

Main factors in choice of delivery terms: a multiple case study of Japanese and
Russian importers in seafood trade with Norway.

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by

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Abstract

Export–import relationships are very complex and are regulated by different legal instruments. Incoterms 2000 is one of the most important issues in the international seafood trade. Its use varies depending on business environments, countries and companies involved. The most common factors affecting the choice of delivery terms from Incoterms 2000 are volume/value of the consignment, control over delivery, common practice, legislation obstacles, etc. Countries participating in seafood trade have different practices in the use of terms of delivery that can be stipulated by various factors such as location of the country itself and its suppliers, economical and legal regulations, and others. Seafood importers in each country have a unique set of factors that are crucial for the choice of delivery terms. Accordingly, identifying these factors is important for understanding the relationships and the decision making processes in the exporter–importer dyads. Relationship quality may be also associated with the choice of Incoterms 2000, because it plays a significant role in decision making. This is especially important when the decisions concern risk distribution and risk transfer from the exporter to the importer in supply chains, in other words the choice of delivery terms. This paper deals with investigating the factors influencing the choice of terms of delivery in seafood export from Norway to Japan and Russia. Special attention is paid to the evaluation of the perceived relationship quality by the importers and the association of the relationship quality with its possible influence on the use of Incoterms 2000.

Key words: terms of delivery, Incoterms 2000, seafood trade, exporter-importer relationships, relationship marketing, relationship quality.

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INTRODUCTORY NOTES

The following notes are important for understanding this study. Please review them before reading this report.

A) By referring to Incoterms 2000 in this work 13 internationally accepted commercial terms, defining the costs, risks, and obligations of buyers and sellers in international transactions, are meant, namely EXW (Ex Works), FCA (Free Carrier), FAS (Free Alongside Ship), FOB (Free On Board), CPT (Carriage Paid To), CIP (Carriage and Insurance Paid To), CFR (Cost and Freight), CIF (Cost, Insurance and Freight), DAF (Delivered At Frontier), DDU (Delivered Duty Unpaid), DDP (Delivered Duty Paid), DES (Delivered Ex Ship), DEQ (Delivered Ex Quay).

B) Exchange rates: the following annual average exchange rates as follows.

Table 1 Exchange rates for Norwegian krone and Japanese yen (PromarJapan 2004).

	Yen/NOK
1999	14.5
2000	12.2
2001	13.5
2002	15.6
2003	16.3
2004	16.1

Table 2 Exchange rates for Norwegian krone and American dollar (Statistiks sentralbyrå).

	NOK/USD
2002	7.98
2003	7.08
2004	6.74
2005	6.44
2006	6.41

ABBREVIATIONS AND ACRONYMS

CIF	Cost, Insurance and Freight
CIP	Carriage and Insurance Paid To
CFR	Cost and Freight
CPT	Carriage Paid To
DAF	Delivered At Frontier
DDP	Delivered Duty Paid
DDU	Delivered Duty Unpaid
DEQ	Delivered Ex Quay
DES	Delivered Ex Ship
EXW	Ex Works
FAO	Food and Agriculture Organization of the United Nations
FAS	Free Alongside Ship
FCA	Free Carrier
FOB	Free On Board
GDP	Gross domestic product
ICC	International Chamber of Commerce
Incoterms	International commercial terms
NOK	Norwegian krone
TAC	Total allowable catch
USD	American dollar

1. Introduction

This chapter introduces the background for the study to the reader. It describes the problem, its relevance, and in conclusion, delimitations and layout of the thesis.

1.1 Background

The present international trade relations are multilateral, due to the developing global trade and the increasing number of actors participating in the import-export relationships. As with all complex processes, connected to business issues, international trade is regulated by a number of legal instruments. The function of these legal mechanisms is to facilitate and ensure the rights and responsibilities of the parties are clear. The main legal instruments for international trade are contracts of carriage, insurance, financing and sale. The most important of them is the sales contract.

Nowadays many markets are subject to globalization. The fishing industry is no exception to this phenomenon. The fishing industry has been developed stably in terms of exports and imports flow. The development of business relationships between seafood importers and exporters, and the need to facilitate and regulate the trade issues, prompted the seafood industry to adopt the same legal instruments as used by other international trade industries. Most international sale contracts are based on CISG-convention. Terms of deliveries are a central clause of these sale contracts. The International Commercial Terms (Incoterms 2000 in the latest addition) were established in 1936 by the International Chamber of Commerce. Incoterms 2000 generalize and differentiate the rights and obligations of the parties participating in international trade. And because they are accepted in many countries in the world, they are also applicable to the seafood industry. Seafood export is complicated, and is associated with issues regarding: customs procedures, food safety, contract legislation, transport insurance, distribution of obligations and other terms. Incoterms 2000 are connected with most of these issues, and thus knowledge of the different practices in use can facilitate the delivery process.

Norway has traditionally exported most of their seafood to other countries. Within the present seafood industry, Norway has well developed import-export relations with more than 150 countries. The Norwegian Seafood Export Council informed that 2006 has been the most successful year to date for Norwegian seafood export, reaching the value of 35.6 billion NOK.

This shows an increase in 3.6 billion NOK in comparison with 2005. The Norwegian fisheries and aquaculture industry is currently one of the world's largest exporters of seafood, within recent years more than 3 million tonnes of fish and seafood being harvested from the sea annually.

