

**A Study of Perceived Key Success Factors
among Salmon Importers and Distributors in Shanghai**

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Abstract

This thesis seeks to identify how decision-makers (importers and distributors) in the Norwegian-Chinese salmon trade value chain in Shanghai market perceive the key success factors and their attributes to achieve company's long term goals. An adapted business model is developed to check how these items are interactive. A reversed laddering technique is used with face to face in depth interview to generate the key informants' mental maps. The general impression from the result is that the importers and distributors do not seem to be too far from each others' perception and several factors are suggested to be paid more attention to due to the unique Chinese social environment, such as "guanxi", "low price", and "family support".

Key words: Business model, Key success factors, Mental maps.

1. Introduction

1.1. Objective

This research aims to identify key success factors and the attributes to achieve company's long term goals in the Norwegian-Chinese salmon trade value chain in Shanghai Market.

Previously, there were research papers about the Chinese consumer's behaviour in choosing salmon and purchasing decision behaviour by supermarkets (Wang, 2003; Hansen, 2001). Less attention has been paid to the business behaviour of the main salmon distributors.

However, decision-makers' perceptions and motivations may have great affect on their business performance at the various levels of the value chain. Perception is the process of selecting, organizing, and interpreting information inputs to produce meaning; motivation is an internal energizing force that orients a person's activities toward a goal (Pride and Ferrell, 1989). Since the relationship between managerial cognition and organizational performance has received relatively little attention (Jenkins and Johnson, 1997), this thesis tries to discuss how decision-maker's perception of the key success factors will affect the business performance.

A key success factor is a skill or resource that a business can invest in, which, on the market the business is operating on, explains a major part of the observable differences in perceived value and/or relative costs (Grunert and Ellegaard, 1993). A decision-maker forms his perception of key success factors and motivation for the business goal based on own experience and information received, and are also influenced by social environment over time (Grunert *et al.*, 2005). Decision-maker's perception of success factors may be wrong, due to a number of psychological mechanisms known to cause decision-maker to misattribute causes of success (Barnes, 1984).

The importers and distributors (trading companies, wholesalers, retails etc) are very important decision-makers in the seafood market value chain. When we find ways to measure decision-makers' perceived success factors, we could try to understand how their cognition is formed. A better understanding of these processes may improve managerial decision-making in the long run.

China is by far the largest market area in the world fish market; it is the world's largest fishery nation in terms of total seafood production volume, a position it has maintained continuously since 1990 and it is also becoming the largest fish import country due to the large population (FAO, 2002a). Most Chinese enjoy seafood as good meal and good protein intake, especially in populated coastal regions. With the location in east coastal China-the most developed area and as the biggest city, economy and transportation centre, Shanghai is the most influential and largest distribution centre of seafood. Shanghai has the strong tradition in consuming seafood. The demand for seafood of high quality increased dramatically year by year (Gao and Lou, 2003).

Norway is now the largest salmon producer and exporter country in the world. Its position as the world's largest producer of Atlantic salmon has remained stable in the past ten years. Norwegian farmed salmon was sold to 94 countries, whereas 90% is exported to 19 countries (Grunert *et al.*, 2005).

Norwegian Atlantic salmon has been sold in the Chinese market for over 10 years. The seafood export from Norway to China grows steadily and accounted in 2004 for about 44% of the total European export of seafood to China, totally about 870 million NOK in 2004 (NSEC, 2005). How the Norwegian salmon penetrate Shanghai market and grows steadily makes me curious to write this thesis.

1.2. Research questions

Three Research questions were formulated in order to capture the overall purpose of the thesis:

- What are the long term goals for the companies to conduct their business?
- How do the managers perceive the key success factors to accomplish these goals?
- What forces affect managers to formulate these key success factors?

A firm's organizational goals can be classified into economic goal and non-economic goal. These goals will guide manager's planning when conducting business practice. A successful company, however, may want to sacrifice this year's profits and at the same time pursuing good reputation in customers for the long run. Salmon with high quality and high nutrition is now being accepted by more and more Chinese consumers. However, as still a luxury commodity, the companies may need to maintain good reputation as their first long term goal for future profit. Another generally accepted knowledge is that low cost is a major key success factor for managers to attain superior competitive performance in Chinese seafood market (Trondsen, 2004). And it is the reason to believe that low cost could still be the dominant success factor in Norwegian-Chinese salmon trade. At the same time, different companies with different business resources and business practices may generate different success factors to attain their long term goals. By comparing these driving forces, companies could get a better understanding of which resources or skills they should pay more attention to. Meanwhile, the social environment and a unique Chinese culture may also have impact on forming managers' perception of the key success factors.

In all, by understanding decision-makers' perceptions of key success factors, Norwegian Exporters and Chinese Importers could have useful guidelines for competence development in the seafood distribution market and therefore better

structure their value chains, specialize in a particular role and balance the relational characteristics between members and finally deliver better value for general consumers.

1.3. Limitations

In all research, there are some limitations. This thesis is subject to several limitations, and various issues need further research. First, it should be pointed out that there's only limited number of key informants interviewed. If there were more respondents, results might show differences from the records observed in this study. Second, the study is qualitative and exploratory in its design, which limits its generalization with regard to substantive results and the methodology developed. However, since the key informants were all actual participants in the Norwegian-Chinese salmon trade in Shanghai markets and they are reasonably diverse, the external validity of the study was not improperly endangered. By including several methods of data analysis, serious misinterpretations can be avoided.

1.4. Outline of the thesis

We begin the thesis by briefly reviewing the literature on business model, especially combined with the managerial cognition and then we discuss an adapted business model with several concepts. Chapter 3 presents the methodology part and shows the readers how the research is designed. General market overview in Chapter 4 gives readers the overall background information. Chapter 5 shows the derivation of the managers' mental maps and some results. Discussion is in Chapter 6. Chapter 7 gives some conclusion and implications.

2. Theory approach

2.1. The business model literature review

The notion of a business model is frequently used in the marketing literature, but remains more or less under-conceptualized (Amit and Zott, 2001; Magretta, 2002; in Tikkanen *et al.*, 2005). Venkatraman and Henderson(1998) claimed that business model “is a coordinated plan to design strategy along the customer interaction, asset configuration and knowledge leverage vectors”; Amit and Zott(2001) considered business model “depicts the content, structure and governance of transactions designed to create value through the exploitations of business opportunities”; Winter and Szulanski (2001) included dynamism in their analysis by saying that business model “is typically a complex set of interdependent routines that is discovered, adjusted, and fine-tuned by doing”.

These concepts mostly deal with the tangible aspects of a business model, such as information and communication technologies, or value creation and economic logic. Tikkanen *et al.*, (2005) give an evolutionary view by proposing that business model of a firm “is a system manifested in the components and related material and cognitive aspects”. This definition gives light on the suggestion that a business model is the outcome of the interrelationships between managerial cognition, action and the material components of the business model of the firm (Figure 1).

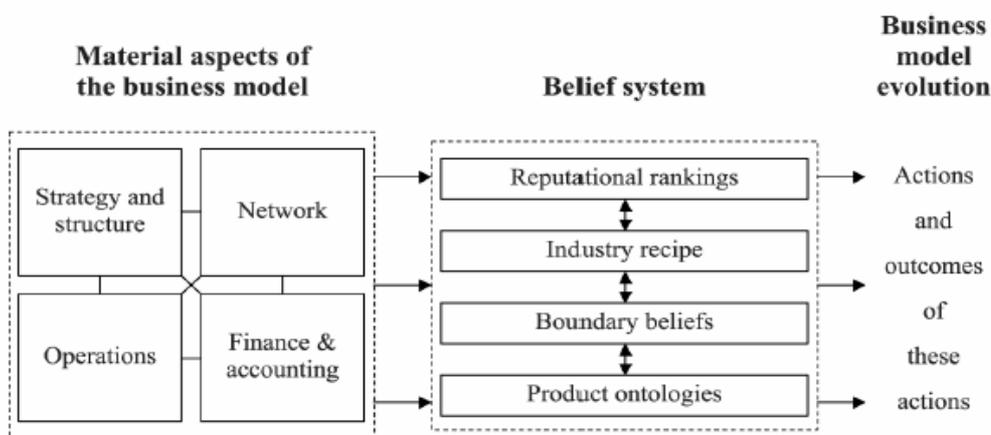


Figure 1. The business model of a firm (Tikkanen *et al.*, 2005)

The material aspects of a firm's business model include:

- Company's strategy and structure,
- Company's network of relationships,
- Operations embodied in the company's business processes and resource base,
- Finance and accounting concepts of the company.

Each company has its own strategy to give direction to the development of the company's business model. The strategy process involves both rational actors represented by the top management of the company and autonomous actors who are at all levels of the organization, especially among middle management. In most cases, a company's strategy is more or less reflecting, for instance, the culture, structure and operations in the organization. And the effects of strategies, processes and the environment on the organizational structures are vital to find the link with organizational performance (Ketchen *et al.*, 1996).

Business network can be divided into four categories. *Customer relationship portfolio* is a major source of revenues and knowledge that facilitates an understanding of customer value creation and thus the development of offerings (Anderson and Narus, 1999). *Supplier relationship portfolio* is implemented through a supply chain management process that incorporates the acquisition of all tangible and intangible inputs as well as the efficiency and effectiveness with which they are transformed into customer solutions (Srivastava *et al.*, 1999). *Product development network* is the key sub-processes of product development management which includes ascertaining customer needs and value creation, offering development and testing, identifying and managing internal relationships and developing and maintaining linkages with external co-operators (Tikkanen *et al.*, 2005). *Extra-business relationship* has been identified in most literature as at least relationships to competitors, relationships to debtors and equity-holders, and mega relationships as crucial to any company's operations (Achrol and Kotler, 1999; Gummesson, 1999; Gronroos, 1994).

Operations indicates the organizational processes which include, for example, order fulfillment, product development, marketing and selling, customer service, network creation and operations, procurement, facilities, systems, finance, human resources, regulation, and governance (Stoddard *et al.*, 1996). Processes are the means based on the company's resource and capability through which companies are able to realize their core competencies.

Finance and accounting includes capital budgeting which has forced companies to reconsider the requirements of equity capital investors in various decision-making contexts, including the profitability of the capital budgeting projects, the profitability of customer segments or even individual customers, or product development and pricing decisions. Meanwhile, management accounting is needed to provide information to managers inside the company.

The definition from Tikkanen *et al.*, (2005) recognizes the cognitive and evolutionary aspects of a business model, indicates that the role of individual and organizational meanings and meaning structures is crucial in the structure process of a business model. Following Porac *et al.*, (2002) four-level belief hierarchy, Tikkanen *et al.*, (2005) give the framework which identifies four conceptual levels of managerial cognition related to the material aspects of the business model of the firm.

Reputational ranking refers to how organizations socially evaluate competition and their competitors against their own performance. *Industry recipes* are beliefs related to the logic of the economic, competitive and institutional environment and their effects on the focal firm (Spender, 1990). *Boundary beliefs* refer to social constructions that identify a focal firm with a certain interorganizational community (Porac *et al.*, 2002). *Product ontologies* are cognitive representations that link, for instance, product or service attributes, usage conditions, and buyer characteristics into a definition of an offering that is hoped to become superior on the target market (Porac *et al.*, 2002).

Cognition is both an individual and an organizational-level process (Hill and Levenhagen, 1995; Walsh, 1995). In behavioral organization theory, cognitions act as a filter between the actors' understands of the inter-organizational environments and the intra-organizational context (March and Simon, 1963). Managers of high-performing businesses always hold cognitions which integrate the concepts of actions, customers and performance measures (Jenkins and Johnson, 1997). This can be interpreted that managerial cognition together with material aspects of business model has direct impact on business performance. Since consciousness is limited, if an individual is preoccupied with something because of his previous learning of beliefs, values, priorities, goals and habits, other parts of reality become unattended to, invisible or incomprehensible. This is why the managers with different backgrounds interpret, encode, store, and retrieve information appropriate to various decisions (Lord and Foti, 1986). Tyler and Gnyawali (2001) claims that cognitive maps can provide valuable insights regarding how managers view the causal logic flowing among concepts, the strength of association between concepts, and the centrality of concepts. Thus, cognitive maps indicate which concepts are believed to influence other concepts, the strength of this association, and which concepts are central or core in managers' minds.

