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**Betrayal intention in exporter-importer working relationships:
Drivers, outcomes, and moderating effects**

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Abstract

Betrayal is a very common, but relatively under-researched, dark side phenomenon in inter-firm relationships that warrants investigation. We propose a conceptual model of the factors reducing betrayal intention in exporter-importer (E-I) working relationships and its resulting effect on actual betrayal. Using a random sample of 262 indigenous exporters of manufactured goods based in Greece, we confirm that betrayal intention in their relationships with foreign buyers is significantly and negatively affected by four key parameters, namely, trust, communication, long-term orientation, and social bonds. *An importer's betrayal intention is subsequently very likely to develop into actual betrayal in the relationship.* However, this likelihood is lower in the case of older relationships, as well as those characterized by contractual obligation between the interacting parties.

Keywords: Betrayal; buyer-seller relationships; exporting/importing.

**Betrayal intention in exporter-importer working relationships:
Drivers, outcomes, and moderating effects**

1. Introduction

Betrayal has repeatedly been recorded as a widespread phenomenon throughout the history of humankind and this is unlikely to be the exception with regard to inter-firm relationships. It is defined as the perceived violation of implicit or explicit norms and expectations of decency, honesty, and fairness that are assumed to govern a relationship (Finkel et al., 2002). It is one of the darkest aspects of buyer-seller relationships, which essentially results from ‘breaking the rules of the game’, and can endanger the future continuation of the relationship (Fitness, 2001). Disclosing confidential information, failing to render assistance sought, and maintaining a parallel relationship with a direct competitor of the partner firm, are some forms of betrayal in inter-organizational relationships (Atkins and Kessel, 2008; Mattingly et al., 2010; Rachman, 2010). Betrayal is aversive behavior, indicating that the offending partner no longer cares about or values the relationship, and in response the betrayed party will feel hurt, devastated, and disappointed (Leary et al., 1998).¹

Buyers and sellers enter a working relationship with certain expectations (e.g., believing that the partner is fair and honest), while they also form new expectations (e.g., responding effectively and efficiently to operating problems) as the relationship evolves over time (Jones and Burdette, 1994). These expectations are even more evident in close relationships, where one party believes that the other is sufficiently reliable to disclose information, to keep promises, and be faithful and trustworthy (Jones and Burdette, 1994). Each relationship has its own domain-specific expectations, while betrayal implies a sufficiently voluntary violation of mutually known expectations (Elangovan and Shapiro, 1998). Since these expectations are context-specific (Shackelford and Buss, 1996), pivotal

expectations, which are instrumental to the nature of the relationship, are likely to be violated (Fitness, 2001). Betrayal actions are especially damaging, because they are not only unexpected, but are also carried out by persons who are trusted (Haden and Hojjat, 2006).

In an inter-organizational dyadic buyer-seller relationship, the treachery resulting from the intentional violation of relational expectations has the potential to inflict harm on the betrayed party, causing anger, grievance, and feelings of inequity (Rachman, 2010; Rousseau, 1989). It also means that the time, effort, and investment a party has put into the relationship are lost, while the faithfulness of, trust in and commitment to the betrayer is ruined (Jones and Burdette, 1994). Betrayal also denotes an upset power balance between the interacting parties, with the betrayed party feeling more humiliated and disadvantaged than the betrayer (Fitness, 2001). Once discovered, handling the problems caused by betrayal in a working relationship is not easy (Finkel et al., 2002), while it may lead to the termination of the relationship (Fitness, 2001; Jones and Burdette, 2001). Even if the relationship is not terminated (for reasons of dependence, relational investments, and legal bindings), the previous history of betrayal makes the relationship less satisfying and its future more pessimistic (Jones and Burdette, 1994).

Although the issue of betrayal has received some attention in intra-organizational studies (see, for example, works by Elangovan and Shapiro, 1998; Morrison and Robinson, 1997; and Robinson and Morrison, 2000), from an inter-organizational perspective this was only peripherally tackled it (e.g., Eckerd et al., 2013; Ekici, 2013; Wang and Huff, 2007). The only exception is a recent study by Leonidou et al. (2017), which focused on the reasons giving rise to inter-firm betrayal and the consequences of it. This is surprising, because the majority of firms have the potential in many cases to run the risk of being betrayed by their business partners, or have already experienced betrayal incidents (Jones and Burdette, 1994). The risk of betrayal is even greater in international business relationships, mainly due to: (a)

the considerable physical and psychic distance between the interacting parties that disrupts the flow of information between them (Håkanson and Ambos, 2010); (b) the different emphasis, meaning, and interpretation given to the violation of rules and expectations by people from different cultural backgrounds (Mattingly et al., 2010); and (c) the high environmental volatility, complexity, and uncertainty characterizing foreign markets, which may trigger abrasive behavior (Li and Ng, 2002; Luo, 2005).

Despite its critical importance, there is a lack of research focusing on the drivers and outcomes of inter-organizational betrayal intention in international business relationships, which is the object of our study. Specifically, we aim to investigate the effect of four key relational dimensions, namely trust, communication, long-term orientation, and social bonding, on betrayal intention in exporter-importer (E-I) working relationships, and how this in turn can lead to actual betrayal. We also want to explore whether the link between betrayal intention and actual betrayal is moderated by both the length of the relationship and the existence (or absence) of contractual agreements between the two interacting parties.

The remainder of the article is structured as follows: First, we review the pertinent literature on the dark side of inter-organizational relationships and identify various factors that can be associated with betrayal incidents. The next section presents the conceptual model and formulates both the main and moderating hypotheses of the study. This is followed by an explanation of the methodology adopted, which is divided into sampling method, scale development, questionnaire design, fieldwork procedures, and controlling for bias. Subsequently, we explain the analytical procedures employed and discuss the research findings. In the final sections, we extract conclusions, explain the study contributions, offer managerial implications, and provide guidelines for future research on the subject.

2. Literature on the dark side of relationships

Research on the dark side of buyer-seller relationships first made its appearance in the late 1980s, and since then there has been a relatively low, but steady, growth of studies on the subject. One group of studies is based on the fact that buyer-seller relationships, apart from positive aspects, also have negative dimensions that warrant attention. For example, Corsaro (2015) reports that opportunism, uncertainty, and misalignment (of goals, business approaches, and time orientation) deter a firm from building and maintaining effective business relationships, as well as setting a barrier to resource mobilization among interacting parties. In addition, Holmlund-Rytkönen and Strandvik (2005) underline the importance of relationship stress in influencing the strength and length of a relationship. Other negative issues identified include: network inertia (Kim et al., 2006), relationship unrest (Good and Evans, 2001), relationship instability (Das and Teng, 2000), relational damage (Hammervoll, 2011), and absence of suspicion (Hunter et al., 2011).

Another line of research focuses on close business relationships, which can be vulnerable to destructive behavior, due to the fact that over time they begin to display characteristics that undermine their stability and ultimately lead to their dissolution (Anderson and Jap, 2005; Jap and Anderson, 2003). Indeed, many studies indicate that relational dimensions, once underlying harmonious business relationships, are gradually transformed into elements that may mask deleterious effects on the relationship. For instance, high levels of trust in the relationship are found to produce adverse conditions, such as increasing vulnerability to deception and creating the pre-conditions for exploitation (Gligor and Esmark, 2015; Liu et al., 2008). It was also revealed that cooperative norms, initially seen as beneficial for the working relationship, may create over time a rigidity, which will subsequently limit the firm's strategic options, such as effectively expanding into foreign markets (Ling-ye, 2004). In addition, closeness, although helping to improve interaction between relational parties, can make them less immune from opportunism (Wuyts and

Geyskens, 2005), result in the disclosure of confidential information to competitors (Gligor and Esmark, 2015), and even reduce business performance (Villena et al., 2012).