In the seafood trade with other countries, Norwegian exporters use Incoterms 2000 as a part of the sales contracts. But the import-export relationships with different countries are characterised by different business environments, and thus different Incoterms 2000 are used. The cases of Russia and Japan are an example of this. When seafood is transported from Norway, the location of the countries, type of seafood, volumes, relationship between the partners, and specific regulations within the country-importer can all be important for the choice of Incoterms 2000. Trust and satisfaction between exporters and importers may influence the decision making process and distribution of risks and costs. Due to this fact, it is possible to suppose that the relationship quality may be associated with the choice of terms of delivery.

Relationship building between exporters and importers plays an essential role in business development. Very often relationship management and relationship development are overlooked and not analyzed by companies, though high quality relations can give a very strong competitive advantage (Gronroos 1991; Sheth and Parvatiyar 1995; Kotler and Armstrong 2004). Hence relationship quality is essential for successful business development between partners and influences much of the decision making in business interactions.

Nowadays relationship-building processes are greatly discussed by many researchers. The present marketing developments show a shift from the traditional transaction-based exchanges to more contemporary relationship-building processes. This is due to the strong, complex and dynamic interdependences between sellers and buyers (Gronroos 1991; Sheth and Parvatiyar 1995; Kotler and Armstrong 2004). This tendency is clearly seen not only in the local markets but also the international market is undergoing similar changes (Leonidou, Barnes et al. 2006).

Exporter-importer markets are quite different from the ordinary business-to-business or business-to-customer markets, due to the fact that the export-import environment usually carries more risk and uncertainty for the participants. In an exporting situation, relationship quality refers to relationships developed beyond national boundaries. Unlike relationships in the

domestic market, relationships developed with partners in foreign markets are influenced to a higher degree by dissimilar cultural, economic and other environmental factors (Lages, Lages et al. 2005: 1040). Increased emphasis on globalization, cooperative strategies, and strategic alliances, coupled with the intensification of competition on a global scale, has led to a growing number of firms to rethink their distribution strategies and to emphasize and seek to create greater mutual interdependence (Samiee and Walters 2003), and thus to concentrate on relationship quality.

In the exporter-importer relationships the exporting activities do not only involve economic transactions, whereby goods are exchanged for money and/or other goods, but also complex behavioural interactions, involving exchanges of social, information, and other intangibles (Hallen and Sandstrom 1991). This is due to the fact that both exporters and importers interact, because they recognize that they are mutually interdependent and, in order to increase efficiency in business transactions, they need to use each other's experience, knowledge and resources (Cunningham 1980). For this purpose they must build a sound long-term relationship that will help in developing business transactions.

The relationship quality between the exporter and importer plays an essential role in the export-import development between countries. It may influence decision-making on the important issues connected with international trade, such as choice of terms of delivery. The high quality of relationship implies a high level of trust and satisfaction within the importer-exporter supply chain. Collaborative relationships require trust and commitment for long-term cooperation along with a willingness to share risks (Sahay and Maini 2002). In international sale both parties have to agree upon the responsibilities and risks they are going to carry. Incoterms 2000 is a part of the supply chain due to the fact that they distribute risks, responsibilities and costs between the partners. Exploring the factors that influence the choice of Incoterms 2000 may contribute to understanding the relationships in the exporter-importer dyads. In addition, investigating this issue may reveal possible ways the relationship quality can influence the decision making regarding Incoterms 2000. All this allows better understanding the complexity of the use of terms of delivery in international seafood trade.

1.2 Problem definition and purpose of the study

The present study is aimed to investigate the relevant factors in the choice of terms of delivery (Incoterms 2000). Special attention is paid to the export–import relationship quality between Norwegian exporters and Japanese and Russian importers of seafood and its influence on the choice of Incoterms 2000. The present study is a multiple case study exploring cases of Japanese and Russian importers. A comparative analysis of the cases in Russia and Japan are carried out in order to find out similarities and differences in the use of the terms of delivery and the factors that influence their choice.

In 2005 Russia was the third most important market for Norwegian seafood. Statistics from Norwegian Seafood Export Council show that last year exports of seafood to Russia increased by 34 %, to 2.6 billion NOK compared with the previous year. Only Japan and Denmark are ahead on the list. Though in 2006 France became the leading importer of seafood from Norway, when Denmark was on the second place and Russia was on the third. The most important species exported by Norway to Russia are salmon, trout and pelagic products. The Norwegian Seafood Council’s Marketing Manager for Russia and the Ukraine, Ingelill Jacobsen believes that Russia will be the most important single market for Norwegian seafood in the future.

Japan is at present the largest market in the world. Despite of the fact that the Japanese total market is declining slightly, Japan remains the largest consumer of fish per capita. Besides, the trends to a decline in domestic seafood production the imports to the country are increasing. The import flows show a growth from 43% in 1995, rising to 57% in 2002 (PromarJapan 2004). Japan is an important importer of seafood for Norway. In 2005 Japan occupied the second place for the seafood export from Norway. Norwegian salmon, trout and mackerel are the most popular fish species exported from Norway to the Japanese market.

Russia and Japan were chosen to be the units of analysis for the case study because they represent important markets for the Norwegian export of seafood. These two countries have a great experience in the fish trade with Norway and completely different approaches to business. The Japanese way of building business relationships is based on close working relationships, transparency of information and devolution of design and engineering tasks further down the supply chain (Fynes and Voss 2002). Russian business partners can be characterized as being

closed in information sharing, sceptical and cautious. Businessmen mention that it is important to make personal relationships with Russians before proceeding to business. This is usually undertaken by attending social events, parties, dinners, etc. In general, companies from both countries tend to build long-term relationships with the exporters.