2.2. An adapted business model

Based on the business model literature review, an adapted business model is developed to fit this thesis work (Figure 2). It is important to note that the model shows how a manager perceives the key success factors to attain the company's goals during his mental cognitive process, not the perception that others have of the firm or the perception that managers have of other firms.

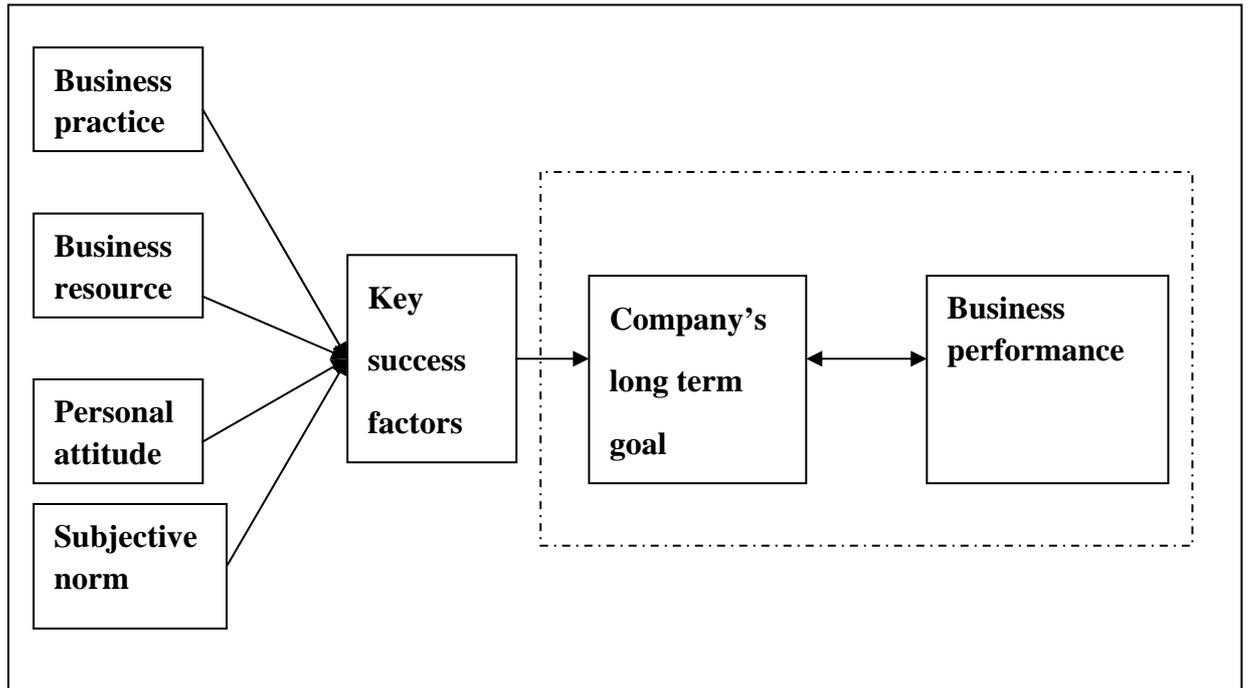


Figure 2. An adapted business model

2.2.1. Company's long term goal and business performance

Manager's behaviour is directly linked with their company's long term goals, as such goals will guide manager's planning when conducting business. A company's overall goal may focus on one business activity or on the other hand, some companies have more optimistic goals. These goals can either be economic or non-economic goals. Economic goals can be measured by financial analysis such as profit margin, asset turnover, market share etc. Non-economic goals can be customer intimacy, brand champions, reputations in the public etc. Although these measures do not have a mathematically precise relationship with creating shareholder value, as do the financial measures, they may be leading indicators of what the financial measures will subsequently reveal (Slater *et al.*, 1997).

Business performance is the operational margins for the company's stakeholders based on perceived values for the users and/or relative costs (Porter, 1980). It is the real situation reflecting what degree a company has approached the long term goal.

Manager is always evaluating the business performance against the long term goal time by time. Measuring distance between the real performance and the original intention will influence managerial cognition to adjust manager's action: if there's big gap, he will try to reduce the aspiration gaps. Based on Kaplan and Norton's (1993) "Balanced Scorecard", Slater *et al.*, (1997) claimed the four different perspectives on performance are the most popular among managers. They are:

- Financial perspective,
- Customer perspective,
- Internal perspective,
- Innovation perspective.

As related to the classification of long term goal discussed above, financial perspective and customer perspective are paid more attention to in this thesis. Financial perspective is concerned with identifying the key financial drivers in creating shareholder wealth. Shareholder wealth is created when the business earns a rate of return on invest capital that exceeds its cost of capital. Customer perspective encompasses corporate or brand awareness and image, customer satisfaction, customer retention and customer profitability.

2.2.2. The concept of key success factor

A key success factor is a skill or resource that a business can invest in, which, on the market the business is operating on, explains a major part of the observable differences in perceived value and/or relative costs (Grunert and Ellegaard, 1993).

Key success factors support the attainment of company's long goals. Goals represent the end points that a company hopes to reach. And good performance is the reflection area of key success factors, which are necessary to ensure attainment of these goals.

Key success factors was first recognized by Rockart (1979, pp.85) as "critical success factors" (CSF) meaning "the limited number of areas in which results, if they are satisfactory, will ensure successful competitive performance for the organization". He

indicated that CSF is a useful approach for identifying management's information requirements because it can focus attention on areas where "things must go right".

Based on Rockart's theory, Grunert *et al.*, (1993) give the term on "key success factor", which implies the following characteristics:

- A key success factor implies a causal relationship between a skill/resource and perceived value and/or relative cost. It expresses a relationship between the competitive advantage a business enjoys in a market, in terms of perceived value and relative costs, and the causes of that competitive advantage, in terms of certain skills and resources;
- Since a key success factor is a skill or resource of the business, it is always actionable;
- Key success factors are market-specific, but they transcend strategic groups in a market;
- Key success factors are small in number. By definition, only a small number of factors can explain "a major part" of the variance in perceived value and/or relative cost. This implies that there may be markets where there are no key success factors, but only many small contributors to success.

Key success factors are hence regarded as those skills and resources which have the highest leverage on value and costs. Based on different companies' long term goals, managers may perceive different key success factors to reach these goals. Indirectly business performance can therefore be related to how the managers are satisfied with regard to these key success factors, which can be regarded as the actual determinants of differences in performance. Then it will depend on the perceptions of the decision-makers of the perceived determinants of differences in performance, but also of the perceived skills and resources in the business. It is possible, for example, that decision-makers believe certain skills and resources to be key success factors, because they were actually key success factors earlier, even though now, because of changed market conditions, these are not any longer success factors (Trondsen, 2004).

2.2.3. Key success factors attributes

The concept of key success factor is clearly inspired by the optimum match between environmental conditions and company characteristics. The surrounding environment is assumed to possess certain fundamental requirements and limitations, threats, and opportunities to which companies must align their strategy, skills and resources, to achieve success (Grunert *et al.*, 1998). According to the adapted business model, four key success factors attributes will be discussed in this thesis.

Business practice is the function of managerial cognition and reflects how managers perceive the key success factors. Business practice is developing over time based on manager's learning from consequences of actions relative to satisfaction gap between company's long term goal and performance (Simon, 1976). It is also the correspondence action to the changing of the company's moving direction.

Business resource is any tangible or intangible entity available to the firm that enable it to produce efficiently and/or effectively a market offering that has value for some market segment (Hunt and Morgan, 1995). They are factors necessary for managers to put their cognition and aspiration into practice. These variable factors are viewed as "controllable" variables because actually they can be changed. However, there are limits to how much these variables can be altered. They are also affected in many ways by the whole value chain variables.

Personal attitude is linked with a given situation. It is influenced by the individual's past and present learning (Trondsen, 2004). The manager will choose a behaviour that will lead to the attainment of desired goals in accordance with his perceptions and beliefs.

Subjective norm is influenced both by prior and present learning in the social network where the individuals are tied up (Trondsen, 2004). Managers' subjective norm is influenced by beliefs about others seeing the performing of the behaviour as positive

or negative, and the motivation to meet the exceptions of relevant others. This will also affect different managers' perceptions of key success factors.

2.3. Summary of the chapter

In this chapter, business models literature is briefly reviewed with the managerial cognition aspect. An adapted business model is then developed. Several concepts in the adapted model are discussed.

3. Methodology

3.1. Research design

Causal research is kind of causal relationship between cause and result; it can be conducted by controlling various factors to test which factor may be the cause of the problem. Descriptive research is much more in details to describe marketing variables by answering who, what, why and how questions according to a set of methods and procedures. Exploratory research is most commonly unstructured, informal research comparing to the above two research designs. Exploratory research design is used in this thesis to gain more background information about the general nature of the research problems. Its aim is to gain additional information about the Norwegian-Chinese salmon trade in Shanghai market and generate possible hypotheses of what are the important success factors. Exploratory research is systematic, but it is very flexible in that it allows the researchers to investigate whatever sources they desire and to the extent they feel is necessary in order to gain a good feel for the problem at hand (Burns and Bush, 1999).

Due to time limitation, it is difficult to use quantitative research for this thesis, as quantitative research involves the use of structured questions where the response options have been predetermined and a large number of respondents are involved. Qualitative research which involves collecting, analyzing, and interpreting data by observing what people do and say is preferred in this thesis for its more convenience and accuracy. As I was going to conduct some face to face in depth interviews, qualitative research allowed me to have more time to listen and observe the key informants. After using this “soft” approach, qualitative data then can be quantified after a translation process has taken place.

A questionnaire was developed based on the adapted business model. The questionnaire was semi-structured, consisting of open-ended questions and some closed questions. The questionnaire took the key informants through a set of questions

dealing with factors assumed to be the important factors in conducting their business in Shanghai market. The interviews were face to face interviews; each interview lasted around 40 minutes. The sales and marketing managers were mainly selected as key informants in these interviews, since these are the people who execute the day and day business decisions and these people are the very important decision-makers. The informants were requested to answer several questions about their perception of the salmon market, the aims and intentions their business was founded on, what they were doing to realize the aims and how satisfied they were with the results compared to their own intentions. For all capabilities, they were also asked to classify the importance based on a three-point Likert scale as “very important”, “important” or “less important”. For each capability, they were asked to give a priority of what is the most important as the input for the MecAnalysis.

3.2. Data collection

Before conducting the interviews, there were secondary data collected in periodicals, government, publications, and unpublished materials. These data were used to get a rough impression of what I was going to do. Especially, a literature review of the publications on fish marketing was carried out, giving me knowledge about some success factors and contributors at the level of the industry. Naturally, not all factors will be relevant for all companies, but taken together, these factors will represent what the fish industry as a whole has to be able to respond to.

The interviews were conducted in July and August, 2005 in Shanghai, China. With the help of the Norwegian Export Council (Beijing office), Shanghai Fisheries Trade Association, and Shanghai Fisheries University, a list of the main salmon distributors was compiled. The list helped me a lot to save time in selecting the key informants.

The potential informants were personally approached by fax and e-mail with a general introduction of the research. The letter emphasized that the study was done in order to fulfil a Master thesis and did not serve any commercial interest. The anonymity of the

companies, the decision-makers and their contributions was guaranteed. In the letters, an interview appointment was proposed and stated that we would follow up by e-mail or telephone. However, many companies excused themselves for lack of time to participate in the research. Finally, eight companies were involved in this thesis. They include:

- Three Norwegian seafood companies in Shanghai (Number 1, 2, 3),
- Three Chinese aquatic product wholesalers in Shanghai (Number 4, 5, 6),
- One seafood retailer and one Japanese buffet restaurant (Number 7, 8).

The Norwegian companies in Shanghai are believed to be large players in salmon trading, which occupy large market share. The Chinese wholesalers in Shanghai are mostly these Norwegian companies' customers who are also doing well in their salmon trade and willing to expand their salmon business. Retailers are chosen directly from the wholesalers' customers. Then, these companies are connected with each other and form a salmon value chain in Shanghai market. A clear description showing each company's profile is presented in Table 1.