Other research deals with the contingency role that certain variables can play in seemingly harmonious associations between relationship constructs, thus shedding light on hidden dark sides. For example, Brown et al. (2009) find that strong relational norms diminish the positive impact of physical transaction-specific assets on relational performance, because they impair managerial ability to make sensible investment decisions. Moreover, Selnes and Sallis (2003) report that trust weakens the positive influence of organizational learning on relational performance by the creation of invisible costs, such as reduced objectivity. Furthermore, Fang et al. (2011) show the diminishing effect that relational tension has on the positive link between relationship quality and relationship functions.

Another group of studies focuses on relationship ending caused by dark side problems, which may take the form of switching to another business partner (Heide and Weiss, 1995), dissolution (Tähtinen, 1998), or termination (Giller and Matear, 2001). Some of the reasons cited for ending business relationships include: failure to resolve conflicts, lack of satisfaction, and availability of attractive alternative partners (e.g., Doyle et al., 1980; Holmlund and Hobbs, 2009; Ping, 1993, 1995, 1999; Purinton et al., 2007). Notably, the intention to dissolve a relationship may increase opportunism and weaken cooperation (Kang et al., 2012), whereas the inability to end a problematic relationship due to high exit barriers (e.g., high dissolution costs) was found to become a dark side on its own (Kim et al., 2006).

Some other group of studies focuses on remedies that can cure dark side relationship issues. For example, Jap and Anderson (2003) stress the role of goal alignment and bilateral idiosyncratic investments as safeguards against opportunism, while Gundlach and Cannon (2010) emphasize the importance of market monitoring as a shield against the dark side effects of trust. Dant and Gleiberman (2011) propose various preventive (e.g., clear and overt

expectations) and combative (e.g., inter-organizational mindset) strategies against the dark side of buyer-seller relationships, whereas Noordhoff et al. (2011) stresses the constructive role of formalized interactions, relation-specific investments, and relationship maturity in minimizing the appearance of dark side phenomena.

A final line of research deals with the issue of betrayal, although only a few studies focused on it per se. For example, Ekici (2013) reveals that as the buyer-supplier relationship develops, the increasing vulnerability of one party to the other makes the former susceptible to betrayal episodes. Betrayals, which have been conceptualized as trust violations and psychological/normative contract breaches in industrial buyer-seller relationships, are reported to lead to adverse emotional (e.g., lower satisfaction), behavioral (e.g., intention to terminate the relationship), and performance-related (e.g., lower relationship performance) outcomes (e.g., Griffith and Zhao, 2015; Lusch et al., 2011). For example, Wang and Huff (2007) show that as a reaction to trust violations, the exposed parties are more likely to lose trust, to spread negative word-of-mouth comments, and to have lower repurchase intentions, especially if they expect other violations of trust in the future and if trust was present in the beginning stages of development. Further, one can expect greater reduction in transactions and lower fairness perceptions from the exposed party, if the breach of the psychological contract is attributed to renegeing (as opposed to an inability) and if the severity of the breach is high (Eckerd et al., 2013). Finally, Leonidou et al.'s (2017) study reveals that uncertainty, opportunism, partner incompatibility, distance, and conflict are responsible for giving rise to betrayal in inter-organizational relationships, which is in turn responsible for reducing relational performance.

The preceding review of the literature on the dark side of relationships reveals some interesting points: (a) compared to studies conducted on the 'bright' side of buyer-seller relationships, dark side issues have received much less scholarly attention; (b) although some

relational parameters (e.g., trust, cooperation, closeness) are considered positive for the well-being of the relationship in some studies, they are considered precursors of dark side problems in others; (c) despite the useful examination of various factors causing dark side problems, as well as their antecedents and outcomes, the issue of betrayal still remains relatively unexplored; (d) the emphasis is on studies conducted within a domestic business domain, while the investigation of dark side issues in cross-border business relationships is virtually absent; and (e) extant studies rely to a great extent on conceptualizations and qualitative research (e.g., case studies), while quantitative approaches are rarely employed.

3. Model and hypotheses

Our conceptual model consists of eight variables categorized into four groups (see **Figure 1**). Trust, communication, long-term orientation, and social bonding are hypothesized to reduce betrayal intention in the E-I relationship.² Betrayal intention subsequently leads to actual betrayal. The link between betrayal intention and actual betrayal is moderated by the age of the relationship and the existence of contractual agreements.

3.1 Main hypotheses

Trust refers to the belief that a relationship partner is reliable, honest, and acts with integrity to help enhance positive consequences and minimize negative outcomes (Anderson and Narus, 1990). Trust is at the heart of any working relationship and comprises reliability, honesty, predictability, benevolence, and fairness (Anderson and Narus, 1990; Morgan and Hunt, 1994). It centers on two major dimensions: (a) each party will act in a mutually beneficial way to achieve joint gains, rather than exploiting the other's vulnerabilities; and (b) the other party's ability to perform the various tasks effectively and reliably is regarded as credible, because it has the expertise required (Wu et al., 2007). Trust provides a form of

self-enforcing governance mechanism, which promotes voluntary, non-obligatory exchanges and governs the working relationship through honesty, investment, and confidence (Morgan and Hunt, 1994). It also increases the desire to stay in a relationship, as well as fostering the expectation that the relationship will continue, because it provides assurances that the desired outcomes will be obtained (Anderson and Weitz, 1989; Kumar et al., 1995; Lancaster and Lages, 2006). The existence of trust in an inter-organizational relationship implies that the partners will avoid immoderate acts in order to retain their integrity, and thus reduces the risk of an act of betrayal (Gulati, 1995). However, when the ability to meet the expectations of the trustor deteriorates and/or when a feeling of goodwill toward the trustor declines, a situation of instability, insecurity, and lack of confidence, that favors the development of betrayal intentions, is likely to arise (Armstrong and Yee, 2001). In fact, betrayal emerges with every case of broken trust (Reina and Reina, 2015). The decrease of trust in the trustee indicates that: (a) s/he is no more interested in the good of the trustor and may intend to harm him/her; and (b) s/he is careless of the principles acceptable by the trustor and hence will not hesitate to violate his/her relational expectations (Elangovan and Shapiro, 1998). This is more likely to occur in E-I relationships, due to the uncertainties and complexities surrounding the international business environment, which jeopardize inter-organizational integrity and performance across borders (Leonidou et al., 2011). Hence, we may hypothesize that:

H₁: The higher the level of trust in the E-I relationship, the lower the likelihood of betrayal intention.

Communication in inter-organizational relationships is defined as the formal and/or informal exchange of timely and meaningful information between the parties involved, which helps to coordinate their efforts to achieve common goals (Anderson and Narus, 1984; Anderson and Weitz, 1992; Mohr and Nevin, 1990). Several dimensions characterize sound

inter-firm communication, such as the accuracy, timeliness, adequacy, and credibility of the information exchanged (Jablin et al., 1987). The extent to which interacting parties share appropriate information is a sign that their motives, intentions, and behaviors are characterized by good faith, and the presence of transparency in what they are doing (Eckerd and Hill, 2012). Communication is particularly critical in E-I relationships to prevent betrayal actions because of: (a) the many cultural and language (verbal and non-verbal) differences between interacting parties;³ (b) difficulties in accessing immediate, accurate and updated information regarding the specific conditions prevailing in the foreign partner's country; and (c) time delays and increased cost of information acquisition, attributed to the wide physical separation between the exchange parties (Leonidou, 2004). Hence, a constant flow of reliable and timely information acts as 'glue' to hold members of the relationship together, because it boosts confidence about the value of the relationship, enhances the belief that there is honesty in interactions, and prevents any negative intentions, such as betrayal (Nes et al., 2007). In contrast, if a business partner withholds critical and valuable information from the other, the latter will feel that his/her interests are jeopardized and his/her expectations are violated, thus increasing possible betrayal intention (Luo et al., 2015). Thus, one would expect that:

H₂: The higher the level of communication in the E-I relationship, the lower the likelihood of betrayal intention.