In this paper, based on interviews with Russian and Japanese importers, the following questions will be addressed, the questions that have not been addressed specifically before in supply chain literature, namely:

1. Which delivery terms from Incoterms 2000 are primarily used with regard to seafood deliveries?
2. What are the main factors that determine the choice of specific delivery terms?
3. Does the relationship quality in terms of trust, satisfaction, commitment and conflict level, influence the choice of delivery terms?

The present study is fulfilled within the project owned by the company Bjørnflaten Frysetransport AS, Tromsø. The specific aim of this project is to analyze risk factors for carriers regarding the logistics lines for seafood export from Norway.

1.4 Delimitations

The study concerns only the investigation of possible factors in respect to the choice of Incoterms 2000 from the point of view of importers. The import-export relationships within the fishing sector from Norway to Russia and to Japan are the focus. The present study is limited to the case study of 10 Japanese companies and 6 Russian companies. The quality of the relationship is limited to measuring the importer's satisfaction with, trust in, commitment to the relationship, and the level of conflict in the relationship. The relationship quality is investigated only as perceived by the importers. The influence of the relationship quality on the choice of the legal mechanisms is restricted to the choice of Incoterms 2000.

1.5 Thesis layout

The present paper is organized as follows:

Chapter two is devoted to the central concepts and theoretical propositions as a basis for the study. The chapter presents legal mechanisms facilitating international trade. So far the study is

focused on Incoterms 2000, the definition of the term is given and all Incoterms 2000 are briefly described. Furthermore, possible factors influencing the choice of Incoterms 2000 are discussed. The choice of Incoterms 2000 is related to the assumption that it may be influenced by several factors including the relationship quality. In this chapter, the relationship marketing and the concept of the relationships quality and its constructs are contemplated. Finally, the study framework is presented.

Chapter three reviews the methods used for the data sampling and data analysis. Here the study design is described and the case characteristics are presented. The chapter also includes measures and constructs operationalization, questionnaire design, analytical method and reliability and validity of the method used for the study aims. The chapter is concluded by discussing the problem of generalization.

Chapter four presents an overview of international seafood trade. Here the profiles of Russia and Japan as importers of seafood from Norway and Norway's position within the overall fisheries sector in these countries are presented. The information presented in this chapter introduces the present situation on the seafood markets in Japan and Russia, and thus explains why these countries were chosen for the present study.

In Chapter five the findings of the study are presented and discussed. The investigated cases are grouped by countries; and the results present the use of delivery terms from Incoterms 2000 in the seafood trade with Norway by Russian and Japanese importers, the factors influencing the choice of terms of delivery, the perceived relationship quality evaluation and its possible influence on the choice of Incoterms 2000 from the point of view of the respondents.

Chapter six presents a comparison of Japanese and Russian cases in the discussion part. In this chapter the use of Incoterms 2000, factors crucial for the choice of delivery terms and the perceived relationship quality are discussed. Furthermore, managerial implications, limitations and future research proposals are presented.

2. Central concepts and theoretical framework

This chapter describes the relevant concepts and theory for the study. The chapter starts with presentation of legal mechanisms and Incoterms 2000. Then, the problem of identifying the main factors influencing the choice of Incoterms 2000 in seafood trade is discussed, and some examples within the seafood trade are given. A certain part of the chapter is devoted to the relationships quality and its constructs. At the end, the study framework is presented.

2.1 Legal mechanisms facilitating international trade

All legal mechanisms, such as contracts, certificates, deeds and alike, state certain contractual conditions and distribute rights and responsibilities between the parties. In the business reality such contracts, certificates and alike are usually sealed and signed by top managers and explain the will of the company. These documents legitimate the rights and responsibilities of the parties and are to be based on the acting legislation of the country (countries) involved in the business relations. International business relations are regulated by international law adopted by the country.

In trade, legal mechanisms are the terms and conditions for regulating trade issues. In international trade, importers and exporters use several legal mechanisms at the same time, such as contracts of carriage, insurances and financing. An important legal mechanism for international trade is Incoterms 2000 that are an essential part of the sales contract and interconnected with other types of legal mechanisms. Incoterms 2000 are described further in this chapter.

2.2 Incoterms 2000

The increased global trade and broader access to markets all over the world have led to a complexity of international trade relations and thus to a necessity for generalization and facilitation of the conduct of the international trade. Furthermore, different countries have different trade practices and this may be a ground for misunderstandings and disputes between the trading partners. For this purpose the International Chamber of Commerce (ICC) in 1936 established a universal set of International Commercial Terms, know as Incoterms 1936. Since then, the Incoterms were updated six times. Incoterms 2000 is the latest edition that was made in order to bring the rules in line with current international trade practices. Reference to Incoterms

2000 in a sales contract defines clearly the parties' respective obligations and reduces the risk of legal complications (Incoterms 2000, 1999).

Incoterms 2000 are accepted by governments, legal authorities and practitioners in many countries of the world. Due to grouping into sectors by risks and costs distribution between buyers and sellers, Incoterms 2000 facilitate the conduct of international trade greatly and thus reduce uncertainties that may arise from differing interpretations. It should be underlined that Incoterms deal only with the relations between sellers and buyers under the contract of sale, and, moreover, only do so in some very distinct respects (Incoterms2000 1999). As mentioned above, importers and exporters use several legal mechanisms at the same time. Incoterms 2000 are aimed to deal only with the contract of sale, which is the basic legal instrument in the international trade. The chosen Incoterms 2000 will necessarily have implications for the other contracts (Incoterms 2000, 1999).