Table 1. Description of companies' profiles

| Number | Position in Value chain | Function | Business reference | Interviewer |
|---------------|--------------------------------|--------------------------|--|--------------------|
| 1 | Agent/Importer | Distributor | Norwegian company Shanghai representative(one of the main distributor to Auchan and Metro) | Sales manager |
| 2 | Agent/Importer | Distributor | Norwegian company Shanghai representative | Manager |
| 3 | Agent/Importer | Distributor /Processor | Norwegian company Shanghai branch | Sales manager |
| 4 | Wholesaler | Distributor | Shanghai seafood company | General manager |
| 5 | Wholesaler | Distributor | Shanghai seafood company (one of the main distributor to Carrefour) | Manager |
| 6 | Wholesaler | Distributor | Shanghai aquatic company | Manager |
| 7 | Retailer | Selling to end consumers | Individual retailer | General manager |
| 8 | Retailer | Selling to end consumers | Japanese buffet restaurant | General manager |

Number 1, 2, 3 are Norwegian companies' local branches in Shanghai. These managers are Chinese who have the average age around 35. They are well-educated and also have abroad study experience. They know the mechanism of foreign companies and also have the knowledge of Chinese seafood market situation. Mostly, they are main salmon distributors to the local big supermarkets. N1 and N2 don't handle business directly; we can refer them as the agents for the head companies. Though it looks that they perform even fewer functions than a normal wholesaler, they are usually specialists in particular products or types of customers and can provide valuable sales expertise. They know their markets well and often form long-lasting relations with their customers. N3 is relatively large company which is also in the processing business. Besides wholesaling fresh salmon, they do processing like smoking salmon.

Number 4, 5, 6 are Chinese aquatic product wholesalers in Shanghai. These managers usually have big share of the company and they have the average age around 40. They have long experience in Shanghai seafood trade, know better which type of fish is profitable, and especially have good understanding of the local customer's preferences. They perform actively marketing activities, such as transportation, storage, and information gathering. They also provide marketing activities for organizations upstream or downstream in the seafood marketing channels.

Number 7 is one seafood retailer and number 8 is a Japanese buffet restaurant. The retailers are the customers from the Chinese wholesalers who sell the salmon to end consumers. They are the important bridge connecting wholesalers with consumers, which they move products from wholesalers to a location accessible to consumers and make inventories or product stocks available when consumers want them. They are also the most sensitive people who know the trend of the seafood market, as they are having direct contact with the consumers. In China, salmon retailers are dominated by the supermarket chains and there was previous research done about this part (Wang, 2003). To avoid repetition and to have a more deep study in other aspects, in this

thesis, retailer is selected representatively a person who sells the salmon directly to the consumers and one restaurant which mainly serves Japanese buffet using the fresh salmon as raw material, such as sushi and sashimi.

For business confidential reason, the trade amount of each company is hard to get. Few companies share import quantities from their own records. However, these key informants are believed to occupy the big share of the salmon market. Their opinions are quite important information.

3.3. Operationalization of the questionnaire

The questionnaire was designed broadly to catch as much information as possible related to the thesis objectives. The questionnaire was therefore developed based on the adapted business model. I wanted to interview the managers about their perceptions of the salmon market, the aims and intentions their businesses were founded on, what they were doing to realize their aims and how satisfied they were with the performances compared to the aims. I asked the managers several questions about the importance of his aims and different business operating capabilities. For all capabilities, he was asked to classify the importance as very important, important or less important. For each capability, they were also asked to give a priority of ranking what is most important as the input for the MecAnalysis.

The questionnaire consisted of seven categories:

- 1) About the company's strategic long term intentions and goals
- 2) About how managers are satisfied with the business performances so far compared to these long term intentions and goals
- 3) About what success factors managers think are the most important to reach the company's goals
- 4) About what business practices are important to produce the key success factors
- 5) About what business resources in the control are important for carrying out the business practice and strategy

- 6) About what are the manager's personal attitudes and motivations for working toward the company' goal
- 7) About what subjective norms are important to reach the company's long term goals.

The complete questionnaire is attached to the thesis in Appendix I.

3.4. Data analysis

3.4.1. The laddering technique

The research includes the decision-makers' perceptions on how various factors in their business environment determine the success of a company. These perceptions have been formed based on decision-makers' own experiences, and the information and experiences they shared with their immediate professional surroundings (Grunert *et al.*, 2005). All this information is embedded in and becomes part of decision-makers' cognitive structures. It is important to capture the part of the decision-makers' cognitive structures which refer to causal relationships between all the contributory factors related to the key success factors with company' goal and business performance.

Laddering technique has previously been used to structure interviews and uncover mental maps of both consumers and managers (Grunert, 1995; Fiol and Huff, 1992). This method has the advantage of inducing decision-makers to reflect and reason on attributes-consequences-values relationships. To identify of the connections between attributes, consequences and values, respondents are asked to trace the network of associations in the means-end chain by answering repeatedly a simple question: "Why do you think this attribute (or consequence/value) is important?" The researcher, by this sequence of in-depth probes, thus identifies one or more ladders for each decision-maker by revealing what are the important factors to attribute the consequences and values.

A “reverse laddering” (Harmsen and Jensen, 2004) technique has been used in this thesis, as I have used not ‘why,’ but ‘how’ and ‘what’ questions. My specific point of departure for the interview is: “What it takes to have success in your business?” Answers were recorded, and for each answer a second round of questions was asked inquiring about relevant business activities or competencies necessary for achieving the previously mentioned reasons for success. This procedure was repeated in several layers until a comprehensive tree mapping the respondents’ subjective causal structure impacting business success had been achieved.

Application of the laddering method thus allows to identify the network of connections, which drives decision-makers’ perceptions of key success factors. The links which decision-makers consider personally significant can be addressed in detail. Also in the light of different demographic and socio-economic characteristics or of any other features that may be relevant to the identification of different motivational drives for specific market segments. MecAnalyst software is used with the laddering technique to generate the mental maps of the decision-makers.

3.4.2. Face to face in depth interview

Face to face in depth interviews were also carried out to obtain unrestricted comments or opinions and to ask questions that helped me to better understand the various dimensions of these opinions as well as the reasons for them. The managers were encouraged to respond in their own words, and I was trying to ask probing questions such as “Why is that so?” “Can you elaborate on your point?” or “Would you give me some specific reasons?” This kind of interview allows me to get direct feedback from the respondents.

3.4.3. Other basic data analysis method

Since MecAnalyst system only chooses the most important item as indicators, some relevant information may be lost. Descriptive analysis is then used, as this tool can help me to generate supplemental results to get more precise information.

3.5. Reliability and validity

Following the suggestion of Bryman and Bell (2003), reliability and validity are adapted to fit this qualitative research. For external reliability, this study can be replicated among other decision-makers both in Shanghai and other regions in China. For internal reliability, face to face in depth interview gives observer enough space to understand what the key informants are saying. For internal validity, questionnaire is developed from the adapted business model which makes a good match between researcher's observations and theoretical ideas. For external validity, common factors can be generalized to similar companies in the same region.

3.6. Summary of the chapter

This chapter describes how exploratory research is designed, how primary and secondary data are collected, how key informants are selected, how questionnaire is developed, and what methods are used to analyze the data.

4. General market overview

China's economy has grown at rates that are among the highest of any major country in the 20th century. It has been in a long, gradual transition from rigid central planning toward a more decentralized, market-based economy since initiating economic reforms in 1978. With its accession to the World Trade Organization in 2001, China is playing an increasingly important role in world commerce. Foreign investors from around the world have been attracted to its booming economy.

As the largest city in China, Shanghai has the absolutely leading status in the center of technique, trade, finance, information and culture. In addition, the city government creates a favorable competitive environment for enterprises in accordance with market mechanism and operational scale of enterprises, giving opportunities for all those enterprises adhering to state laws, regulations and policies, which are necessary to continue making Shanghai into a successful international market. With the dynamic economy growth and smooth business atmosphere, Shanghai has attracted the eyes from all over the world.

4.1. The Chinese fishery market

China is by far the largest market area in the world fish trade; it is the world's largest fishery nation in terms of total seafood production volume, a position it has maintained continuously since 1990 and it is also becoming the largest fish import country due to the large population (FAO, 2002a).

The Chinese are famous for the rich culinary tradition and gastronomic desires. There is an old saying "food is the people's heaven" indicating people pay enormous attention to what they eat. China has long history of consuming seafood and rich culture in the traditional diets of fish. Since fish has the same pronunciation with the other word "surplus", eating fish usually means bringing good luck and more money. At the same time, most Chinese enjoy seafood as good meal and good protein intake,

especially in populated coastal regions. Statistics from the China and Ministry of Agriculture (2005) have showed that the per capita consumption of seafood has grown from 9.3 kg in 1996 to 14.8 kg in 2003.

The reform and open door policy has been effective in China for more than 25 years, and China is now a market economy instead of a planned economy that was the case two decades ago. Following China's reform process and opening to the outside world, imported seafood has been gradually introduced to consumers in mainland China. At first, foreign seafood was transferred via boat from Hong Kong. Although this was an illegal practice because the items were not cleared through Chinese Customs, the seafood still successfully pushed into Chinese mainland market. In late 1996, the Agriculture Department of China approved a policy that permitted its affiliated companies to acquire tariff-free quotas for the importation of seafood which proved to be attractive to marketers involved with international trade. However, these large state-run companies just sold their quotas and did not directly involve themselves with the deals. In the end, the policy did not last for very long and was suspended in 1999.

After China's entry into the WTO, Chinese markets are much better connected with international markets, and it is more convenient for foreign company's investment, goods and services to enter Chinese markets. The official tariff rate is 35% for lobsters, 30% for other live products and 10% for raw materials. In addition, there's also another 13% as an increment tax imposed by the government (Liu, 2001).

The main effect of China's entry into the WTO is the reduction of tariff barriers and non-tariff barriers in trade, saving the cost for fish sales in Chinese markets.

4.2. Norwegian-Chinese salmon trade overview

Since 1990s, the farmed salmon has conclusively attained an extremely strong position in the world market for fish products. By successful production strategy and significant marketing efforts, the market share of Atlantic salmon in the world salmon market has grown considerably. Recent development also shows that the global

demand for farmed fish has increased significantly. Farmed salmon can compete with considerable success with meat and fowl production (Abbors, 2000).

Norway is now the largest salmon producer and exporter in the world. Its position as the world's largest producer of Atlantic salmon has remained stable in the past ten years. Norwegian farmed salmon was sold to 94 countries, whereas 90% is exported to 19 countries (Trondsen, 2004).

Due to globalization, no country or economic corporations can for instance neglect the conditions of Chinese consumers that are involved in international markets. (Lindkvist and Wang, 2005) Norwegian Atlantic salmon has been sold in the Chinese market for over 10 years. The seafood export from Norway to China grows steadily and accounted in 2004 for about 44% of the total European export of seafood to China, totally about 870 million NOK in 2004 (NSEC, 2005). Figure 3 shows that the Norwegian export consists mainly of two species, mackerel and salmon. Mackerel is mainly processed in China and re-exported to Japan, while salmon goes into Chinese consumption.

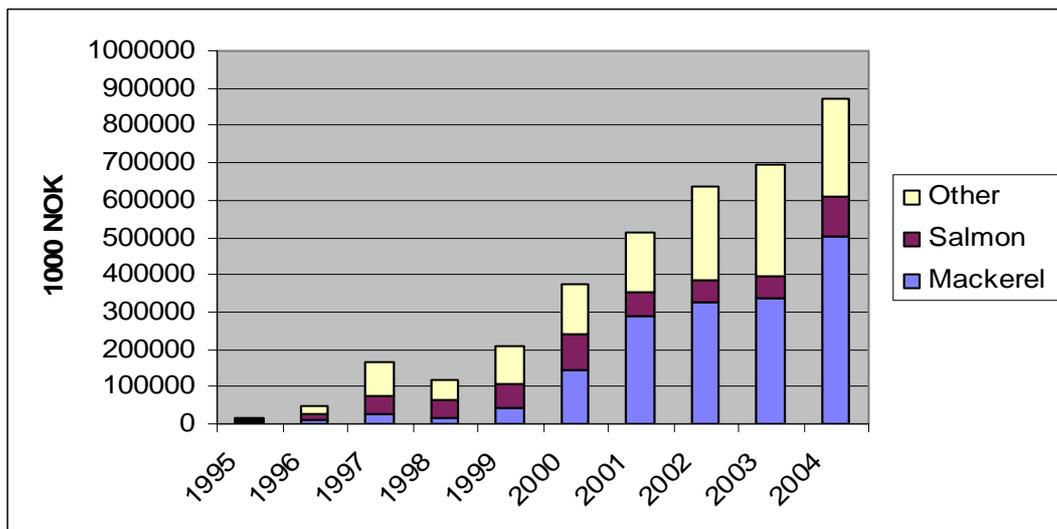


Figure 3. Norwegian export of seafood to China (Source: NSEC 2005, SSB)

According to the statistic data from Norwegian Seafood Export Council, Norwegian salmon exports to China are less than 1% of salmon production and the total export value to Chinese markets is small. Despite this small volume of export to Chinese markets, Norwegian salmon still accounts for 95% of all salmon import in Chinese markets (Wang, 2005). Additionally, fish producers and forwarding agents as well as transport suppliers create good options to transport salmon to China at lower cost. These measures can be seen as the reason for keeping salmon sales prices lower and more reasonable in Chinese markets than in the past and enables ordinary people to buy and eat salmon. The salmon retail price at big super-markets in China is no longer more expensive than some Chinese species of fresh water fish or seafood any more.

