export companies and their intermediaries in the Angolan market. In this particular case, we aim to understand the importance that the quality of the relationship has on cooperation and the role of culture and shared values in the export activities.

The three case studies analysed relate to two Portuguese companies that export to the Angolan market and one case study concerning one Angolan distributor. In general, the results show that trust, commitment, cooperation, culture and similar values affect the way how relationships are managed and its outcomes. Portugal was Angola’s colonizing country and the language is the same. Confirming some theoretical proposals, it becomes quite clear that these constructs affect the trade relations between Portuguese export companies and their Angolan distributors. It is also evident that the knowledge of some market idiosyncrasies is indispensable to succeed in the Angolan market.

The implications of this study for management are very important since managers can realize how they can do business/international trade in this specific market, Angola.

5. References


\(^3\) RQ3) How does quality relationship influence the cooperation between the Portuguese exporting companies and their Angolan distributor(s)?

\(^4\) Answer the research questions positively


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