There are 13 Incoterms 2000. Each of them stipulate proof of delivery and transport documents, transfer of risks (place of disposal of goods), division of costs (clearing the goods for export, transportation costs), inspection of goods and other obligations of the seller and buyer. By using Incoterms 2000 the parties have a mutual understanding of at which point the risk of loss and/or damage passes from seller to buyer as well as which party pays specific costs. Incoterms 2000 are grouped in four different categories: E, F, C and D.

The "E"-term is the term in which the seller's obligation is at its minimum. This means that usually the seller places goods of the buyer's disposal at the seller's own premises. There is only one "E"-term – EXW (Ex Works).

The "F" –terms require the seller to deliver the goods for carriage as instructed by the buyer. This group is represented by FCA (Free Carrier), FAS (Free Alongside Ship), FOB (Free On Board).

The "C"-terms require the seller to contract for carriage on usual terms at his own expenses. In this group the following Incoterms are included: CPT (Carriage Paid To), CIP (Carriage and Insurance Paid To), CFR (Cost and Freight), CIF (Cost, Insurance and Freight).

The “D”-terms mean that the seller is responsible for the arrival of the goods at the agreed place or point of destination at the border or within the country of import. This group of delivery terms consists of DAF (Delivered At Frontier), DDU (Delivered Duty Unpaid), DDP (Delivered Duty Paid), DES (Delivered Ex Ship), DEQ (Delivered Ex Quay) (Incoterms 2000, 1999). Further in this chapter all 13 Incoterms are briefly reviewed.

2.2.1 Group E

The "E" term Ex works, EXW, - the seller only makes the goods available to the buyer at the seller's own premises or another named place not cleared for export and not loaded on any transport means. Seller's obligation is at minimum and this term of delivery can be used for all types of transport. The transfer of the risk from the seller to the buyer occurs when the goods are available for the buyer and the buyer undertakes all transport formalities. However, if the parties wish the seller to be responsible for the loading of the goods on departure and to bear the risks and costs of such loading, this should be made clear by adding explicit wording to this effect in the contract of sale (Incoterms 2000, 1999: 27). EXW should not be used when the buyer cannot carry out the export formalities directly or indirectly. In such circumstances, the FCA term should be used, provided that the seller agrees that he will load at his cost and risk (Incoterms 2000, 1999: 27).

2.2.2 Group F

The "F" terms require the seller to deliver the goods for carriage as instructed by the buyer (Incoterms 2000, 1999: 12). The "F" terms are:

FCA - Free Carrier (... named place) - the seller delivers the goods, cleared for export to the carrier nominated by the buyer at the named place. If the delivery occurs on the seller's premises, the seller is responsible for loading. If the delivery occurs at any other place, the seller is not responsible for unloading. (Incoterms 2000, 1999: 33) The transfer of the risk from the seller to the buyer occurs when the goods are submitted at the place and to the carrier assigned by the buyer. The seller stands for the freight cost to the assigned destination and should also pay for the packaging of the goods that is needed for a designated transport mode FCA can be used for all types of transport (Exporthandboken, 1999).

FAS - Free Alongside Ship (...named port of shipment) - the seller delivers the goods when they are placed alongside the vessel at the named port of shipment (Incoterms 2000, 1999: 33).

The transfer of the risks and costs from the seller to the buyer occurs when the goods have been delivered alongside the vessel. The seller clears the goods for export. The buyer stands for the rest document formalities after the delivery is performed. FAS term of delivery is only used for sea transport (Incoterms 2000, 1999).

FOB - Free On Board (...named port of shipment) - the seller delivers the goods cleared for export on board the vessel and provides the buyer with proper documentation. The documents usually consist of a clean on board Bill of Lading or equivalent. It is the buyer's responsibility to enter into a transport agreement and pay all the costs from the point the goods passes the railing of the ship, including the loading costs if necessary. The transfer of the risk from the seller to the buyer takes place when the goods pass the railing of the ship at the port of loading. FOB term of delivery is only used for sea transport (Exporthandboken, 1999: 362-363).

2.2.3 Group C

The seller contracts for carriage on usual terms at his own expenses. The "C" terms are:

CFR - Cost and Freight (...named port of destination) - It is the seller's responsibility to make the transport agreement, pay for the freight and deliver the goods passed the ship's rail in the port of shipment. The seller also provides the buyer with the customary transport documents, and clears the goods for export. The buyer stands for all the costs from the point the ship arrives to the port of destination and pays for the unloading costs, if those are not included in the sea freight. The transfer of the risk from the seller to the buyer occurs when the goods passes the railing of the ship in the port of loading. CFR can only be used for sea transportation (Exporthandboken, 1999: 363).

CIF - Cost, Insurance and Freight (...named port of destination) - The seller delivers when the goods pass the ship's rail in the port of shipment. The seller must pay the cost and freight necessary to bring the goods to the named port of destination. The risk of loss or damage of the goods, as well as any additional costs due to events occurring after the time of delivery are transferred from the seller to the buyer. However, the seller has to procure insurance against the buyer's risk of loss of or damage to the goods during the carriage. The buyer should note that the seller is required to obtain insurance only on minimum cover. The CIF term requires the seller to clear the goods for export. CIF can only be used for sea transportation (Incoterms 2000, 1999: 65).

CPT - Carriage Paid To (...named place of destination) means that the seller delivers the goods to the carrier nominated by him, but the seller must in addition pay the costs of carriage that are necessary to bring the goods to the named destination (Incoterms 2000, 1999: 73). The buyer stands for all the costs from the point that when the goods arrive to the destination place. The buyer is also to pay the unloading costs, if those are not included in the freight. The transfer of the risk from the seller to the buyer occurs when the goods are handed over from the seller to the first freight forwarder. CPT can be used for all types of transport (Exporthandboken, 1999: 364).