4.3. Selection of the market

With the location in east coastal China- the most developed area and as the biggest city, economy and transportation centre, Shanghai is the most influential and largest distribution centre of seafood. There are more than 17 million Chinese people living in Shanghai excluding foreign inhabitants. As an important consumer market of seafood, the local fisheries productions of Shanghai couldn't meet demands of its people. According to the study of Gao and Lou (2003), about 60% of aquatic products consumed by Shanghai citizens come from other domestic producing area and international fishery markets.

The Shanghai people's annual per capita income has increased a lot and the workers typically receive various subsidies and bonuses to supplement their income, which gives them greater spending power. Shanghai has the strong tradition in consuming seafood. Figure 4 shows that the demand for aquaculture products increased dramatically year by year (Xie, 2005).

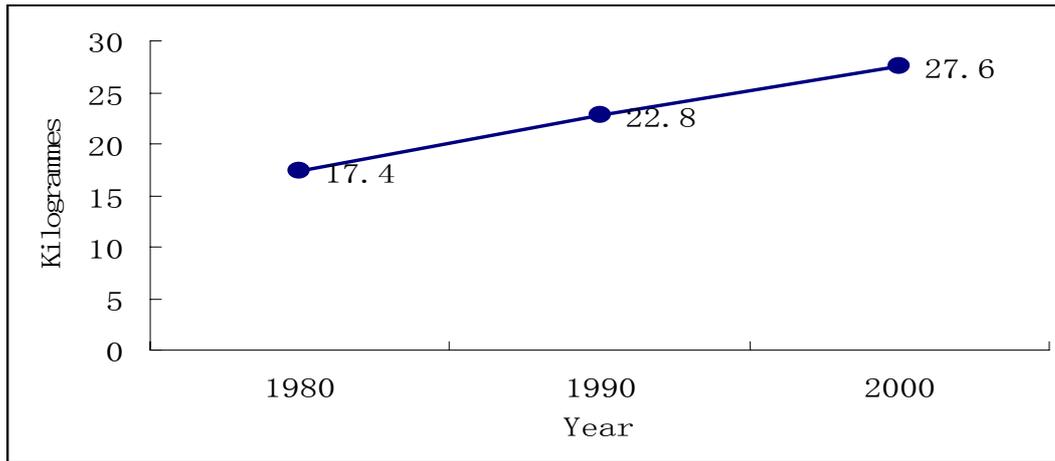


Figure 4. The consumption of aquaculture products in Shanghai (per capita)

The average household in Shanghai is comprised of 2.8 members. With rising incomes and fewer family members to prepare meals for, Shanghai people are indulging themselves by dining out more often. Shanghai people have long time been influenced by western culture and eating salmon such kind of seafood becomes stylish. There was a survey undertaken in Shanghai in June and July of 2001 about consumer behaviour and knowledge of imported salmon. (Zhang, 2002) The result showed that the majority of consumers ate salmon at restaurants, although there was a growing trend for home consumption.

Meanwhile, these consumers are rather particular about their food and are also very concerned about “face-saving” while entertaining guests. This also reflects a unique Chinese culture, as offering luxury foods shows the identity of one person and nowadays salmon can represent this identity. In addition, after SARS virus and the Asian bird flue epidemic, people become to care about more health and pay more attention to seafood eating.

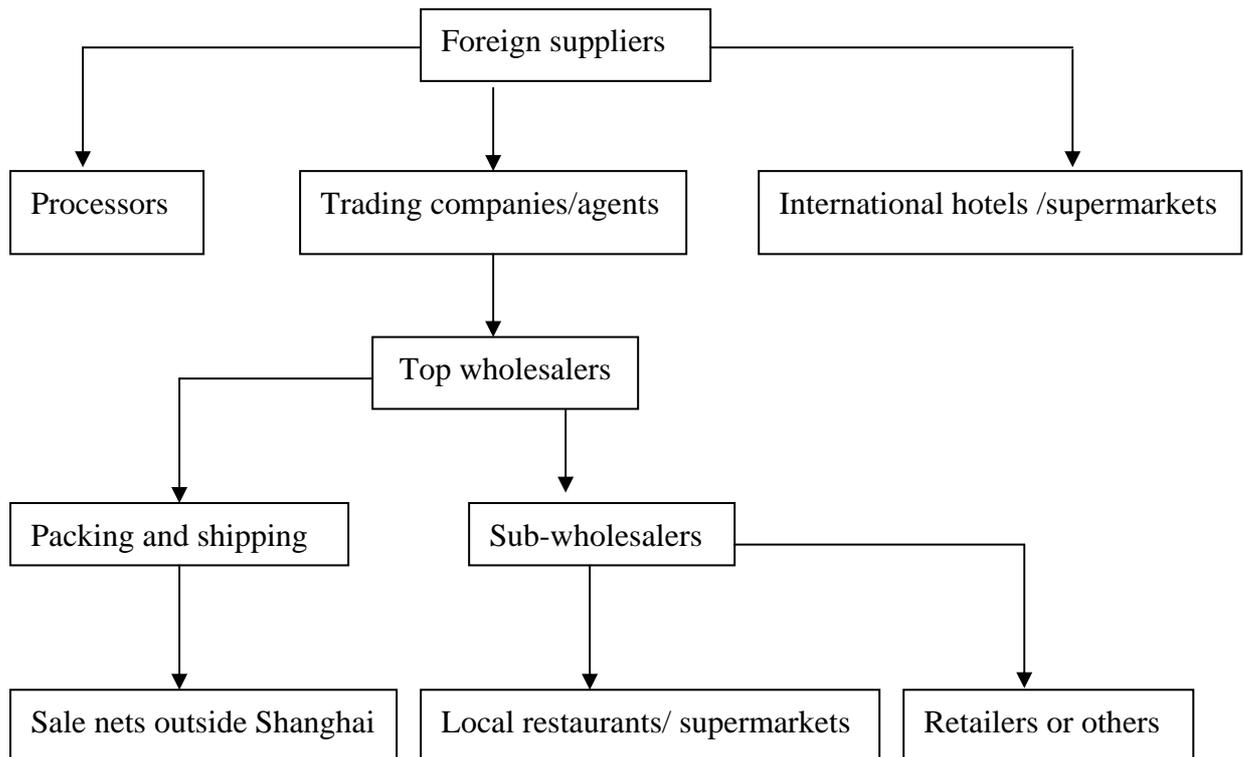


Figure 5. Seafood distribution system in Shanghai (Liu, 2001)

The main countries exported seafood to China through Shanghai Custom are Peru, Russia, America and Norway (Gao and Lou, 2003). Figure 5 shows the sales flow chart for typical seafood transactions in Shanghai market. Usually, when the aquatic products from foreign suppliers arrive in Shanghai, they will be distributed to some processors or trading companies. Then, the seafood imported through trading company will be distributed to authorized wholesalers. These top wholesalers will first distribute the products to sub-wholesalers to meet the local demand, then to these sale nets outside Shanghai. Sub-wholesalers will distribute the products to local restaurants or supermarkets and some other retailers. At present, there are more than 20 aquatic products wholesale markets in Shanghai, two are large state-owned wholesale markets which are playing important roles in the circulation market of aquatic products, and the rest are small scales and private companies or other collective and individual ownerships. In addition, it should also be noted that some international hotels and supermarkets have their own “global resource” system and can directly import aquatic products from abroad.

5. Result

There are five Norwegian seafood exports and the Norwegian Seafood Export Council located in mainland China (excluding Hongkong, Taiwan and Macao) (Gard, 2005). Four of the five companies (two in Beijing and two in Shanghai) are operating representative offices with Chinese employees working to promote and trade salmon from the Norwegian company. These subsidiaries collect information and functioned as a bridge for the Norwegian headquarters and the Chinese market. The fifth company was established the fall 2001 as a joint venture production and distribution facility in the outskirts of Shanghai with a floor capacity to employ over 200 workers. While the four representative offices mainly focused on establishing good relations, sales and promotion of salmon, the fifth company imported and processed seafood from Norway as well as other countries, and distributed it to Chinese wholesalers (seafood markets), retailers (hotels, restaurants, supermarkets etc) and the global seafood market. The main responsibility of the Norwegian Seafood Export Council is to actively conduct the generic campaigns.

The main marketing channels are supermarkets, free markets and wholesale markets in Shanghai (Gao and liu, 2003). The most famous live seafood market in Shanghai is located in the Tongchuan Road area. Almost all of the top wholesalers from across the nation have set up shops there. It is very noisy and busy. The wholesale and retail of aquatic products are very different from other goods. Marketing channel of fishery products are relatively complicated than other goods in Shanghai. Generally speaking, those who are directly involved in fishery business are private companies or other self owned operations (Liu, 2001). Some of these organizations are large enough to accept several whole containers of goods. In order to better survive in this increasingly fierce market, trading companies and trading agents tend to be closely tied with foreign suppliers and wholesalers.

The following pictures give an overall view of the salmon market in Shanghai, China.

Picture 1: A salmon campaign-- The director of the Norwegian export council in China was wearing a Chinese ancient costume of Tang-Dynasty. As sashimi is an ancient Chinese tradition, he showed a way of preparing fish splendidly combined with Norwegian salmon.



Picture 2: Different kinds of salmon are placed in a supermarket's counter.



Picture 3: The biggest seafood trade market in Shanghai—Tongchuan fish market

a. Overview of the market



b. One wholesaler in the market



c. One retailer in the market



5.1. Derivation of the mental maps

In total, eight companies were interviewed in this research, including three Norwegian seafood companies in Shanghai (number 1,2,3), three Chinese aquatic product wholesalers in Shanghai (number 4,5,6), one seafood retailer and one Japanese buffet restaurant (number 7,8).

From MecAnalyst system, mental maps were drawn to illustrate each key informant's perception of how success factors formed to achieve the company's long term goals. Using laddering techniques, ladders of the mental maps were created to show how the perceived key success factors and the attributes are interlinked. Then, key informants were sorted into three groups and each group's mental map was drawn from Mecanalyst system to derive a synthesis of all the key success factors and the attributes. A subsequent redrawing procedure was done to get a better comparison of different managers' perception and to match the adapted business model which can give a better explanation.

The mental maps clearly revealed that a lot of key informants have many concepts in common or almost similar. This is not surprising, as it is assumed that a decision-maker's perception of determinants of success is influenced by—but not necessarily identical with—the actual determinants, so that different decision-makers' perceptions are likely to share common categories (Grunert, 2005). Differences between the maps were particularly evident the complexity of the structures. This is illustrated by the examples of mental maps in Figures 6-8.

5.1.1. The mental map of three Norwegian seafood companies in Shanghai

Number 1, 2, 3 are Norwegian companies local branch in Shanghai. These managers are Chinese who have the average age around 35; they are well-educated and have abroad study experience, they know the mechanism of foreign companies and also have the knowledge of Chinese seafood market situation. Mostly, they are main salmon distributors to the local big supermarkets.