Long-term orientation is defined as the willingness of business partners to develop long-term relationships with each other, as well as their emphasis on attaining future goals with concern for current and future outcomes (Ganesan, 1994). When there is a long-term perspective in the relationship, the interactive parties will have more positive intentions, build the relationship on more solid grounds, and reinforce relational norms. This is in contrast to a short-term approach centering on profit maximization from specific transactions (Lusch and

Brown, 1996; Zhao and Cavusgil, 2006). In fact, being long-term oriented is conducive toward controlling and utilizing resources more effectively, reducing costs and improving process efficiencies, and building a sustainable competitive advantage (Ganesan, 1994). In other words, a long-term orientation can yield expectations of future gains that will subsequently help to reinforce the value of the ongoing relationship and avoid any negative intentions. Long-term orientation will also reduce skepticism regarding possible trust-violating actions (as in the case of betrayal) in the relationship, because both partners will view their interactions as opportunities to develop a mutually beneficial relationship (Das, 2006). In contrast, a short-term perspective will downplay the importance of the relationship's future value, violate relational norms, and give rise to opportunistic actions, which provide fertile ground for betrayal intentions (Das, 2006). Thus, we may posit that:

H₃: The higher the level of long-term orientation of the E-I relationship, the lower the likelihood of betrayal intention.

Social bonding refers to the friendship and mutual liking which is developed through personal interaction among parties that tend to hold the relationship together (Wilson, 1995). It creates an emotional attachment that leads to the establishment of relational norms, a genuine involvement in each other's business affairs, and the provision of moral support required to cope with changes and challenges involved in the relationship (Stanko et al., 2007). This kind of emotional connection between the interacting parties helps them to remain together and reduces an intention to betray. If parties in a working relationship are closely linked with social bonds, they are likely to share a deep insight into each other's intentions and act in an ethical and decent manner, to the exclusion of pursuing self-interest (Granovetter, 1985; Gulati, 1998; Yang et al., 2011). Social bonding can seriously help to reduce the risks and uncertainty about any negative intentions (such as betrayal) of the parties in the relationship, by creating a source of transparency for their actions (Wuyts and

Geyskens, 2005). Given that social bonds incorporate a great amount of emotional engagement and positive feelings between parties in a relationship, they will create a resistance toward aversive thoughts, as in the intention to betray (Chua et al., 2008). In addition, personal relationships and ties among boundary spanners of interacting parties discourage betrayal, and act as a barrier to the dissolution of the relationship (Granovetter, 1985; Seabright et al., 1992). Hence, we could assert that:

H4: The higher the level of social bonds in the E-I relationship, the lower the likelihood of betrayal intention.

Betrayal intention in a business relationship can be defined as the tendency by the trusted party to harm the trustee by the former's deliberate actions or omissions (Rachman, 2010). Such actions or omissions can be expressed in various ways, such as disclosure of confidential information, failure to render assistance sought, and illegitimate contacts and/or negotiations with another competing firm outside the relationship for the purpose of doing business (Atkins and Kessel, 2008; Mattingly et al., 2010; Rachman, 2010). Betrayal intention denotes a tendency to violate a presumptive agreement (Levesque, 2011) and its materialization will prevent a party in the relationship from attaining his/her goals, coordinating venture activities, and carrying out their roles effectively and efficiently (Kumar et al., 1992). In addition, betrayal actions can be countered with retaliation, or at least with a ruined reputation, as a result of negative word-of-mouth by the affected party (Das, 2006). Turning an intention to betray into actual behavior is a critical decision, because it will seriously undermine and endanger the mere continuation of the existing relationship. According to the theory of reasoned action (Ajzen and Fishbein, 1980), behavioral intention is the strongest predictor of actual behavior if the behavior is under volitional control. This will depend on an assessment of the likelihood that such action will be detected and subsequently punished: the lower the likelihood of being caught and punished, the higher the

propensity to engage in a betrayal (Elangovan and Shapiro, 1998). Hence, the following hypothesis can be made:

H₅: High levels of betrayal intention in the E-I relationship will increase the potential for betrayal actions.

3.2 Moderator hypotheses

Relationship length is the amount of time in which the interactive parties have been engaged in business with each other. As the length of the working relationship increases, the tendency to engage in betrayal actions is expected to diminish. This is because lengthy relationships give partners the opportunity to conform more to one another's expectations and develop norms that are mutually beneficial (Campbell, 1997). Moreover, the familiarity and involvement with each other's business operations over time will gradually increase the cost of switching to another business partner and therefore prevent possible betrayal movements (Stanko et al., 2007). Furthermore, the experience gained from interaction with the other party will create a feeling of confidence that the relationship will continue, and thus increase predictability about possible motives and actions of the interacting parties, as in the case of betrayal (Stanko et al., 2007). During a long-lasting relationship, members of buying organizations tend to feel familiar with those in the selling organization and consider themselves part of an inter-organizational tie, which will deter them from the idea of betraying each other (Kim et al., 2006). Hence, we may posit that:

H₆: The link between betrayal intention and actual betrayal becomes weaker when E-I relationship length is high.

Relationship contracting refers to the existence of agreements that specify guidelines to control, regulate, and evaluate the behavior of the parties involved in a working relationship (Wu et al., 2007). Such contract-based governance is vital in: (a) reinforcing

mutually agreed goals, policies, and procedures; (b) monitoring and controlling the behavior of the interacting parties to avoid opportunistic actions; (c) coordinating the activities of the partners to ensure that the strategic goals of their business venture are achieved; and (d) erecting barriers that make the potential to exit the relationship difficult (Das and Teng, 2000; Dwyer et al., 1987; Poppo and Zenger, 2002). Contracts, particularly those with clearly articulated clauses, serve to control the actions of the interacting parties in a relationship, by formally stating how they should behave over time in a legitimate and ethical manner (Lusch and Brown, 1996). This is because the party violating the contractual agreement is very likely to be penalized, thus increasing both the cost and risk of possible betrayal actions (Luo et al., 2015). Properly designed contracts clearly define when a certain action is considered appropriate (or inappropriate), helping in this way to reduce goal misalignment and minimize the risk of misbehaving, as in the case of betrayal (Handley and Angst, 2014; Lusch and Brown, 1996). They also act as a safeguard against possible new exchanges of each of the interacting parties that may endanger the existing business relationship (Lazzarini et al., 2008). We may hypothesize that:

H₇: The link between betrayal intention and actual betrayal becomes weaker when E-I relationship contracting is evident.

4. Research method

4.1 Sampling method

Our study took place in Greece and the focus was on exporters of manufactured goods (consumer and/or industrial), belonging to the private sector, and being of an indigenous origin. The sampling frame for the study was identified from the Exporters' Directory of ICAP (2014), which has more than 10,000 entries of firms from all over the country. A nationwide sample of 1,000 firms was randomly drawn from this Directory, providing a

representative picture of the Greek export population in terms of size, location, and products exported. To minimize the effects of industry-specific factors, we targeted exporters belonging to different industrial classifications. The unit of analysis was the export venture, namely the exporter's relationship with a specific import customer in a selected foreign country.