CIP - Carriage and Insurance Paid To (...named place of destination). This term of delivery is identical with the Carriage Paid To (CPT), however with an addition - the seller should sign and pay an insurance for the goods that can be transferred to the buyer. CIP can be used for all types of transport (Exporthandboken, 1999: 364). The buyer bears all the risks and any additional costs that occur after the goods have been so delivered (Incoterms 2000, 1999: 81).

2.2.4 Group D

The seller bears all costs and risks needed to deliver the goods to the place of destination.

The "D" terms are:

DAF - Delivered At Frontier (...named place) means that the seller delivers when the goods are placed at the disposal of the buyer on the arriving means of transport not unloaded, cleared for export, but not cleared for import at the named place at the frontier but before the customs border of the adjoining country (Incoterms 2000, 1999: 89). The buyer is responsible for all the costs from the point the goods have been placed to buyer's disposal. The transfer of the risk from the seller to the buyer occurs when the goods has been placed to the buyer's disposal at the frontier location. DAF can be used for all types of transport; however it is intended to be used for road and rail transportation (Exporthandboken, 1999: 364).

DES - Delivered Ex Ship (...named port of destination) means that the seller delivers when the goods are placed at the disposal of the buyer on board the ship not cleared for import at the named port of destination (Incoterms 2000, 1999: 97). The seller provides the buyer with the delivery order and/or customary transport documents. The buyer pays the unloading at the port of destination and stands for all the costs from the point the goods has been put to his disposal. The transfer of the risk from the seller to the buyer occurs when the goods have been put to the

buyer's disposal at the port of destination. DES can only be used for sea transportation (Exporthandboken, 1999: 365).

DEQ - Delivered Ex Quay (...named port of destination). The seller delivers when the goods are placed at the disposal of the buyer not cleared for import on the quay at the named port of destination. The seller has to bear costs and risks involved in bringing the goods to the named port of destination and discharging the goods on the quay. The buyer clears the goods for import (Incoterms 2000, 1999: 105). The transfer of the risk from the seller to the buyer occurs when the goods have been put at the buyer's disposal on the quay at the port of destination. DEQ can only be used for sea transportation (Exporthandboken, 1999: 365).

DDU - Delivered Duty Unpaid (...named place of destination) means that the seller is responsible for the delivery of the goods to the place of destination in the agreement in the country of import. The seller delivers the goods to the buyer, not cleared for import, and not unloaded from any arriving means of transport. The seller has to bear the costs and risks involved in bringing the goods thereto. The buyer pays customs, taxes and other import charges and fees as well as the costs and risks that the customs formalities result in. However, if the parties wish the seller to bear the costs and risks related to the duties, as well as the costs payable upon import of the goods, it should be made clear by adding explicit wording to this effect in the contract of sale. The transfer of the risk from the seller to the buyer occurs when the goods have been put at the buyer's disposal at the agreed place of delivery. DDU can be used for all types of transport (Exporthandboken, 1999: 365).

DDP - Delivered Duty Paid (...named place of destination). This term of delivery implies the most obligations for the seller. It is similar to the Delivered Duty Unpaid (DDU), with the exception of that the seller should pay the import charges and possible taxes (Exporthandboken, 1999: 365). The seller is to deliver the goods cleared for import to the buyer, and not unloaded from any arriving means of transport at the named place of destination. The seller has to bear all the costs and risks involved in bringing the goods thereto. This term should not be used if the seller is not able to obtain the import license. If the parties wish to exclude from the seller's obligations some of the costs payable upon import of the goods, this should be made clear in the contract of sale. DDP can be used for all types of transport (Incoterms 2000, 1999: 121). The

Online Resource for International Trade Professionals presents a summary of all 13 Incoterms 2000 together with obligations of the buyer and seller, see Appendix 1.

2.3 Factors influencing the choice of Incoterms 2000 in seafood trade

Terms of delivery are an important management tool in any importing or exporting company. Since Incoterms 2000 are legal trade instruments, the partners participating in international seafood trade should be aware of their obligations and consequences of using particular Incoterms 2000. The choice of terms of delivery can be influenced by factors different for various business environments, industries, countries and companies. Identifying these factors is very challenging, but the knowledge about this issue can lead to better understanding of supply chains and facilitate negotiations between partners.

In international seafood trade it is possible to use different means of transport, such as trains, trucks, marine vessels, and airplanes. All these means of transport are of different capacities and need a special design for transporting chilled or frozen seafood. The modern technical development makes it possible to use any of these means of transport with relatively the same safety for the quality of seafood. The factors influencing the choice of transport means are the volume, location, destination and desirable speed of delivery. The choice of transport is essential for the use of Incoterms 2000 and vice versa. Some of Incoterms 2000 are possible to use only for marine transport (e.g. FAS, FOB, CFR, CIF, DES, DEQ), the rest are suitable for all means of transport (e.g. EXW, FCA, CPT, CIP, DAF, DDU, DDP). DAF is usually used for road and rail transportation (Incoterms 2000, 1999).

The initial factor for the choice of delivery terms is the geographical location of countries and access to them. For example, Norway and Japan do not have land borders and thus the seafood transportation is possible only by sea or by air. If considering only the geographical positions of the country, in importing goods to Japan the following Incoterms 2000 theoretically can be used: EXW, FAS, FOB, FCA, CFR, CIF, CPT, CIP, DES, DEQ, DDU, and DDP. On the contrary, Norway has land borders with Russia (though no railway connection exists). Hence transportations by sea, air and motorways are possible. Thus the same Incoterms 2000 as in the case of transportations to Japan plus DAF theoretically can be used.