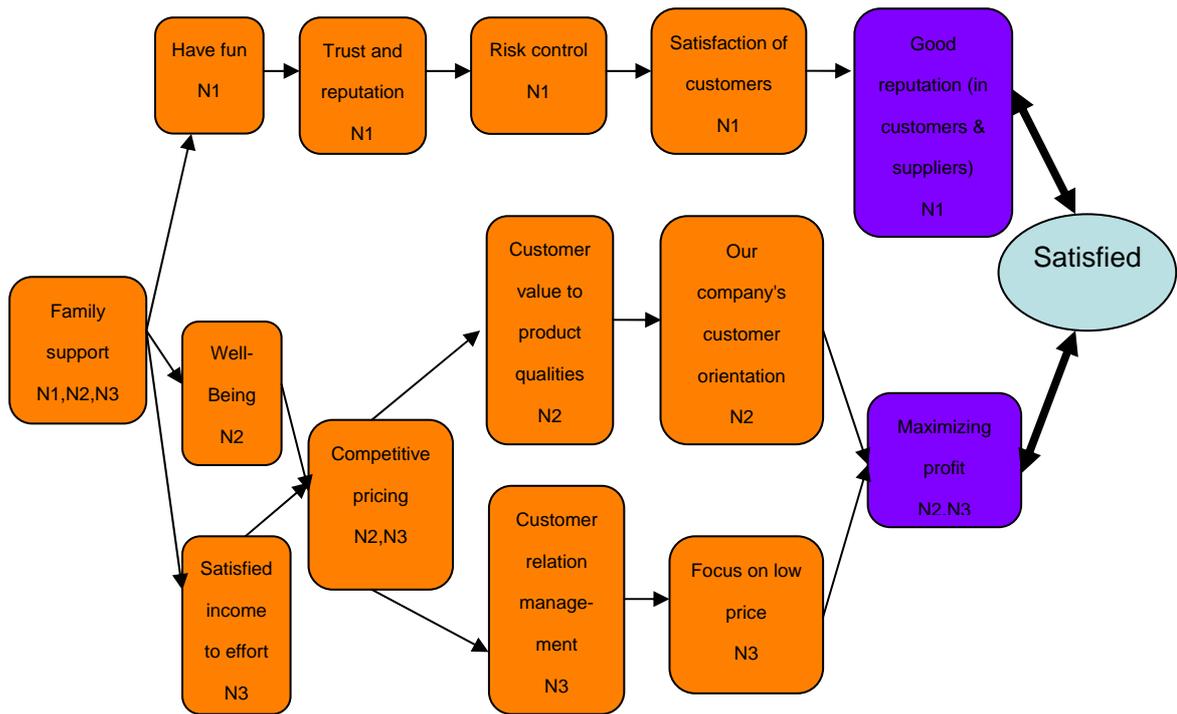


Figure 6. The mental map of three Norwegian companies in Shanghai

Figure 6 shows the mental map of the managers from three Norwegian seafood companies in Shanghai. All these managers agree on that family support is a very important influential factor to contribute the key success factors. One manager conducts his business because of having fun, one likes the job because of satisfying the income to effort, another wants to be well at work. Two managers agree on that competitive pricing is very important business resource and one manager considers that trust and reputation are very important. Each manager has different opinion on business practices relatively as: risk control, customer relation management, and customer value to product qualities. They perceive different key success factors as to achieve their business long term goals are: satisfaction of customers who will pay premium prices, focus on low price, and company's customer orientation. One company considers good reputation in customers and suppliers as long term goal and the other two want to maximize the profit. All of the three managers are satisfied with companies' performances so far compared to the long term goals.

5.1.2. The mental map of three Chinese aquatic product wholesalers in Shanghai

Number 4, 5, 6 are Chinese aquatic product wholesalers in Shanghai. These managers usually own the company and have the average age around 40. They have long experience in Shanghai seafood trade, know better which type of fish is profitable, and especially have better understanding of the local consumer's preference.

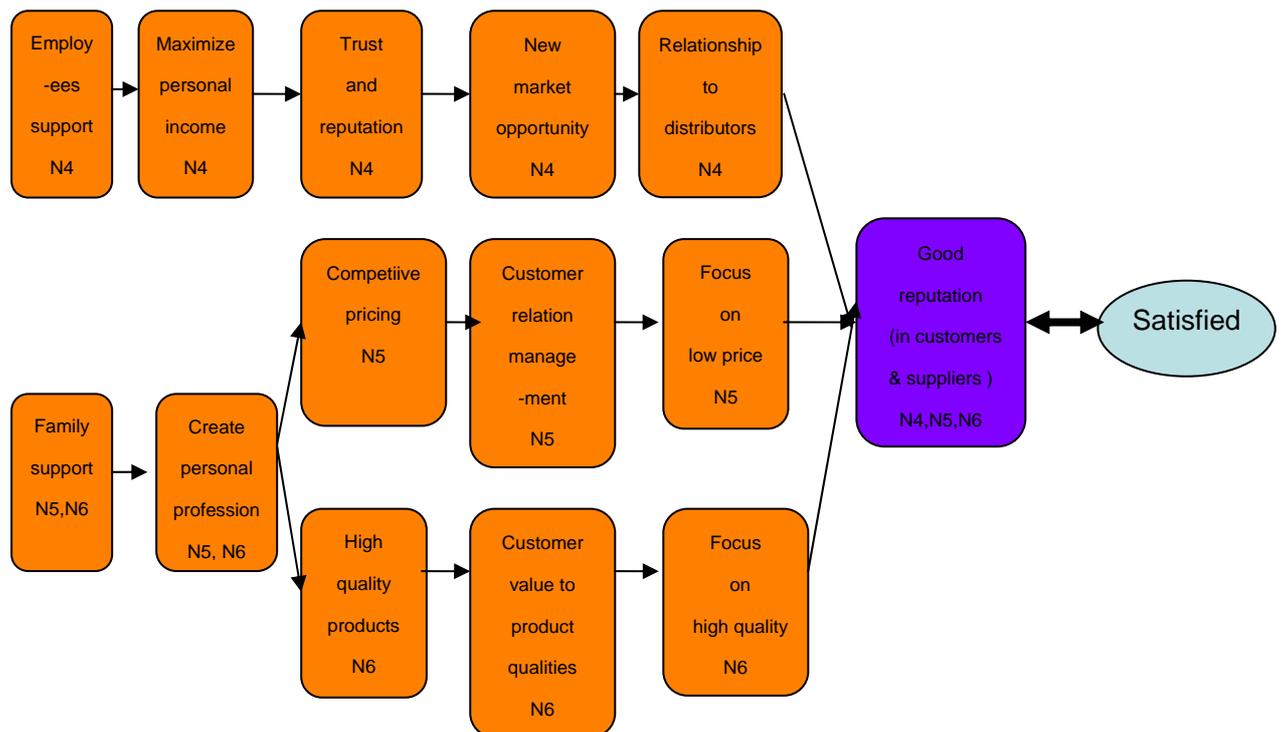


Figure 7. The mental map of three Chinese wholesalers in Shanghai

Figure 7 shows the mental map of the managers from three Chinese aquatic product wholesalers in Shanghai. Two managers agree on that family support is very important influential factor to contribute the key success factors, but one manager prefers the employees' support. Two managers conduct their business because they want to create their own professions; another wants to maximize personal income. Each manager has different opinion on business resources relatively as: trust and reputation, high quality products, and competitive pricing. Each manager has different opinion on business practices relatively as: new market opportunity, customer value to product qualities and customer relations management. They perceive different key success factors as to achieve their business long term goals are: relations to

distributors, focus on low price, and focus on high quality. All the companies consider good reputation in customers and suppliers as long term goal and they are all satisfied with companies' performances so far compared to the long term goals.

5.1.3. The mental map of one seafood retailer and one Japanese buffet restaurant

Number 7 is one seafood retailer and Number 8 is one restaurant which mainly serves Japanese buffet using the fresh salmon as raw material, such as Sushi, Sashimi. These two retailers are the customers selected from the Chinese wholesalers, who sell the salmon to end consumers. They are the important bridge connecting wholesalers with consumers, which they move products from wholesalers to a location accessible to consumers and make inventories or product stocks available when consumers want them. They are also the most sensitive people who know the trend of the seafood market, since they are having direct contact with the consumers.

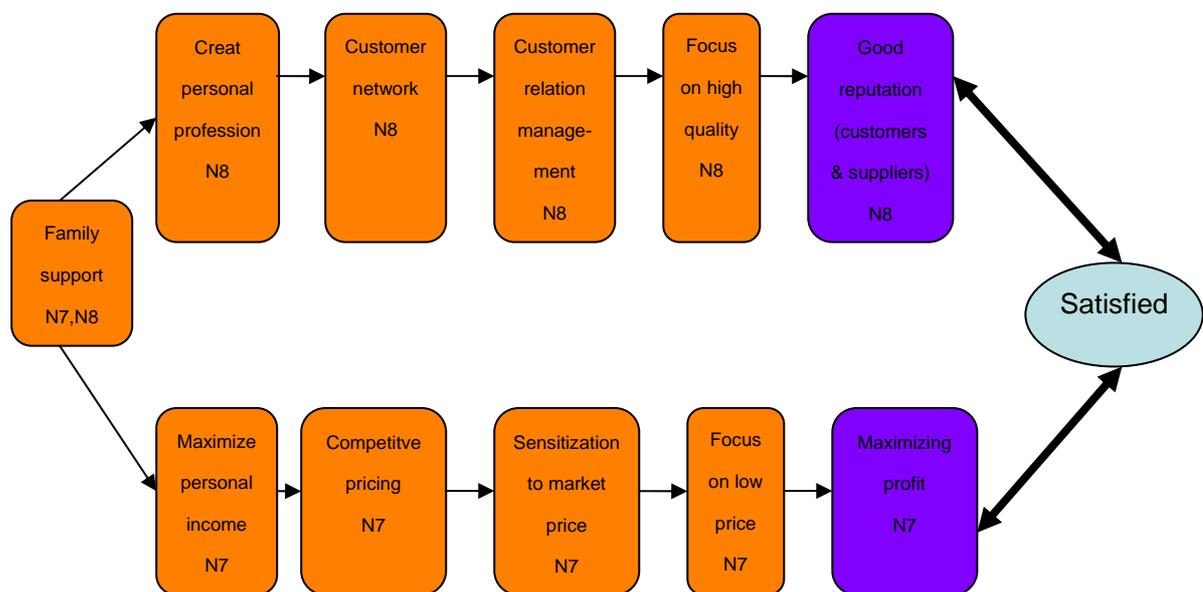


Figure 8. The mental map of one retailer and one restaurant

Figure 8 shows the mental map of the managers from one seafood retailer and one Japanese buffet restaurant. It is obviously to see there are two different ladders in this figure, but still there is one point sharing the common view: family support is very important influential factor.

The personal retailer's aim of conducting business is to maximize his personal income; competitive pricing is recognized as the very important business resource and sensitization to market price is very important for business practice; focusing on low price is the key success factor to maximize profit.

The manager from the Japanese buffet claims that creating his own profession is his aim for working; customers' network is very important as a business resource and customer relation management is very important business practice; focusing on high quality is a key success factor for the company to have good reputation in customers.

5.2. Mean values of the factors

When managers were asked to classify the importance of each category based on a three-point Likert scale, a corresponding value was given to the importance as "very important--3", "important--2" and "less important--1" for future evaluating. Since MecAnalyst system only chooses the most important item as indicators, some relevant information may be lost. Managers may not give priority to one item when he is doing ranking, but in factor this item is also very important. The Likert measurement examined the key informants' perception of each factor's function and importance. Mean values calculation analysis is then used to generate supplemental results to get more precise information. Then we have the average mean values of every key informant and each group. The relative important factors are compiled in Table 2 and the complete table is in Appendix II.

Table 2 shows the mean values of the factors scored on the three-point Likert scale for the entire key informants. As shown in Table 2, all factors receive a mean score of at least 2-point, and 20 of them receive over 2.5-point based on the 3-point scale. Linked the table with the mental maps, we can find that both results are quite similar. That means what the managers perceive the factor as the most important one among others is also given the high value as "very important". In addition, though different groups may see the same item as the important one, how much the degree of the importance is different.