In each of the companies selected, we focused on the person who was responsible for the export operations and who was knowledgeable and confident to provide information about the study variables. This person was contacted by telephone, explained the purpose and value of the study, and asked whether s/he would be willing to participate. Of these, only 595 accepted to take part, the key reasons given for non-participation being lack of available time, company policy on not disclosing information to outsiders, the ceasing of export operations, or company closure. Those companies that accepted to participate were given the option to receive the survey instrument by mail and/or electronically.

4.2 Scale development

The operationalization of the constructs was based on scales derived from established and proven scales in the literature (see **Appendix**). Specifically, trust was based on an eight-item scale developed by Doney and Cannon (1997), while the communication scale comprised five items derived from Mohr and Nevin's (1990) and Mohr et al.'s (1996) work. Long-term orientation was operationalized using six items taken from Ganesan (1994), while the five-item scale of social bonding was adopted from Mavondo and Rodrigo (2001). All scales were adapted to reflect the relationships between exporters and their import buyers.

Due to the pioneering nature of the study with regard to betrayal issues, the scales of betrayal intention and actual betrayal were derived from social psychology and adjusted to a business context. Specifically, betrayal intention was derived from the work of Coffey et al.

(1996), which comprised five items, while actual betrayal was a six-item scale taken from Grégoire and Fisher (2008). All scales were refined for the purposes of our study by a panel of academics with expertise in the field, while a face validity procedure ensured their suitability for our research.

4.3 Research instrument

The questionnaire consisted of four parts. The first part sought information about the firm's involvement in export activities, namely, the length of time engaged in export operations, the number and type of countries to which goods were exported, and the amount of export sales realized in the previous year. The second part contained questions referring to each of the four antecedent variables, namely trust, communication, long-term orientation, and social bonding. The third part focused exclusively on betrayal intention and actual betrayal. The final part incorporated questions pertaining to the firm's demographics, such as establishment year, number of employees, and sales turnover. In answering the questionnaire, respondents were asked to concentrate on the third most important working relationship with a foreign buyer.⁴

A seven-point Likert scale, ranging from strongly disagree (1) to strongly agree (7), was used to measure the items contained in each construct scale. Relationship age was measured as the number of years that the exporter had had a relationship with the specific importer. Relational contracting was measured on a dichotomous scale, asking whether or not the exporter relied extensively upon contractual rules and policies in controlling the day-to-day operations of the relationship with the specific importer. The questionnaire was first written in English and then translated into Greek, while a back-translation procedure eliminated any problems (Craig and Douglas, 2005). Prior to the commencement of the full-

scale study, the questionnaire was tested with five export managers to ascertain its flow, duration, and ease of response, and only a few minor adjustments were required.

4.4 Fieldwork procedures

All firms that expressed a willingness to participate in the study were sent a mailed (and in some cases electronic) questionnaire. This was accompanied by a letter explaining the purpose, usefulness, and confidentiality of the study. Reminder letters, and in some cases telephone contacts and personal visits, were used to encourage participation. In addition, the firms were promised to receive a summary report of key findings of the study. Altogether, 268 questionnaires were returned (i.e., 45% effective response rate), of which six had to be dropped because of missing data, inconsistencies in the answers given, or unsuitability of the person providing the information.⁵ The use of Armstrong and Overton's (1977) non-response test, in which the answers of early respondents were compared to those who responded late, revealed no statistically significant differences between the two groups with respect to the study variables.

On average, the responding firms sold their goods to 8.6 export markets, with the major targets being countries in the European Union (particularly Germany, Italy and Bulgaria). Their mean time in business was 25.3 years and in exporting 15.2 years. Their full-time employees averaged 64.7 persons, of which 14.5 were mainly involved in export operations. Their last year's total sales on average totaled €21.7 million, of which 40.1% accounted for exports. Most (47.7%) of the respondents exported consumer products, 38.8% sold industrial goods, and the rest (13.6%) offered a combination of both consumer and industrial products.

5. Research findings and discussion

For the analysis of our data, we used structural equation modeling (SEM) based on the EQS program. As a first step, we carried out a confirmatory factor analysis on the main constructs of our model by restricting each item to load on its a priori set factor, while allowing the underlying factors to correlate (Anderson and Gerbing, 1988). To estimate the measurement model, we used the elliptical re-weighted least-square (ERLS) procedure, revealing a very good fit to the data ($\chi^2 = 1046.31$, $p = .000$, $df = 449$; NFI = .92; NNFI = .95; CFI = .95; RMSEA = .07) (see **Table 1**).

5.1 Data purification

With regard to the purification of data, we first checked the convergent validity, which was met, as the t-value for each item was always high and significant, all standard errors of the estimated coefficients were very low, and the average variance extracted for each construct was equal to or above the threshold level of .50 (Hair et al., 2010). We have also checked for discriminant validity, which was evident because the confidence interval around the correlation estimate for each pair of constructs examined never included 1.0 (Anderson and Gerbing, 1988), while the squared correlation for each pair of constructs never exceeded the average variance extracted (Fornell and Larcker, 1981) (see **Table 2**). Finally, we checked for construct reliability, which was satisfactory because all constructs in our conceptual model exhibited Cronbach's alphas greater than .70, while composite reliability was also satisfactory, with all coefficients being much greater than .70.

We also assessed the possibility of common method bias. We first employed the Harman's single-factor test (Podsakoff and Organ, 1986), where the items of all constructs were included in a principal component analysis with varimax rotation. Six separate factors with eigenvalues greater than 1.0 emerged from the unrotated factor solution, with these explaining 70.9% of the total variance (and the first factor explaining 36.8% of the variance). We also used a confirmatory factor approach, in which all items included in the measurement

model were restricted to load on a single factor (Venkatraman and Prescott, 1990). The model fit indices revealed very poor values, well below the commonly acceptable cut-off levels (i.e., $\chi^2 = 4047.60$, $p = .000$; $df = 464$; $NFI = .64$; $NNFI = .65$; $CFI = .67$; $RMSEA = .18$). Hence, the results from both tests indicate that common method bias is not a problem in this study.

5.2 Direct effects

The hypothesized links between the constructs were tested by estimating the structural model. The analysis revealed a satisfactory model fit, as demonstrated by the ratio of Chi-square by the degrees of freedom ($\chi^2/df = 2.84$) and the results of the alternative fit indices ($NFI = .90$; $NNFI = .93$; $CFI = .94$; $RMSEA = .09$). The standardized path coefficients, together with the corresponding t-values of the structural model, are presented in **Table 3**.

With regard to our first hypothesis (H_1), our findings confirm a negative link between trust and betrayal intention ($\beta = -.58$, $t = -6.33$, $p = .00$).⁶ This finding stresses the instrumental role of trust in reducing betrayal due to the creation of conditions of stability, security, and confidence in the E-I relationship (Armstrong and Yee, 2001). Indeed, some of the respondents confirmed that by having a trustful relationship with the import buyer, the potential of self-interest gives way to heavy relational investments, enhanced quality of collaboration, and improved inter-organizational performance (Luo et al., 2015; Wu et al., 2007). Moreover, it reduces the possibility of being betrayed (through exploitation, dishonesty, or even deception), especially within the context of an international environment characterized by high volatility and uncertainty (Olekalns and Smith, 2009). In addition, it motivates interacting parties to fulfill and even positively exceed each other's expectations by offering assistance during difficult times (Narayandas and Rangan, 2004). Further, if the international business partner is honest, fair, and faithful, s/he will be more willing to

maintain the current relationship (Doney and Cannon, 1997; Ganesan, 1994; Yang et al., 2012) and will even sometimes disregard his/her stake (Barnes et al., 2010; Leonidou et al., 2008).