Terms of delivery are included in sales agreements that are constructed under negotiations between importers and exporters. This means that both the importer and exporter participate. Who proposes the term of delivery usually depends on the case and relationship between the partners in the supply chain. The choice of Incoterms 2000 is expected to be influenced by several factors. First of all, a desirable risk distribution between the importer and exporter plays an important role. Thus EXW is more advantageous for the exporter, as the goods are usually transferred to the importer together with the risks at the premises of the exporter. Delivery terms of the group “F” relieve the exporter from the responsibilities and risks as soon he delivers the goods to the carrier named by the importer. Though the exporter pays for the export license and customs formalities for export, this group represents the next advantageous terms of delivery for the exporter. In this case the exporter bears less responsibility for carriage of goods, risks and costs than in the case of the group “C” and “D”. The delivery terms of the group “C” also relieve the exporter from the responsibilities and risks as soon he delivers the goods to the carrier, though here in some cases the exporter also is responsible for the insurance (CIF and CIP). Group “D” is more advantageous for the importer as the exporter bears all responsibilities and risks for the delivery.

The choice of Incoterms 2000 may also be influenced by value/volume of seafood to be transported. Big volumes usually mean bigger value of the consignments. For example, the delivery term FOB may be more preferable for bigger volumes (meaning bigger values of the seafood). At the same time the delivery term CFR may be more preferable for smaller volumes (smaller values), as mentioned by the Japanese importers participating in the present study. This may be explained as a desire of the Japanese importer to take more control over the deliveries of bigger values. Type of fish can be also a important factor because the quality characteristics of fish often determine the speed of delivery and thus the type of transport used (e.g. airplanes for quicker deliveries) may influence the use of Incoterms 2000.

The choice of the terms of delivery is made in negotiations between partners where the importer and exporter interact and behave accordingly to the existing relationship level. Hence the choice of delivery terms may be influenced by relationship factor. For example, having a very good relationship quality characterized by a high level of trust and satisfaction, the importer may take more risks and responsibilities on them and use the Incoterms 2000 that state earlier risk transfer to the importer, such as terms of delivery of the group “E”, “C” and “F”. On the contrary, the

distrust in the exporter may result in the intention to use Incoterms 2000 that implies more risks to the exporter, for example the terms of delivery of the group “D”. In general, both companies in importer-exporter dyads tend to find an optimal term of delivery that will give reasonable advantages for both parties and will contribute to achieve the best economical result. There can be more factors influencing the choice of Incoterms 2000 for different countries, situations and practices. The location of the exporter and importer, type of products, volumes, local legislation may be of high significance. Furthermore, relationships between partners, trust and distrust, as well as satisfaction, commitment and conflict level in the dyads, may influence the desirable risk and costs distribution between the partners and thus the choice of Incoterms 2000.

In the present study the dependence of the choice of Incoterms 2000 on the perceived relationship quality by the importer will be emphasized. In addition, other factors such as risk and costs transfer, volumes and type of seafood, location of the country-importer and exporter, etc. will be also included. So far the perceived relationship quality is emphasized in the present study with relation to the terms of delivery, the theoretical basis for the relationship quality and its constructs will be discussed further.

2.4 Relationship quality in importer-exporter dyads

Relationship marketing originated in industrial and business-to business markets (Jackson 1985). Unlike the traditional transaction-based approach, the relationship marketing emphasizing the importance of building long-term relationships with customers, has been gaining more and more importance in marketing and management practice. Grönroos (1990: 138) suggests the following definition of marketing from the relationship point of view:

“Marketing is to establish, maintain, and enhance relationships with customers and other partners, at a profit, so that the objectives of the parties involved are met. This is achieved by a mutual exchange and fulfilment of promises”.

The satisfaction paradigm basing on the assumption that customers’ actions are based on their perception of quality and satisfaction, that they are free to act and choose, and that a loyal customer is more profitable than a less loyal customer (Storbacka, Strandvik et al. 1994) contributed to the shift to relationship-building marketing approach in both business-to-business and business-to-customers markets.

Any industry is subject to globalization, internationalization, advanced scientific and technical innovations, the seafood industry explored in the present study is not an exception. All these tendencies characterizing modern markets are among those factors that have led to the relationship paradigm for creating long-term relationships among customers and suppliers (Zineldin and Jonsson 2000). The relationship paradigm refers to all activities directed towards establishing, developing, and maintaining successful rational exchange (Morgan and Hurt 1994). Companies exchange cultures and experiences, and participating in relationship building they depend on each other. Besides, the increased global competitiveness in many industries makes the companies to develop and maintain long-term relationships characterized by high relationship quality with the partners and customers, including import-export relationships. Huntley proves in his study of the quality of business-to-business relationships that the relationship quality influences the profitable outcomes – “when the quality of the relationship was high, customers were more willing to recommend the seller’s offerings to colleagues and they purchase more from the seller” (Huntley 2006: 712).

Many relationship theories regarding business-to-business and business-to-customer environments can be adopted in the importer-exporter relations, though this type of relations is quite different from the others. For instance, import-export activities are characterized by higher risk and uncertainty than within country business-to-business relations or supplier-distributor relations. In such environments “the perceived importance of long-term relationships may strengthen the mediating role of relationship quality” (Huntley 2006: 712). The relationship between importers and exporters is influenced greatly by uncertainty – impossibility to predict the future of the relationship with the another firm, and distance characterized by geographic separation between the partners and by different socio-cultural, political-legal and techno-economic environments (Leonidou, Barnes et al. 2006). Thus the relationship quality is an essential factor for building sound long-term relationships between exporters and importers.