Table 2. Mean values of the factors*(Number=8)*

| Categories | Total | N.I. | C. W. | C.R. |
|---|-------|------|-------|------|
| Company's long term goals | | | | |
| Maximizing profit | 2.63 | 2.67 | 2.67 | 2.50 |
| Good reputation in customers and suppliers | 2.63 | 2.33 | 3.00 | 2.50 |
| Satisfaction of the performance | | | | |
| Reputation in customers and suppliers | 2.13 | 2.00 | 2.33 | 2.00 |
| Profit | 2.00 | 2.00 | 2.00 | 2.00 |
| Key success factors | | | | |
| Focus on high quality | 3.00 | 3.00 | 3.00 | 3.00 |
| Country of origin-Norway | 2.88 | 3.00 | 2.67 | 3.00 |
| Company's own customers' orientation | 2.75 | 3.00 | 3.00 | 2.00 |
| Focus on stable supply | 2.75 | 2.67 | 2.67 | 3.00 |
| Focus on low price | 2.63 | 2.67 | 2.67 | 2.50 |
| Satisfaction of customers who will pay premium prices | 2.38 | 2.33 | 2.33 | 2.50 |
| Relationship to distributors | 2.25 | 2.00 | 2.67 | 2.00 |
| Business practices | | | | |
| Customer relation management | 2.88 | 3.00 | 3.00 | 2.50 |
| Customer value to product qualities/features | 2.75 | 3.00 | 2.33 | 3.00 |
| Product management | 2.75 | 2.67 | 3.00 | 2.50 |
| Intelligence management-New market opportunity | 2.75 | 2.33 | 3.00 | 3.00 |
| Intelligence management-Market trends | 2.50 | 2.67 | 2.33 | 2.50 |
| Intelligence management-Sensitization to market price | 2.25 | 2.33 | 2.33 | 2.00 |
| Business resources | | | | |
| Competitive pricing | 2.88 | 3.00 | 3.00 | 2.50 |
| High quality products | 2.88 | 2.67 | 3.00 | 3.00 |
| Quality handling and safety | 2.88 | 3.00 | 2.67 | 3.00 |
| Own capital | 2.88 | 2.67 | 3.00 | 3.00 |
| Trust and reputation | 2.75 | 2.67 | 3.00 | 2.50 |
| Customers' network | 2.25 | 2.00 | 2.00 | 3.00 |
| Personal attitudes | | | | |
| Create personal profession | 2.63 | 2.00 | 3.00 | 3.00 |
| Satisfied income to effort | 2.50 | 2.67 | 2.67 | 2.00 |
| Maximize personal income | 2.25 | 1.33 | 2.67 | 3.00 |
| Have fun | 2.13 | 1.67 | 2.67 | 2.00 |
| Well-being at work | 2.00 | 2.00 | 2.00 | 2.00 |
| Subjective norms | | | | |
| Family support | 3.00 | 3.00 | 3.00 | 3.00 |
| Employee support | 2.25 | 1.67 | 3.00 | 2.00 |

* *N. I.-Norwegian Importers**C. W.-Chinese Wholesalers**C. R.-Chinese Retailers*** *Very important =3**Important =2**Less important =1*

5.3. Comparison of managers' perceptions

5.3.1. About company's long term goal and business performance

From the mental maps and mean values calculation, we can see that all companies have rated high value on “maximizing profit” and “good reputation in customers and suppliers” as their long term goals. All Chinese wholesalers and N8 put “good reputation in customers and suppliers” as the companies' first very important long term goal. But to Norwegian wholesalers and N7, they perceive “maximizing profit” is much more important. Each manager is satisfied with their business performances so far towards the long term goals.

5.3.2. About key success factors

From the mental maps and mean values calculation, it is clear to see that all groups perceive “focus on low price” is very important key success factor. In contrast to “focus on high quality”, though not every company ranks this factor as the first important one, it is perceived to be very important key success factor and have the mean value of 3-point. At the same time, all managers have the feeling that salmon from Norway is indirect the proof of “high quality”. For other factors, Norwegian companies seem to pay a little high attention on “satisfy customer preference”—it is the combination of both “satisfaction of customers who will pay premium prices” and “our company's customer orientation”; Chinese wholesalers have ranked high value on “relationship to distributors”, while the others don't pay too much attention to it. It should also be mentioned that though “focus on stable supply” is not ranked on the first place by all the managers, it is a very important factor according to the mean values calculation.

5.3.3. About key success factors attributes

Business practice

Norwegian companies and Chinese wholesalers agree on that “customer relation management” is very important mean to achieve key success factors and it is also the mean to contribute “focus on low price”. N7 perceives “sensitization to market price”

is the important mean to contribute “focus on low price”. N8 perceives “customer relation management” is the very important mean to contribute “focus on high quality”. All companies have also mentioned that “product management” is very important business practice. “Product management” includes the management of product’s quality, form, development, service and so on. In addition, some parts of “intelligence management” are paid more attention to, such as “new market opportunity”, “market trends”, and “sensitization to market price”.

Business resource

All managers perceive “competitive pricing” is very important mean to achieve key success factors and it is also the mean to contribute “focus on low price”. Norwegian companies add “trust and reputation” is the important mean to contribute “satisfy customer preference”, while Chinese wholesalers perceive this resource is the important mean to contribute “relationship to distributors”. Chinese wholesalers and retailers rate higher value on “high quality products” and “own capital” as important business resource, while Norwegian companies rate higher value on “quality handling and safety”. N8 pay most attention to “customers’ network” among all the key informants.

Personal attitude and Subjective norm

Almost every manager has different attitude for working towards their business goals. Chinese wholesalers and retailers have ranked high on “create personal profession”, while managers from Norwegian companies have ranked high on “satisfied income to effort”. They also mention “maximize personal income”, “have fun—especially have challenges”, “well-being at work” are also important factors. But all the managers have common view on that “family support” is a very important subjective norm.

6. Discussion

By summarizing the findings from mental maps and mean values calculation, several important factors are compiled to fit the adapted business model. These factors are selected by considering both of their ranking position and scored importance. Then, a relative comprehensive mental map is concluded to show the relationship among company's long term goal and business performance, key success factors and the attributes (Figure 9).

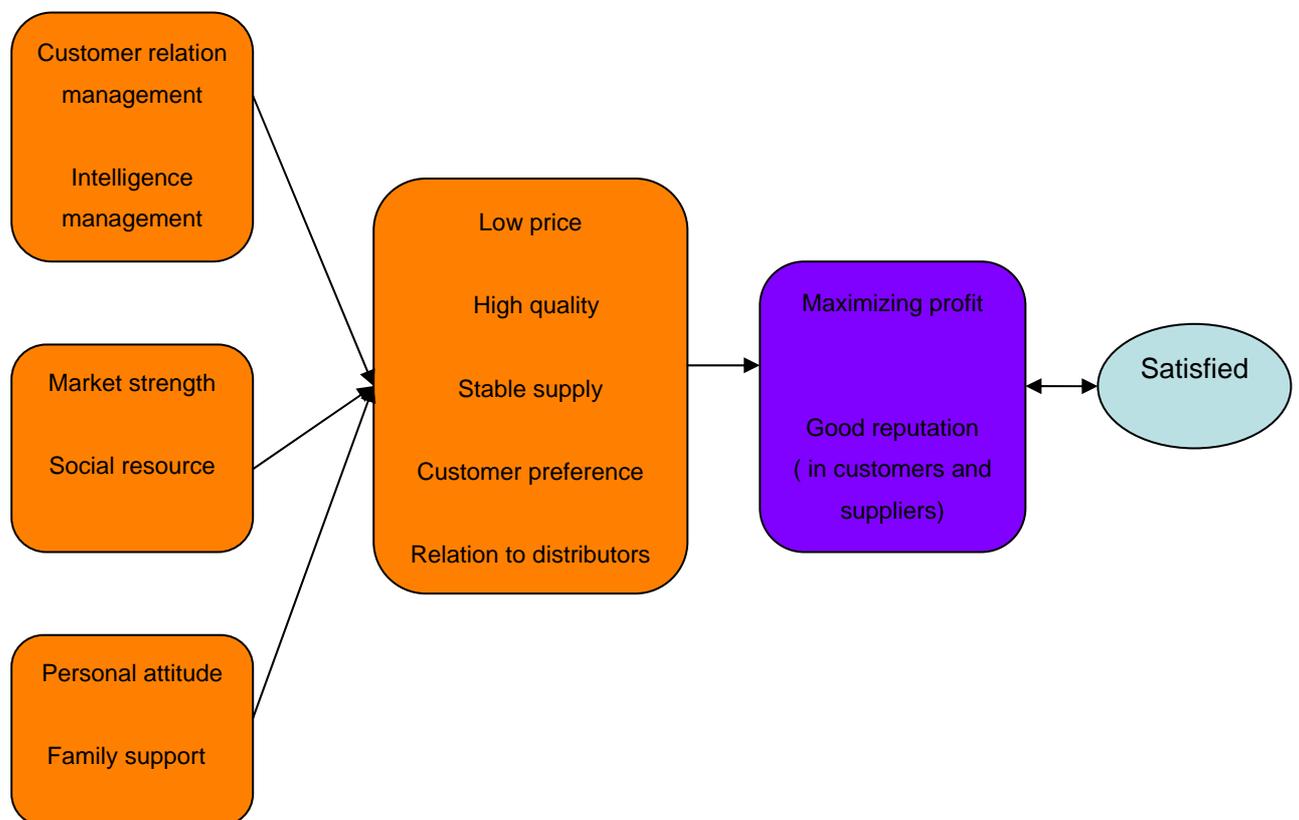


Figure 9. Mental map from all the key informants

Departure of the discussion starts from the three research questions.

- **What are the long term goals for the companies to conduct their business?**

Most companies have rated high value on “maximizing profit” and “good reputation in customers and suppliers” as their long term goals. And, they are all quite satisfied with their performance so far.

When talking about profit, both Norwegian and Chinese wholesalers admit that importing fresh salmon is not too much profitable now in Shanghai market. They illustrate several reasons for this situation. First, it is impossible to control the amount of foreign seafood shipped into Shanghai and this gives consumers more opportunities to choose the products. The demand for imported seafood that has already been marketed in Shanghai appears not to be increasing. As there are lots of substitutes for salmon, there's a little oversupply in Shanghai market now. Second, fresh salmon as high quality products requires good preservation. If the managers cannot sell all the goods in their holding pools, it becomes necessary for them to cut the price to clean out stocks that are no longer fit to keep. One Chinese wholesaler complains that it is very hard to sell salmon now, especially for the fresh salmon. *"You can't keep them for more than 15 days. Or you need to sell them cheaper in case of getting bad."* The cost of importing seafood is another reason for marginal profits. Added cost factors include tariffs, other taxes, and fluctuating currency conversion rates. This has direct impact on these Norwegian top wholesalers as they need to find ways to reduce other expenses and lower costs. However, managers are optimistic to the bright prospect of Norwegian-Chinese salmon trade so that they are looking forward to future profit.

It seems that the wholesalers pay more attention on the latter goal—good reputation in customers and suppliers. One manager says that *"maximizing profit is unlimited, so it is difficult to define it...but good reputation is the promise for business success"*. They put great emphasis on their reputation in customers and suppliers as their long term goal mainly due to their special position in the salmon trade value chain. In China, when doing business, it concerns a lot whether a company has a good reputation in this trade. This can also be referred as a unique Chinese culture "Guanxi". "Guanxi" generally refers to relationships or social connections based on mutual interests and benefits (Yang, 1994). *"Guanxi is important because it makes business more pleasant"*, claimed one manager, *"if you lose some money to a good customer, it doesn't matter; because you will earn it back another time if you have got good guanxi."* These wholesalers, as the important bridge connecting upstream and

downstream in the Norwegian—Chinese salmon trade, need to retain good reputation and it will be easy for them to conduct smooth business in long term run.

When discussing other possible company's long term goals, one manager from the Norwegian company says that there's no need for him to expand company's turnover and market share. Actually, all the Norwegian seafood companies in Shanghai have some kind of tacitly consent to the customers. Potential customers are reasonable allocated, and they don't want to attack each other. In addition, most companies don't need to deal business directly with the government, so that "good reputation in government" is not considered as a very important goal.