As hypothesized in H₂, our findings lend support to the negative link between communication and betrayal intention ($\beta = -.23$, $t = -3.25$, $p = .00$). This indicates that the exchange of sufficient, timely, and accurate information between exporters and importers helps in better coordinating their activities, evoking a feeling that their interests in the relationship are protected, and ultimately avoiding suspicions of abrasive behavior (like betrayal) (Gassenheimer et al., 1996; Luo et al., 2015; Saleh, Ali, and Mavondo, 2014). Probably, the fact that effective communication is a valuable source of information between international business parties boosts the value of the partner and the relationship (Nes et al., 2007; Leonidou et al., 2011; Saleh, Ali, and Julian, 2014). Preliminary interviews with exporters highlighted the beneficial role of communication, arguing that it is even more profound in the case of international business relationships, due to the high geographical, psychological, and social distance separating exporters from their import buyers.

Our findings also provide credibility for H₃, as the negative link between long-term orientation and betrayal intention was also found to be statistically significant ($\beta = -.11$, $t = -1.65$, $p = .10$). This finding confirms the detachment of long-term-oriented business partners from betrayal intentions, because of building stronger relational norms, reinforcing the value of the relationship, and reducing skepticism regarding possible trust-violations (Lusch and Brown, 1996). Indeed, some of the participant export managers noted that adopting a long-term oriented perspective with the foreign buyer helps to cultivate a mutual sense of responsibility, benevolence, and understanding, as well as creating a feeling that any short-term sacrifice made can produce positive results in the long run (Joshi and Stump, 1999; Mavondo and Rodrigo, 2001; Obadia, 2008). This is because long-term orientation denotes

recognition of the mutual dependence of performances of relational parties, which implies that they will stay away from betrayal actions, which would otherwise harm each other (Joshi and Stump, 1999; Lages et al., 2005).

In accord with H₄, we found a statistically significant negative association between social bonding and betrayal intention ($\beta = -.12$, $t = -1.80$, $p = .07$). This finding corroborates the fact that interpersonal ties between the boundary spanners of exporter and importer companies serve as a mechanism, which minimizes the risk and uncertainty about the inter-organizational business partner's motives and intentions (Larson, 1992). Indeed, such attachments lead to deep-rooted norms, better understanding of the business partner, provision of support during times of need, and making short-term sacrifices (Čater and Zabkar, 2010; Mavondo and Rodrigo, 2001; Stanko et al., 2007), which help to maintain mutually beneficial relationships and prevent intention to engage in betrayal episodes (Zhou et al., 2015). Moreover, familiarity, friendship, and personal confidence evolving through such inter-personal exchanges increase the value of the relationship in the eyes of interacting partners and protect them from betrayal incidences (Rodriguez and Wilson, 2002).

Finally, it was confirmed that the existence of betrayal intention in the relationship can eventually lead to actual betrayal ($\beta = .08$, $t = 2.88$, $p = .00$).⁷ The latter can take various forms, ranging from disregarding rules (e.g., sharing confidential information about new products of the exporter with competitors) and breaking promises (e.g., failing to make payment on time to protect self-interest) to contract violations (e.g., neglecting promotion of the exporter's product in the foreign market) and infidelity (e.g., contacting other exporters of similar goods to explore mutual business opportunities). Indeed, some of the respondents stressed that the unexpected nature of betrayal episodes constitutes shocking events, with serious negative long-lasting effects that comprise both psychological (e.g., relational stress)

and financial (e.g., loss of profits) damage, and may eventually lead to the dissolution of the relationship.

5.3 Moderation effects

With regard to the moderating hypotheses (see **Table 4**), we have used the split group method (based on the median) to identify sub-samples of respondents for each moderator (either 'low' or 'high').

In the case of the first moderator (H_6), this was found to have a statistically significant effect on the betrayal intention \rightarrow actual betrayal link ($\Delta\chi^2 = 2.86, p < .10$). Specifically, the impact of betrayal intention on actual betrayal was confirmed to become weaker in lengthy ($\beta = .75, t = 6.12, p < .01$), as opposed to shorter ($\beta = .89, t = 8.94, p < .01$), E-I relationships. This finding is in line with the fact that the longer duration of the relationship, the greater the likelihood of interacting parties passing the test of time and surviving the shakeout period of upheavals (Parkhe, 1993). The length of the working relationship also indicates the amount of experience of one party with the other, during which they develop mutually accepted relational norms and value systems, which prescribe appropriate patterns of behavior (Dwyer et al., 1987). Hence, longer relationships enable partners to learn each other's idiosyncratic characteristics, which helps to develop a mutual understanding and liking, as well as a desire to continue the relationship. All these are crucial in preventing betrayal intention turning into betrayal action (Karande et al., 2008; Liu et al., 2010; Parkhe, 1993).

With regard to relationship contracting (the second moderator), the effect of betrayal intention on actual betrayal also becomes weaker in the case of E-I relationships governed by written contracts ($\beta = .60, t = 4.60, p < .01$), than those having no contractual obligation ($\beta = .80, t = 8.33, p < .01$), thus giving support to H_7 ($\Delta\chi^2 = .3.09, p < .10$). This indicates that clearly formulated contracts help to better understand, on the one hand, the specific roles,

responsibilities, and performance expectations of the interacting parties, and, on the other, the sanctions associated with possible failure in fulfilling them, thus making betrayal actions less desirable (Dahlstrom and Nygaard, 2000; Handley and Angst, 2014). This is because contracts force interacting parties to think twice before embarking on any betrayal actions, by taking into consideration both the benefits and cost of such actions (Lumineau, 2014).

6. Summary and conclusions

This study has elucidated the instrumental role of the violation of expectations and obligations within international business relationships in forming intentions to betray. A central conclusion that can be drawn from the study findings is that betrayal intention is very unlikely to arise in an E-I relationship when this is characterized by high levels of trust, adequate communication, long-term orientation, and strong social bonding.⁸ It was also confirmed that the existence of betrayal intention in the E-I relationship can sooner or later lead to actual betrayal, with all the negative effects that this may entail. This association between betrayal intention and actual betrayal becomes weaker in the case of relationships which are relatively mature and governed by contracts.

With regard to the drivers of betrayal intention, the results indicate that E-I relationships are more immune from betrayal episodes if the interacting parties are characterized by: (a) honesty, reliability, and fairness, as well as concern for the good of their partners; (b) the exchange of accurate, relevant, and timely information and keeping abreast of each other's business plans and activities; (c) a true intention to maintain a long-term relationship, as well as a desire to understand the interdependence of their strategies and performances; and (d) an understanding that the value of their relationship is beyond business matters, but also includes interpersonal bonding. However, in the case of the existence of

betrayal intention, this is likely, under certain circumstances, to turn into actual betrayal, since intention is an important predictor of behavior.

We show that even if there is betrayal intention by one side, the longer duration of the relationship and reliance on contracts in the relationship deter that party from actually committing behavior which can be considered as betrayal. This implies that relational age immunizes the interacting parties against betrayal episodes, not only because of the extensive experience and understanding that has evolved over years of inter-firm collaboration, but also because of the high costs and difficulties of replacing the partner firm. Contractual governance also weakens the possibility of converting betrayal intentions into actual betrayal, stressing in this way the role of formal agreements in enhancing the stability and well-functioning of an E-I relationship.

7. Study contributions

Our study contributes to the pertinent literature in various ways. First, it is one of the few attempts to examine the critical issue of betrayal in inter-organizational business relationships. As such, it contributes to the relationship dark-side knowledge by shedding light on a unique, but common, phenomenon in buyer-seller interactions. In fact, betrayal can appear in any type of business relationship, even those which can be characterized as close, well-established, and seemingly well-functioning. This study has helped to better understand the dynamics of the betrayal phenomenon, which can be caused by various factors, manifested in various forms, and threaten the future development and success of the working relationship.