The research works made regarding importer-exporter relationship were grouped by Leonidou et al. (2006) into four streams, representing different approaches to the examination of the relationship phenomenon. The first stream is represented by a static approach focusing on the degree of appearance if various behavioural parameters in the relationship between export manufacturers and their import customers. Another group of research emphasized the association among the behavioural constructs in importer-exporter working relationship

(Leonidou, Barnes et al. 2006). Rosson and Ford (1980; 1982) in their research found out that the greater stake one party has in the relationship, the more susceptible it is to influences exerted by the other party; conflict is less frequent and decision-making more reciprocal when experience with the relationship is greater; and high levels of relationship uncertainty are associated with more established roles and routines, less joint decision-making, and more frequent conflict

The third stream of research examined the link between the atmosphere governing the exporter-importer working relationship and operating performance. These research works confirmed the importance of bilateral relationship norms and information monitoring mechanisms in building trust and improving performance in cross-border partnership, as well as that the partner sensitivity to national business culture increases communication and decreases conflict, which lead to higher levels of relationship performance (Leonidou, Barnes et al. 2006). Some examples of this group are research by Aulakh, Kotabe and Sahay (1996) and LaBanh and Harich (1997).

The fourth and the final stream defined by Leonidou et al. (2006) focused on the changes of relationship atmosphere at different phases of the firm's export development process. Wortzel et al. (1981) developed the idea that the exporting companies from less-developed countries go through five stages each of them characterized by increasing levels of control over marketing operations in overseas markets.

The present study is based on the approach of the third stream of relationship quality research, namely examining how the relationship quality is influencing the operation performance. It is supposed that the relationship quality may also influence the decision making regarding the contractual forms, delivery terms and other conditions, and thus to be one of the factors effecting the choice of Incoterms 2000 in seafood trade.

Building up long-term relationships of high quality, offers advantages for both parties – for buyers and sellers, for suppliers and distributors, for importers and exporters. For the importer this helps to create exit barriers for the exporter, to exchange experience and resources with the exporter. For the exporter, a good relationship reduces stresses and risks, results in quicker feedback from the importer. All this leads to a more sound cooperation between the partners. In

other words, the relationship of high quality can be regarded as a competitive advantage for both partners in the importer-exporter dyad (Leonidou 2003).

Assessing the quality of any relationship has remained a problematic issue in spite of the recognized importance of relationships within business-to-business marketing (Naude and Buttle 2000). Besides, the researchers still have not decided on a general definition of the term. The term “relationship quality” has been used frequently in the buyer-seller literature as if the meaning is understood, when, in reality, few researchers share a common definition (Huntley 2006). There is no one measure of what constitutes a good relationship (Naude and Buttle 2000). Gummesson (1987) considers the relationship quality as the quality of the interaction with the customer and states that the high relational quality contributes to customer-perceived quality and thus enhances the chances for a long-term relationship.

Huntley (2006) basing on the fact that interacting partners exchange both economic and social resources, underlines that the relevant domain of the relationship quality construct should be extended to include both the economic and social components. In the business-to-business context from the buyer’s perspective, he defines the relationship quality as “the degree to which buyers are satisfied over time with the overall relationship as manifested in product quality, service quality, and price paid for the value received and the degree to which the relationship functions as a partnership” (Huntley 2006: 706).

2.5 Constructs of relationship quality

There have been made a number of attempts to define and measure relationship quality in different spheres of business, such as business to business (Mohr and Spekman 1994), relationship between companies and their customers (Storbacka, Strandvik et al. 1994), importer-exporter relationships (Lages, Lages et al. 2005; Leonidou, Barnes et al. 2006), distributors-suppliers relationships (Van Bruggen, Kacker et al. 2005). All these recent studies in investigating the relationship quality were based on a different combination of constructs. An overview of constructs of the relationship quality is presented in Table 3, where the constructs that are used in the present study are also indicated.

Goal compatibility, trust, satisfaction, investments, structural bonds, social bonds, and the relative level of investment in alternative relationships – these are the attributes that characterize successful business-to-business relationships and allow it to develop, as proposed by Wilson and Jantrania (1996). Morh and Spekman (1994) emphasize the importance of commitment, coordination, trust, communication and joint problem solving for any successful business relationship. Storbacka et al. (1994) underline trust, satisfaction, communication and bonds as the main constructs of the relationship. Van Bruggen et al. (2005) use trust, satisfaction, commitment and conflict level as constructs in their study of relationship quality. Leonidou et al. (2006) adopts for their study of the importer-exporter relationship quality the constructs used by Evangelista (1996), namely – adaptation, commitment, communication, cooperation, satisfaction, trust, understanding. The constructs used by Van Bruggen et al. (2005) are adopted for the present study because they include the constructs that are used by most of the scholars in the investigation of relationship quality and thus are relevant for the present study. Later in this chapter, the reasons for using each of the construct will be discussed.