- **How do the managers perceive the key success factors to accomplish these goals?**

A key success factor is a skill or resource that a business can invest in, which, on the market the business is operating on, explains a major part of the observable differences in perceived value and/or relative costs (Grunert and Ellegaard, 1993).

Based on the definition of key success factors and according to the mental maps and mean values calculation, five key success factors were aggregated. They are:

- Low price,
- High quality,
- Stable supply,
- Customers' preference,
- Relationship to distributors.

It seems that "focus on low price" is the most important factor for companies to attain their long term goal. Here, "low price" mainly means the sell price customers can accept. This success factor has direct relation to "maximizing profit". To achieve this

goal, managers need to reduce other expenses, for example, try to get the low purchase offer from the suppliers to make marginal profit or cut down labor cost. There are several reasons for managers to lower the salmon price. One manager from Norwegian company complains that the import tax and other duties are too high in China and it results lots of smuggling. That is why salmon supply is large than the demand. Meanwhile, some businessmen try to distort the regulation of the market to occupy market share by “price war”. There used to be such vicious competition in Beijing. The regular price for salmon should be around 70-75 RMB¹ per kilo, some retailers sold the salmon even below 63 RMB per kilo just to dump the products.

All the companies have no doubt that “high quality” of products is absolutely one important key success factor for achieving companies’ long term goals. As they are the people who are focusing business mainly in Norwegian salmon, they put high value in choosing salmon from Norway. One manager from the Norwegian company is very proud to claim that “*Norwegian salmon is already quite mature product with high standard in any aspects such as certification, packaging form, and traceability...*” Chinese retailers also agree on that Norwegian salmon is quite famous and it is the main reason why consumers like to purchase them. Usually, they import fresh whole salmon from Norway. Farmed fresh salmon are mainly for consuming, while the wild and frozen salmon are used for processing.

Fresh salmon as raw fish material is mainly used by chefs in decent or luxurious restaurants to prepare typical raw cold dishes in accordance with their menus, and thus the price of raw cold salmon dish is more expensive. But the cost of fresh salmon transportation and preservation is also an important factor for the expensive dishes and then it concerns the problem about the “stable supply”. Normally, it takes 3 days as the shortest time to transport fish products from Norway to China and it is hard to reduce the time till now due to the long geography distance. Meanwhile, as the

¹ RMB: Chinese currency. 1 USD is approx. 8.27 RMB at the time.

different festival system between Norway and China, it gives difficulty to make sure the “stable supply”. Some Chinese managers say that there’s a shortage of Norwegian salmon especially in summer time, as most Norwegian companies are having holidays. So, “stable supply” is also agreed by all the managers as important key success factor.

It seems that Norwegian companies are more interested in customers’ preference, while Chinese wholesalers pay more attention to distributors’ relationships. This has to do with their different business function in the trade value chain. As Dawson and Shao (1989) have observed “ the more demanding the fresh quality requirements, the more flexible is the response required of suppliers, and the greater is the potential benefit of stability in the relationship between buyer and seller.” But for Norwegian companies, they tend to cooperate with the big supermarket chain instead of personal retailers. One manager from Norwegian company said that “*the personal retailer is not reliable. There are always some unhappy things such as delaying payment or refusing to pay for a shipment based on false goods inspections, have occurred in our market...*” Then it forces them to take the time to select an honest and responsible trading partner. From the middle of year 2002, some Norwegian companies began to have corporation strategy with the Euro-retailer, such as Metro and Auchan these big supermarkets. Though the cost is much higher, but the risk becomes smaller. At the same moment, when Norwegian companies try to qualify a reliable trading partner before they build their network, Chinese wholesalers are developing a network from personal contacts, emotional relations (employee social skills). They are proving they can be reliable distributors in the salmon trade value chain. All these above again prove the importance of “Guanxi” in the Chinese market.

- **What forces affect managers to formulate these key success factors?**

Business practice

All managers agree that they pay much attention to “customer relationship management” which includes customers’ preference and product management. This factor is the main attribute to “low cost” and “high quality” these two key success factors. It again confirms most companies are “customer orientation” and this has the direct result to “good reputation in customers”. Several “intelligence management” factors are also mentioned to contribute key success factors. “New market opportunity” is high ranked among other factors especially between Chinese wholesalers and retailers. This can be seen that they are trying to expand their salmon business and seek more chances. One Chinese wholesaler is proud to say that he always tries to find new market opportunity ahead of others. Norwegian companies seem to be more interested in grasping the “market trends” or synonymously “potential market”. “Risk control” is also important for these Norwegian companies.

One result is a little surprising that no companies consider that sales management including advertisement and promotion is important. For Norwegian companies, there’s no need to put extra funds in sales management as the Norwegian Export Council undertakes the whole thing. For Chinese wholesalers and retailers, there are different reasons. One Chinese wholesaler is the main trade partner to Carrefour supermarket. Carrefour supermarket is quite famous among Shanghai citizens. As the supermarket itself is the “live advertisement”, there’s not necessary for the wholesaler to do additional sales management. Another Chinese wholesaler thinks “*there is confusion in salmon market, no brand, no regulation...*” As it is effortless to put advertisement for it, the wholesaler is not willing to invest extra money. For the buffet restaurant, the manager believes “*quality decides everything*”. If the customers enjoy having food in this restaurant, they will come again and introduce their friends to come.

Besides those important factors, all the managers also agree it is better to know competitor's behavior when conducting their business operations. There is an old Chinese saying that "knowing the strength and weakness of yours and your competitors, you win in hundreds of battles".

Business resource

Market strength, social resource, technology, logistics, license, and financing are all included in business resources. "Competitive pricing" and "high quality products" as part of the market strength are two main attributes to key success factors "low price" and "high quality". There is a tendency that Norwegian companies pay more attention to price competition. This may due to the reason we discussed above about the salmon oversupply situation. Social resource emphasizing on "trust and reputation" and "customers' network" is quite consistent to key success factor and long term goal in "Guanxi" aspect. "Quality handling and safety" is also perceived important by most managers, because the quality of inventory control system has direct impact on keeping salmon fresh. When talking about important financial resource, "own capital" is perceived important for Chinese wholesalers and retailers. This was the situation that Chinese banks didn't give credit to medium and small business several years ago. Such businesses are hard to be operated if there's not enough fund. Usually, the starters borrow money from family, relatives or friends as their first operation fund.

Personal attitude

Managers' personal attitudes are quite different. This is reasonable to some extent, since "a decision-maker forms his perception of key success factors and motivation for the business goal based on own experience and information received" (Grunert *et al.*, 2005). Among all these factors, "create personal profession" is given a little high value than the others. Most managers consider fishery is quite interesting business and contains great business opportunities. With China's enrollment in WTO, it brings more challenges and profit.

Subjective norm

Most Chinese wholesalers have big share of the company, thus they afford big pressure from the work. They don't have the definite time of when to go to work or when to finish work; they can't get money regularly as an employee working in a big company; they must face all the risk as lots of them are private company. "Family support" thus becomes very important in this aspect. These managers need to be taken more care of whatever in material life or in psychology aspects.

7. Conclusion and implications

In this thesis, decision-makers' perception of key success factors and the attributes to achieve company's long term goal are identified in the Norwegian-Chinese salmon trade value chain in Shanghai Market.

The general impression from the results is that decision-makers do not seem to be too far from each others' perception and the identification of key success factors and the attributes to company's long term goal are quite reasonable. However, several factors should be illustrated here to be paid high attention to in thesis due to the unique Chinese social environment.

Many studies have argued that developing close relationships is a necessary step to succeed in China (Ambeler, 1994; Hall and Hall, 1987; Johansson, 1995; Luo, 1997; Xin and Pearce, 1996). By developing personal relationships, firms can enhance their marketing effectiveness and efficiency (Sheth and Parvatiyar, 1995). "Guanxi" has thus been the necessary part of personal relationships and business operation in Chinese society. It is a critical factor for business performance in China, affecting company's resource allocation and daily operation behaviour facing to the social environment. To overcome business uncertainty due to the lack of confidence in and information about other actors, networks and relations containing mutual trust and knowledge has become an important asset to reduce transactions costs and conduct satisfactory business.

Low price as a key success factor is the main attribute for company to make profit and we discussed several reasons which make the sell price of salmon low. With the improvement of the competition law and governance of fishery market, there will be a tendency for more managers changing from "low cost orientation" to more "market orientation". Seeking high quality of products and satisfying customer's preference is the embodiment. Thus it relies on a more mature market system.

There's nearly no difference for all the managers to choose that "family support" is quite important for them to conduct business. This can be perceived as a unique Chinese culture as "family" this concept has very important meaning in Chinese society. Another reason accounting for this common perception is due to the background of the key informants interviewed. These are the managers who have important position in the company, and they all have the age over 35. We consider these people as the "elites" of the society and the social environment put great expectation on them. They may overburden too much responsibility from outside, and thus the family support seems to be so important to them.

An adapted business model showing managerial cognition process is developed in this thesis, which can give some implication for business involving in salmon trade in Shanghai market.

First, members of the salmon trade value chain could use this adapted business model to evaluate which understandings are shared broadly among managers. Common perceptions should be found to see what factor is important or which one influence another one. Thus it can make better cooperation of each member in the value chain and make them work more closely. By understanding different managers' perception, misinterpretation of the business behavior can be avoided.

Meanwhile, managers can also examine the cognition map over time to recognize their biases. As we mentioned in the beginning that " decision-makers' perception of success factors may be wrong, due to a number of psychological mechanisms known to cause decision- makers to misattribute causes of success" (Barnes, 1984). In addition, change of the market condition will also affect the change of key success factors (Trondsen, 2004). Thus, longitudinal studies could allow us to understand the development of model more thoroughly and provide more conclusive findings on each factors' causality link.

This thesis has been conducted on a qualitative research level in several main salmon traders, showing some significant factors by most key informants. A survey with a larger number of respondents in this industry could be conducted to give more general information. Replicating the study in other areas, geographical or industrial, will give some insight into the stability of the established model. If there's reliable data about company's performance, examination can be done based on whether manager has perceived right key success factors. This can give companies valuable information about focus on these true key success factors and then build specific competencies. In addition, future studies could test the model in various cultural and economic contexts. Efforts to compare different perceptions of the managers under different economic conditions will be worthwhile.

Finally, government policies regarding to fishery and barriers for foreign companies who want to conduct business in China should also be involved to test the different result. It should be kept in mind, that these two factors actually have some extend big impact on the whole business environment. Further studies related to them will be worth future effort.

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Appendix I:

Questionnaire

Date:

Respondent name, age and position:.....

Company name.....

Main business.....

Category of company.....(state-owned/private/others)

Yearly turnover.....

Number of employees.....