It also investigates inter-firm betrayal within an international business context, which provides fertile ground for the appearance of betrayal incidents due to the higher geographic and psychic distance, operational complexity, and environmental uncertainty characterizing

cross-border buyer-seller relationships. Although other negative aspects (e.g., conflict, opportunism, and distance) were investigated in the past in these relationships, our study has stressed the importance of betrayal as another key parameter with detrimental effects on their future prosperity. This is even more critical when taking into consideration the fact that international markets are increasingly becoming more competitive, volatile, and dynamic, which makes the maintenance of relationships with foreign business partners a very challenging task.

This study develops and tests a unified conceptual model of the drivers and outcomes of betrayal intention, which capitalizes to a great extent on concepts derived mainly from social psychology literature. This signifies the fact that certain research developments in non-business disciplines (e.g., psychology, sociology, anthropology) can be transferred with some modifications to a business context, as in the case of cross-cultural buyer-seller relationships. It also stresses the role of the cross-fertilization of ideas from different disciplines in better understanding crucial business phenomena (such as betrayal) in both domestic and international settings.

Finally, our study examines the effects of temporal and contractual factors on turning intended betrayal into actual betrayal, and stresses their contingent role. It clearly indicates that betrayal is not a simple phenomenon, but one that is subject to the prevalence of various conditions which may facilitate or inhibit its appearance. This denotes that international buyer-seller relationships do not operate in a vacuum, but they are influenced by many factors which can moderate the associations between the various behavioral constructs characterizing the atmosphere of these relationships. Also, the fact that relational length was found to have a significant moderating effect on the betrayal intention-actual betrayal link indicates that E-I relationships are very dynamic, with behavioral interactions constantly changing.

8. Managerial implications

Our findings have important managerial implications for both export and import firms. Firstly, export and import managers should maintain a healthy working relationship if they want to avoid incidences of betrayal, which can harm their business venture. This implies that they should select their foreign business partners carefully and enter a relationship with those firms that have a good reputation for reliable and honest partnership. Although this is not an easy task, they can rely on the advice and support by third parties, such as those belonging in their network.⁹ They should also be alert during the early phases of their relationship development to any actions by their foreign business partners that may hint an intended or actual betrayal.

The critical role of trust in preventing betrayal intentions stresses the need to enhance trust by promoting transparency, conforming to relational norms, and encouraging mutuality and reciprocity. Trust is built over a long time, and once eroded, it is very difficult, if not impossible, to rebuild it. This implies that exporters and importers should be honest and cautious when they make promises to and build expectations in their partners. In particular, they need to carefully assess their competencies, in order to avoid overpromising and under-delivering. They should also keep their business partner informed if they are unable to keep promises and, if possible, offer recovery or compensation. A thorough understanding and interpretation of mutual expectations and obligations is also essential, since violation of these leads to betrayal. This is particularly critical in E-I relationships which are very prone to misunderstandings due to the different socio-economic backgrounds of the parties involved.

International business partners should also improve communication by developing mechanisms based on the frequent exchange of accurate and timely information, which help to quickly spot problems in the relationship and take corrective actions. This is critical, given that the various types of distance (e.g., geographic, cultural, social) separating them facilitates

betrayal actions. It is important when forming relationships with foreign partners to clearly state their expectations in order to avoid any accidental violations. The interpretation of expectations and obligations is not only subjective, but also enormously influenced by the cultural and institutional factors. Hence, it is important to set up a communication mechanism through which they can understand each other better, as well as quickly resolve any misunderstandings and disagreements. They can also think about organizing frequent meetings and having regular and steady access to each other's information systems.

They also need to develop a long-term perspective in their business association with the foreign partner. This can be done by jointly developing long-term plans regarding their business venture, as well as clearly defining each other's roles and responsibilities in implementing these plans. This would also enable the relational parties to establish clear expectations about the future of their business collaboration. In addition, they need to demonstrate their long-term orientation by increasing relationship-specific investments, such as jointly scanning the market, developing new products, and undertaking promotional campaigns.

Efforts should also be made to strengthen their social bonding with the foreign partner (e.g., through joint participation in social activities, cultivation of personal friendship, and exchanges of visits) to increase the value gained from the relationship. Developing and strengthening social bonds is an enormous challenge in E-I relationships because of the geographic distance hindering parties from meeting each other frequently. The situation becomes more severe as more and more companies are using electronic means to contact their overseas partners.

Finally, a special effort should be made toward preserving established relationships, since foreign partners are then less likely to engage in betrayal actions. On the other hand, although it is important to generate relationships with new foreign customers in order to

maintain a balanced customer portfolio, it is important to install early warning and other control mechanisms to detect any betrayal actions promptly and take the pre-emptive corrective measures. To prevent betrayal problems, it is also important to consider signing contracts with foreign customers that explicitly state expectations (and associated sanctions) in terms of each party's obligations and rights.

9. Limitations and future research directions

The findings of this study should be viewed within the context of certain limitations, which could also open potential avenues for future research. First, the study is possibly among the first to deal with the issue of betrayal in business relationships (not only in international, but also in domestic market settings). This implies that our conceptual model needs to be replicated in other country settings to obtain external validity. It would be interesting, for example, to involve partners from contrasting cultures using Hofstede's (1997) dimensions (e.g., low versus high power distance), as well as from economies at different stages of development (e.g., advanced versus underdeveloped economies). It is also important to test the model under different relational settings, such as between multinational firms' headquarters and subsidiaries, between international joint venture partners, and between international franchisors and franchisees.

Although our study focused only on the seller's side of the E-I relationship, the interactive character of working relationships necessitates the adoption of a dyadic perspective (i.e., having the views of both exporters and importers) on issues relating to betrayal. This would allow comparisons to be drawn of the interacting parties and a more holistic picture of betrayal in the relationship to be obtained, because the views of both the victim and the betrayer would be included. Any revenge (or even reciprocated betrayal) actions by the betrayed party would also be revealed. Although our study adopted a cross-

sectional research design due to time and financial constraints, the dynamic nature of relational phenomena necessitates a longitudinal approach that would help to monitor changes in the working relationship that give rise to betrayal incidents.

The fact that betrayal has various causes (e.g., structural, behavioral, contextual), takes several forms (e.g., engaging in infidelity, telling lies, breaking a promise), and has different variants (e.g., accidental/opportunistic, one-off/repeated, overt/covert) calls for a more in-depth investigation of the subject, by complementing quantitative research with qualitative studies. Some of the issues warranting particular attention are the following: How do buyers and sellers explain their own and others' betrayal actions? How does a betrayal episode influence the continuation of relationships and in which way? What are the stages of betrayal development in a relationship? What is the communication process between partners in the aftermath of betrayal? What actions need to be taken to recover the relationship?

Our study has focused on the drivers and outcomes of betrayal intention at the inter-organizational level, as well as on the moderating role of certain relational characteristics. This analysis could be augmented with additional constructs that may drive or moderate betrayal intention in the working relationship, such as those falling under managerial (e.g., decision-maker's personality characteristics), organizational (e.g., organizational culture), and environmental (e.g., market dynamism) factors. Of particular interest is the role of commitment, where there are hints that it could be a strong predictor of certain types of betrayal, such as infidelity, which may arise due to small relationship investments and the existence of higher value in alternative relationships (Drigotas et al., 1999). Since E-I relationships cross national boundaries, it would also be interesting to investigate the role of national cultural factors (e.g. masculinity/femininity, power distance, uncertainty avoidance) in facilitating or inhibiting betrayal incidents at the inter-organizational level.