Size of yearly fish trade.....tonnes.....value..... growth rate

Size of yearly salmon trade:..... tonnes.....value..... growth rate

Performance last year: Very good,..... good,..... bad.....

| 1. About company's long term goals | Very important | Important | Not important | Rank |
|---|----------------|-----------|---------------|------|
| 1.1. Maximizing Profit | | | | |
| 1.2. Expand turnover | | | | |
| 1.3. Expand market share | | | | |
| 1.4. Good reputation in customers and suppliers | | | | |
| 1.5. Good reputation in government | | | | |
| 1.6. Other | | | | |
| How do you measure economic goals | | | | |
| 1.7. Profit on capital | | | | |
| 1.8. Salaries | | | | |
| 1.9. Other | | | | |

| 2. Satisfaction with the performance compared to the goals | Very satisfied | Satisfied | Not satisfied | Rank |
|---|----------------|-----------|---------------|------|
| 2.1. Profit | | | | |
| 2.2. Turnover | | | | |
| 2.3. Market share | | | | |
| 2.4. Reputation in customers and suppliers | | | | |
| 2.5. Reputation in government | | | | |
| 2.6. Other | | | | |

| 3. About key success factors | Very important | Important | Not important | Rank |
|--|----------------|-----------|---------------|------|
| 3.1. Customer relationships | | | | |
| a. satisfaction of customers who will pay premium prices | | | | |
| b. our company's customer orientation | | | | |
| 3.2. Selection of trade partner | | | | |
| a. payment terms | | | | |
| b. transportation management | | | | |
| c. delivery time | | | | |
| d. relationship to distributors | | | | |
| 3.3. Import tax, tariffs, duties | | | | |
| 3.4. Human resources | | | | |
| a. low cost labour force | | | | |
| b. worker competence | | | | |
| 3.5. About competitive attributes in the market | | | | |
| 3.5.1. Product form choice | | | | |
| a. fresh | | | | |
| b. frozen | | | | |
| c. fillets | | | | |
| d. smoked | | | | |
| e. salted | | | | |
| f. farmed | | | | |
| g. wild | | | | |
| 3.5.2. Country of origin choice | | | | |
| a. Norway | | | | |
| b. Chile | | | | |
| c. Japan | | | | |
| d. USA | | | | |
| e. Canada | | | | |
| 3.5.3. Focus on low price | | | | |
| 3.5.4. Focus on high quality | | | | |
| 3.5.5. Focus on certification | | | | |
| 3.5.6. Focus on packaging form | | | | |
| 3.5.7. Focus on stable supply | | | | |
| 3.5.8. Focus on traceability | | | | |
| 3.6. Other | | | | |

| 4. About business practices | Very important | Important | Not important | Rank |
|---|----------------|-----------|---------------|------|
| 4.1. Product management | | | | |
| 4.2. Sales management | | | | |
| 4.3. Customer relation management | | | | |
| 4.4. Strategic management | | | | |
| 4.5. Trade agreement | | | | |
| 4.6. Worker relation management | | | | |
| 4.7. Intelligence management | | | | |
| a. Market trends | | | | |
| b. Customer value to product qualities/features | | | | |
| c. New market opportunity | | | | |
| d. New supply chains | | | | |
| e. Capital/Finance rights | | | | |
| f. Governmental regulations | | | | |
| g. Sensitization to market price | | | | |
| h. Risk control | | | | |
| i. Competitor's behaviour | | | | |
| 4.8. Other | | | | |

| 5. About business resources | Very important | Important | Not important | Rank |
|--|----------------|-----------|---------------|------|
| 5.1. Market strength | | | | |
| a. Competitive pricing | | | | |
| b. High quality products | | | | |
| c. Trading efficiency | | | | |
| d. Strategic ability (market prediction) | | | | |
| e. Value chain/distribution control | | | | |
| 5.2. Social resources | | | | |
| a. Management capabilities | | | | |
| b. Communication abilities | | | | |
| c. Committed and competent employers | | | | |
| d. Trust and reputation | | | | |
| e. External business network | | | | |
| f. Governmental network | | | | |
| g. Bank network | | | | |
| h. Customers' network | | | | |
| i. Suppliers' network | | | | |
| 5.3. Technology, logistics, licenses | | | | |
| a. Import licenses | | | | |
| b. Quality handling and safety | | | | |
| c. Inventory control system | | | | |
| d. Modern processing equipment | | | | |
| e. Logistics and information system | | | | |
| f. Company's location | | | | |
| 5.4. Financing | | | | |
| a. Own capital | | | | |
| b. Capital from external investors | | | | |
| c. Bank financing | | | | |
| 5.5. Other | | | | |

| 6. About personal attitudes | Very important | Important | Not important | Rank |
|------------------------------------|----------------|-----------|---------------|------|
| 6.1. Maximize personal income | | | | |
| 6.2. Satisfied income to effort | | | | |
| 6.3. Have fun | | | | |
| 6.4. Create personal profession | | | | |
| 6.5. Personal influence and power | | | | |
| 6.6. Personal freedom | | | | |
| 6.7. Improve social status | | | | |
| 6.8. Improve respect in society | | | | |
| 6.9. Well-being at work | | | | |
| 6.10. Other | | | | |

| 7. About subjective norms | Very important | Important | Not important | Rank |
|----------------------------------|----------------|-----------|---------------|------|
| 7.1. Family support | | | | |
| 7.2. Employees support | | | | |
| 7.3. Competitor support | | | | |
| 7.4. Local community support | | | | |
| 7.5. Customer support | | | | |
| 7.6. Bank support | | | | |
| 7.7. Government support | | | | |
| 7.8. Other support | | | | |

Appendix II: Mean values of the factors
(Number=8)

| Categories | Total | N. I. | C. W. | C.R. |
|---|-------|-------|-------|------|
| Company's long term intentions | | | | |
| Maximizing Profit | 2.63 | 2.67 | 2.67 | 2.50 |
| Good reputation in customers and suppliers | 2.63 | 2.33 | 3.00 | 2.50 |
| Expand market share | 2.13 | 2.33 | 2.00 | 2.00 |
| Good reputation in government | 2.00 | 2.00 | 2.00 | 2.00 |
| Expand turnover | 2.00 | 1.67 | 2.00 | 2.50 |
| Satisfaction of the performance | | | | |
| Reputation in customers and suppliers | 2.13 | 2.00 | 2.33 | 2.00 |
| Profit | 2.00 | 2.00 | 2.00 | 2.00 |
| Turnover | 2.00 | 2.00 | 2.00 | 2.00 |
| Reputation in government | 2.00 | 2.00 | 2.00 | 2.00 |
| Market share | 1.88 | 2.00 | 2.00 | 1.50 |
| Key success factors | | | | |
| Focus on high quality | 3.00 | 3.00 | 3.00 | 3.00 |
| Country of origin-Norway | 2.88 | 3.00 | 2.67 | 3.00 |
| Company's own customers' orientation | 2.75 | 3.00 | 3.00 | 2.00 |
| Focus on stable supply | 2.75 | 2.67 | 2.67 | 3.00 |
| Focus on low price | 2.63 | 2.67 | 2.67 | 2.50 |
| Product form-fresh | 2.63 | 3.00 | 2.67 | 2.00 |
| Satisfaction of customers who will pay premium prices | 2.38 | 2.33 | 2.33 | 2.50 |
| Relationship to distributors | 2.25 | 2.00 | 2.67 | 2.00 |
| Worker competence | 2.25 | 2.00 | 2.67 | 2.00 |
| Focus on certification | 2.25 | 2.33 | 2.00 | 2.50 |
| Focus on traceability | 2.25 | 2.67 | 2.00 | 2.00 |
| Product form-Farmed | 2.13 | 2.33 | 2.67 | 1.00 |
| Transportation management | 2.00 | 2.33 | 2.00 | 2.00 |
| Delivery time | 2.00 | 2.33 | 2.33 | 1.50 |
| Low cost labour force | 2.00 | 2.00 | 2.00 | 2.00 |
| Country of origin-Chile | 2.00 | 2.33 | 2.33 | 1.00 |
| Product form-frozen | 1.88 | 2.00 | 2.00 | 1.50 |
| Product form-smoked | 1.88 | 1.67 | 2.33 | 1.50 |
| Import tax, tariffs, duties | 1.75 | 2.33 | 1.67 | 1.50 |
| Payment terms | 1.63 | 1.67 | 1.67 | 1.50 |
| Product form-Wild salmon | 1.63 | 2.33 | 1.33 | 1.00 |
| Focus on packaging form | 1.63 | 1.33 | 2.00 | 1.50 |
| Product form-fillets | 1.50 | 2.00 | 1.33 | 2.00 |
| Country of origin-Japan | 1.25 | 1.00 | 1.33 | 1.50 |
| Country of origin-Canada | 1.25 | 1.33 | 1.33 | 1.00 |
| Product form-salted | 1.13 | 1.00 | 1.33 | 1.00 |
| Country of origin-USA | 1.00 | 1.00 | 1.00 | 1.00 |

| Categories | Total | N. I. | C. W. | C.R. |
|---|-------|-------|-------|------|
| Business practices | | | | |
| Customer relation management | 2.88 | 3.00 | 3.00 | 2.50 |
| Customer value to product qualities/features | 2.75 | 3.00 | 2.33 | 3.00 |
| Product management | 2.75 | 2.67 | 3.00 | 2.50 |
| Intelligence management-New market opportunity | 2.75 | 2.33 | 3.00 | 3.00 |
| Intelligence management-Market trends | 2.50 | 2.67 | 2.33 | 2.50 |
| Intelligence management-Sensitization to market price | 2.25 | 2.33 | 2.33 | 2.00 |
| Intelligence management-New supply chains | 2.00 | 1.67 | 2.00 | 2.50 |
| Strategic management | 1.88 | 2.00 | 2.00 | 1.50 |
| Worker relation management | 1.88 | 1.67 | 2.33 | 1.50 |
| Intelligence management- Risk control | 1.88 | 2.00 | 1.67 | 2.00 |
| Intelligence management- Competitor's behaviour | 1.75 | 1.67 | 2.00 | 1.50 |
| Sales management (advertisement, promotion etc) | 1.63 | 2.00 | 1.33 | 1.50 |
| Intelligence management- Governmental regulations | 1.63 | 1.67 | 1.67 | 1.50 |
| Trade agreement | 1.50 | 1.67 | 1.67 | 1.00 |
| Intelligence management- Capital/Finance rights | 1.50 | 1.67 | 2.00 | 1.00 |
| Business resources | | | | |
| Competitive pricing | 2.88 | 3.00 | 3.00 | 2.50 |
| High quality products | 2.88 | 2.67 | 3.00 | 3.00 |
| Quality handling and safety | 2.88 | 3.00 | 2.67 | 3.00 |
| Own capital | 2.88 | 2.67 | 3.00 | 3.00 |
| Trust and reputation | 2.75 | 2.67 | 3.00 | 2.50 |
| Customers' network | 2.25 | 2.00 | 2.00 | 3.00 |
| Committed and competent employers | 2.25 | 2.00 | 2.50 | 2.50 |
| Trading efficiency | 2.25 | 1.67 | 2.67 | 2.50 |
| Strategic ability (market prediction) | 2.13 | 2.00 | 2.00 | 2.50 |
| Value chain/distribution control | 2.13 | 2.00 | 2.00 | 2.50 |
| Communication abilities | 2.13 | 2.00 | 2.00 | 2.50 |
| Logistics and information system | 2.13 | 2.00 | 2.00 | 2.50 |
| Company's location | 2.13 | 2.00 | 2.00 | 2.50 |
| Management capabilities | 2.00 | 2.00 | 2.33 | 2.00 |
| Inventory control system | 1.88 | 1.33 | 2.33 | 2.00 |
| Suppliers' network | 1.75 | 1.67 | 1.67 | 2.00 |
| External business network | 1.50 | 1.67 | 1.67 | 1.00 |
| Capital from external investors | 1.50 | 1.33 | 1.33 | 2.00 |
| Bank network | 1.38 | 1.67 | 1.00 | 1.50 |
| Governmental network | 1.25 | 1.67 | 1.00 | 1.00 |
| Modern processing equipment | 1.25 | 1.33 | 1.33 | 1.00 |
| Bank financing | 1.25 | 1.33 | 1.33 | 1.00 |

| Categories | Total | N. I. | C. W. | C.R. |
|------------------------------|-------|-------|-------|------|
| Personal attitudes | | | | |
| Create personal profession | 2.63 | 2.00 | 3.00 | 3.00 |
| Satisfied income to effort | 2.50 | 2.67 | 2.67 | 2.00 |
| Maximize personal income | 2.25 | 1.33 | 2.67 | 3.00 |
| Have fun | 2.13 | 1.67 | 2.67 | 2.00 |
| Well-being at work | 2.00 | 2.00 | 2.00 | 2.00 |
| Personal influence and power | 1.63 | 1.33 | 2.00 | 1.50 |
| Personal freedom | 1.50 | 1.33 | 1.67 | 1.50 |
| Improve social status | 1.50 | 1.33 | 1.67 | 1.50 |
| Improve respect in society | 1.50 | 1.33 | 1.67 | 1.50 |
| Subjective norms | | | | |
| Family support | 3.00 | 3.00 | 3.00 | 3.00 |
| Employee support | 2.25 | 1.67 | 3.00 | 2.00 |
| Competitor support | 2.00 | 1.67 | 2.67 | 1.50 |
| Customer support | 1.88 | 1.00 | 2.00 | 1.50 |
| Local community support | 1.50 | 1.00 | 2.00 | 1.50 |
| Governmental support | 1.50 | 1.00 | 2.00 | 1.50 |
| Bank support | 1.38 | 1.00 | 1.67 | 1.50 |

* *N. I.-Norwegian Importers*

C. W.-Chinese Wholesalers

C. R.-Chinese Retailers

** *Very important =3*

Important =2

Less important =1