Finally, the fact that dark side aspects of business relationships have not received as much research attention as those on the bright side, calls for more research on such issues as deception, cheating, and threatening. In addition, while we found that certain predictor variables (e.g., high trust, strong communication, long-term orientation, social bonding) prevent betrayal intentions in buyer-seller relationships, hints in the literature warn of the dark side consequences of trust (e.g., Ekici, 2013), communication (e.g., Gligor and Esmark, 2015), long-term orientation (e.g., Saini, 2010), and social bonding (e.g., Mitrega and Zolkiewski, 2012). This indicates that ‘the other side of the coin’ also deserves investigation, and it would be interesting to identify under what conditions (e.g., inert relationships or very close relationships) these seemingly ‘positive’ constructs may give rise (instead of reducing) to betrayal intentions (Anderson and Jap, 2005).

Notes

1. Betrayal is defined as the feeling of being harmed by the intentional actions or omissions of someone assumed to be trusted and loyal (Rachman, 2010). Elangovan and Shapiro (1998) distinguish two types of betrayal by the presence of intent: (a) accidental, that is, betrayal without an intention to violate the expectations of the trustor, mostly considered a regrettable error by the instigator; and (b) intentional, that is, deliberate violations of trustor’s key expectations. Intentional betrayal is further divided into premediated, that is, the existence of betrayal intention before the relationship starts and opportunistic, that is, betrayal intention that appears as a reaction to a certain situation in an ongoing relationship (Elangovan and Shapiro, 1998). In this study, our focus is on intentional and opportunistic betrayal.
2. The drivers of betrayal intention, namely trust, communication, long-term orientation, and social bonding, were derived after a careful review of the marital studies literature, which focuses on inter-personal relationships. These can be equally applicable in the case of inter-organizational relationships, because buyer-seller relationships resemble marriages, which although they can offer enormous advantages, like reduced uncertainty, exchange efficiency, and social satisfaction, can also suffer from negative aspects like betrayal (Dwyer, Schurr, and Oh, 1987; Johnston and Hausman, 2006).
3. Cultural differences increase the complexity of communication between the interacting parties because: (a) they impede the flow of information and make it harder to receive a quick feedback (Bello and Gilliland, 1997; Leonidou et al., 2006; Nes et al., 2007); (b) they give rise to misunderstandings and cause disagreements in the relationship (Shoham et al., 1997); (c) they reduce the willingness to establish social bonds among the boundary spanners of exporting and importing firms (Griffith and Harvey, 2001); and (d) they aggravate the task of performance evaluation of the foreign partner, due to misinterpretation of performance indicators (Bello and Gilliland, 1997).
4. The rationale for focusing on the third most important customer was because we wanted to put a randomness in the selection process, as well as to achieve variability in our results. The importance of the customers was based on their volume of sales.
5. The pre-testing of the questionnaire took the form of in-depth interviews with each of the five export managers, during which they had the opportunity to expand on various parts of the questionnaire and provide practical examples.

6. Among the four antecedent factors, trust exhibited the strongest impact on betrayal intention. This is in harmony with ideas and observations in the inter-personal (e.g., Fetchenhauer and Dunning, 2010; Jones and Burdette, 1994) and intra-organizational (e.g., Elangovan and Shapiro 1998; Robinson, 1996) literature, where it is stated that trust violation plays a central role in causing betrayal between the interacting parties.

7. Although one would expect an even stronger association between betrayal intention and actual betrayal, we need to take into consideration that: (a) betrayal represents a significant event in a relationship, which, if materialized, may lead to major destructive and irrevocable acts (e.g., dissolution of the relationship) (Elangovan and Shapiro, 1998); and (b) the decision to betray is based on a calculation of the benefits and costs associated with this act, and if, for some reason (e.g., severe losses due to excessive dependence) the costs outweigh the benefits, then the intention to betray may not transform into an actual betrayal (Lewicki, 1983).

8. Notably, the antecedents of betrayal intention examined in this study (e.g., trust, communication, long-term orientation, social bonding), which represent some of the positive aspects of the atmosphere governing inter-firm relationships, are also strongly related between them. In fact, these interrelationships are illustrated in the positive significant correlations among these constructs shown in the correlation matrix. However, the associations between these constructs have been the object of extensive prior research (for a meta-analysis of the behavioral factors in exporter-importer relationships, see Leonidou et al. (2014)), and therefore it is beyond the scope of the current research whose focus is on the drivers and outcomes of betrayal intention in E-I relationships.

9. Notably, if the international business relationship is initiated with the help of network members to whom the exporter is connected, the importer will be more willing to work hard for the exporter and to show a desire to continue the relationship. This is because both the exporter and the importer belong to the same network and the performance of one will depend on that of the other. (Blankenburg-Holm et al., 1996).

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Figure 1: The conceptual model

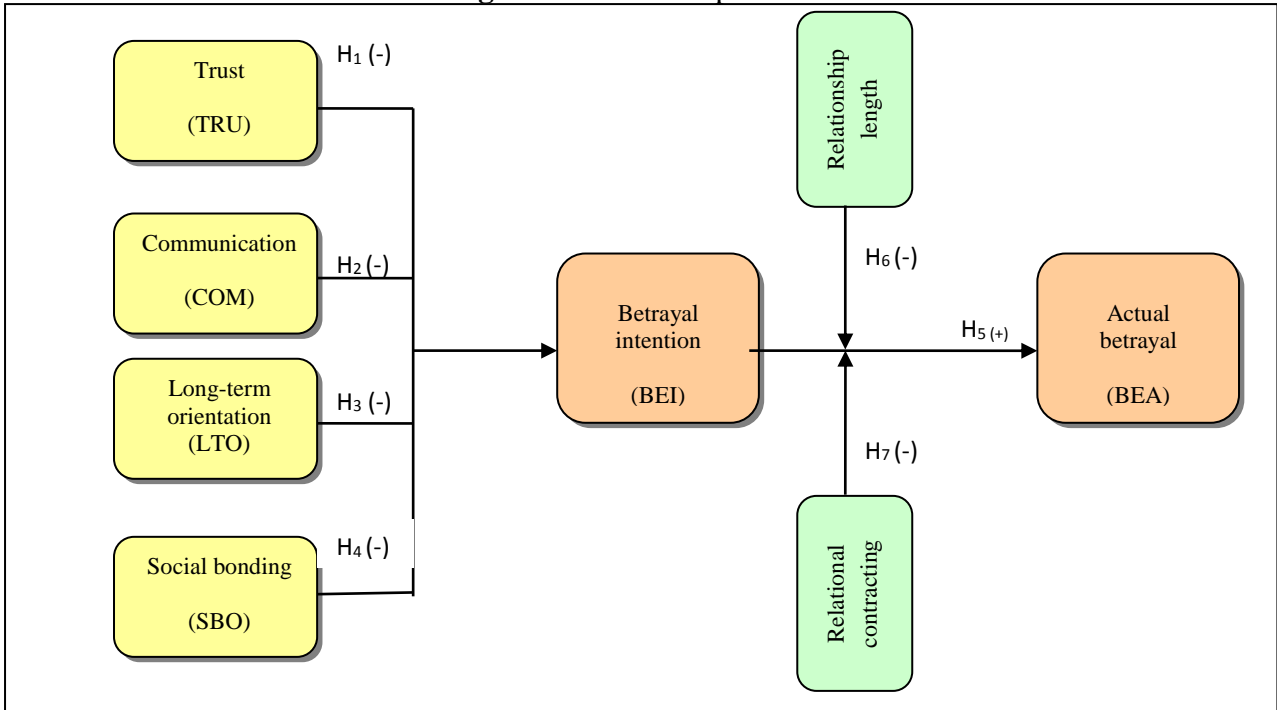


Table 1: Measurement Model and Summary Statistics

Constructs	Scale items	Standardized Loadings	t-value	α	ρ	AVE	Mean score	Standard deviation	Item mean	Standard Deviation
Trust	TRU1	.64	*	.86	.82	.52	5.46	0.98	6.10	1.00
	TRU3	.76	8.89						5.72	1.13
	TRU4	.74	8.69						5.64	1.32
	TRU5	.74	8.71						4.70	1.50
	TRU6	.79	9.16						4.55	1.48
	TRU7	.62	7.51						6.01	1.10
	Communication	COM1	.78	*	.78	.78	.50	5.38	1.09	4.93
COM2		.66	8.09						5.66	1.48
COM3		.70	8.51						5.68	1.55
COM4		.66	8.05						5.48	1.59
COM5		.75	9.28						5.13	1.33
Long-term orientation	LTO1	.78	*	.90	.85	.61	5.58	1.04	5.85	1.21
	LTO2	.84	12.54						5.90	1.15
	LTO3	.81	12.12						5.81	1.22
	LTO4	.68	9.77						4.86	1.39
	LTO5	.73	10.71						5.10	1.41
	LTO6	.82	12.34						5.98	1.17
Social Bonding	SBO1	.75	*	.91	.85	.67	3.62	1.61	3.55	1.92
	SBO2	.84	12.12						4.08	1.93
	SBO3	.90	13.16						3.22	1.85
	SBO4	.88	12.79						3.73	1.84
	SBO5	.71	10.14						3.56	1.86
Betrayal intention	BEI1	.82	*	.91	.85	.67	3.10	1.50	3.14	1.78
	BEI2	.79	12.56						3.63	1.93
	BEI3	.87	14.50						2.73	1.62
	BEI4	.83	13.62						2.76	1.67
	BEI5	.77	12.17						3.20	1.72
Actual betrayal	BEA1	.67	*	.89	.84	.62	2.00	1.12	1.90	1.25
	BEA2	.83	10.30						2.16	1.46
	BEA3	.90	10.93						2.03	1.31
	BEA4	.84	10.34						1.93	1.21
	BEA5	.69	8.80						1.93	1.31

* Fit statistics of Model: $\chi^2 = 1046.31$, $p = .000$, $df = 449$; $NFI = .92$; $NNFI = .95$; $CFI = .95$; $RMSEA = .07$

Table 2: Correlation matrix

Constructs	1.	2.	3.	4.	5.	6.
1. Trust	1					
2. Communication	.52	1				
3. Long-term orientation	.57	.47	1			
4. Social bonding	.43	.26	.40	1		
5. Betrayal intention	-.56	-.50	-.33	-.33	1	
6. Betrayal	-.51	-.57	-.42	-.17	.58	1

Note: Correlations greater than $|\pm 0.16|$ are significant at the .01 level. Correlations greater than $|\pm 0.12|$ are significant at the .05 level.

Table 3: Structural Model Results – Main and moderating effects

Hypothesis	Hypothesized path	Standardized path coefficients	t-value	p-value
H ₁	Trust → Betrayal Intention	-.58	-6.33	.00
H ₂	Communication → Betrayal Intention	-.23	-3.25	.00
H ₃	Long-term Orientation → Betrayal Intention	-.11	-1.65	.10
H ₄	Social bonding → Betrayal Intention	-.12	-1.80	.07
H ₅	Betrayal Intention → Betrayal	.08	2.88	.00

Fit statistics: $\chi^2 = 1333.39$, $p = .000$, $df = 459$; NFI = .90; NNFI = .93; CFI = .94; RMSEA = .09

Table 4: Results of Individual Moderating Effects

Relationship Age				
Main effect	Hypothesized moderating effect	Younger relationships	Older relationships	$\Delta\chi^2$ ($\Delta df=1$)
BEI → BET	H ₆ : Effect is weaker among older than among younger relationships	$\beta = .89$ $t = 8.94^{**}$	$\beta = .75$ $t = 6.12^{**}$	2.86 ($p < .10$)
Relationship Contracting				
Main effect	Hypothesized moderating effect	Relationships without contracts	Relationships with contracts	$\Delta\chi^2$ ($\Delta df=1$)
BEI → BET	H ₇ : Effect is weaker among relationships with contracts than without contracts	$\beta = .80$ $t = 8.33^{**}$	$\beta = .60$ $t = 4.60^{**}$	3.09 ($p < .10$)

* <.05, ** < .01

Appendix: Operationalization of constructs

Constructs	Items	Item description	Source
Trust	TRU1	This importer keeps the promises s/he makes to our firm	Doney and Cannon (1997)
	TRU2	This importer is not always honest with us (R)	
	TRU3	We believe the information that this importer provides us with	
	TRU4	This importer is genuinely concerned that our business succeeds	
	TRU5	When making important decisions, this importer considers our welfare, as well as his/her own	
	TRU6	We trust this importer to keep our best interests in mind	
	TRU7	This importer is trustworthy	
	TRU8	We find it necessary to be cautious with this importer (R)	
Communication	COM1	The relationship with this importer suffers from inadequate communication procedures (R)	Mohr and Nevin (1990); Mohr et al. (1996)
	COM2	There are often communication failures between our company and this importer (R)	
	COM3	This importer often does not inform us early enough about critical problems concerning the relationship (R)	
	COM4	This importer keeps our company informed about tactical/strategic issues concerning the relationship	
	COM5	This importer clearly communicates his/her expectations about our firm's performance	
Long-term orientation	LTO1	We believe that in the long run our relationship with this importer will be profitable	Ganesan (1994)
	LTO2	Maintaining a long-term relationship with this importer is important to us	
	LTO3	We focus on long-term goals in the relationship with this importer	
	LTO4	We are willing to make sacrifices to help this importer from time to time	
	LTO5	We share our long-term goals with this importer	
	LTO6	We would like to develop a long-term relationship with this importer	
Social bonding	SBO1	We often interact with people from this importing firm on a social basis outside work	Mavondo and Rodrigo (2001)
	SBO2	We openly talk like friends with people from this importing firm	
	SBO3	We consider people from this importing firm as being almost as close to us as family	
	SBO4	If we were to change business partners, we would lose a good friend in this importer	
	SBO5	We would consider whether the feelings of people in this importer's organization would be hurt before we made an important decision	
Betrayal intention	BEI1	We think that this importer is ready to cheat on us and replace us by someone else selling similar products	Grégoire and Fisher (2008)
	BEI2	We suspect that this importer might be working with another export supplier of similar goods at the same time	
	BEI3	We think that this importer is ready to tell us lies and be dishonest	
	BEI4	There are instances when we feel that this importer is trying to take advantage of us	
	BEI5	We think this importer would like to establish a relationship with another export supplier of similar goods like the one s/he has with us	
Actual betrayal	BET1	We have frequently caught this importer disclosing confidential information about our relationship to other companies	Coffey et al. (1996), Grégoire and Fisher (2008)
	BET2	Whenever this importer finds an opportunity to do so, s/he is disloyal to us	
	BET3	Our confidence in this importer has been undermined because of him/her attempting to find another exporter of similar goods	
	BET4	This importer has let us down many times with his/her dishonest behavior	
	BET5	We have lost faith in this importer as a result of our experience of the working relationship	
	BET6	This importer has often failed to offer expected assistance in times of great need	

Note: Measurement was based on a 7-point Likert scale, ranging from 1: Strongly disagree to 7: Strongly agree. The sign (R) denotes a reverse scale