Table 3 Main relationship quality constructs used by researchers

Context	Business-to-business relationship		Companies and customers relationship	Distributors – suppliers relationship	Importer-exporter relationship		
	(Wilson and Jantrania 1996)	(Mohr and Spekman 1994)			(Van Bruggen, Kacker et al. 2005)	(Storbacka, Strandvik et al. 1994)	(Lages, Lages et al. 2005)
Trust	X	X	X	X		X	X
Information sharing					X		
Satisfaction	X		X	X	X	X	X
Commitment		X	X			X	X
Long-term orientation					X		
Coordination		X					
Communication		X		X	X	X	
Joint problem solving		X					
Bonds	X			X			
Coal congruence	X						
Investments	X						
Adaptation						X	
Cooperation						X	
Conflicts level			X				X
Understanding						X	

2.5.1 Trust

Trust plays a key role in supply chain relationship, thus trust is a widely recognized construct of the relationship quality (Mohr and Spekman 1994; Storbacka, Strandvik et al. 1994; Wilson and Jantrania 1996; Van Bruggen, Kacker et al. 2005). According to the definition by Anderson and Narus (1990) trust is the firm's belief that another company will perform actions that will result in positive outcomes for the firm, as well as will not take unexpected actions that would result in negative outcomes for the firm. Doney et al. (1998:604) identify trust as "a willingness to rely on another party and to take action in circumstances where such action makes one vulnerable to the other party". There are several factors that lead to the development of the trust in business relationships (Sahay 2003). Firstly, companies calculate the costs and rewards of another party cheating or staying in the relationship. The second factor is the ability of one party to predict actions of another party. Thirdly, information sharing is necessary for being certain about intentions of another party. The fifth factor involves determining another party's ability to meet its obligations. Similar trust building factors is found in the research by Donney et al. (1998).

Sahay (2003) underlines some most important benefits that parties gain through a trustful partnership. They are (a) a larger share of business for both parties, (b) longer term of business relationships and consequent stability, (c) lesser organizational conflicts, (d) inclination and intention of working together in business, (e) sharing information and benefits, (f) lesser price sensitivity and more of referral behaviour leading to greater loyalty and commitment. On the other hand lack of trust in business relationship may lead to destruction. Functional conflicts and uncertainty arise from a lack of trust and conversely that cooperation between partners arises directly from relationship commitment and trust (Morgan and Hunt 1994).

In importer-exporter business environment when the factor of uncertainty is very high and the parties are distant from each other, the trust between exporters and importers can be explained as an expectation that the partner will fulfil his obligation in due time and that the outcome of the business and supply chain relations will be positive. Moreover, Sahay (2003: 556) states that "trust means that a company is willing to take a risk, or expose itself, in relation to another company". Thus it is expected that trust as a construct of relationship quality influences the risk distribution and risk transfer from the exporter to the importer in the supply chain that is regulated by the choice of the terms of delivery in international trade.

2.5.2 Satisfaction

The construct of satisfaction is of fundamental importance in understanding channel relationships (Ruekert and Gilbert 1984). Satisfied channel members are less prone to exit the channel (Hunt and Nevin 1974). Satisfaction in a business-to-customer context is defined as the cognitive and affective evaluation based on personal experience across all episodes within the relationship (Roberts, Varki et al. 2003).

Based on Geyskens et al. (1999) the satisfaction between importers and exporters may be defined as a positive emotional state resulting from the assessment of the importer's working relationship with the exporter. The fulfilment of achieving the desired outcomes leads to satisfaction with the relationships (Anderson and Narus 1990). In import-export relationships both partners need to contribute to each other goals. In this case both will feel satisfied with each other. Satisfaction in the present study expresses the appraisal of the importer's working relationship with the Norwegian supplier. Higher level of satisfaction increases trust in the partner and thus satisfaction may also influence the risk distribution and risk transfer from the exporter to the importer in the supply chain that is regulated by the choice of Incoterms 2000 in international trade.

2.5.3 Commitment

Morgan and Hunt (1994) in their study discuss that business-to-business relationships require commitment, as well as trust. Business relationships are based on mutual commitment, and thus the relationship quality can not be evaluated without this construct. Commitment is defined as the perceived importance of a relationship (Dweyer, Schurr et al. 1987). Anderson and Weitz (1992:19) define commitment as "a desire to develop a stable relationship, a willingness to make short-term sacrifices to maintain the relationship, and a confidence in the stability of the relationship". Commitment includes the desire to continue the relationship and to work to ensure its continuance (Morgan and Hunt 1994). Commitment implies importance and a desire to continue a relationship assuming that it will bring future value or benefits (Friman, Garling et al. 2002). This means that if a company perceives its relationship with another company as important, this will increase commitment and thus increase relationship quality.

When trading partners are committed to each other they are more willing to cooperate, comply with each other's requests (Morgan and Hunt 1994), be flexible, share information, and engage in joint problem solving (Noordewier, John et al. 1990). The net result is the improved performance in the exchange process (Noordewier, John et al. 1990) and the increased profitability for both parties (Anderson and Weitz 1992). Increased commitment may result that the companies are more willing to cooperate and thus they may be willing to take more risks in the deliveries of goods. It is expected that commitment as a construct of relationship quality may influence the risk distribution between the partners in the supply chain and thus may influence the choice of Incoterms 2000.

2.5.4 Channel conflicts

Disagreements between importer and exporter related to business issues, can be a serious obstacle in developing a sound relationship. The most frequent disagreement issues are named by Lionidou (2006) such as offering competitive prices, securing reliable representation, granting credit facilities, meeting product quality requirements, collecting payments from abroad, and delivering products on time. Such disagreements may arise already in the beginning of negotiations and hinder the parties to continue their relationship.

As a result of different business practices, traditions, and norms disagreements between importers and exporters may arise from incompatibility of goals, unclear expectations, different perceptions, or antithetical views (Leonidou, Barnes et al. 2006). Although Leuthesser et al. (1995) underline that some conflict is beneficial, and that confrontations can help bring important issues to the surface and facilitate their resolution. Though, it is evident that repeated and constant conflict situations will make the relations more stressful and less satisfactory. According to Leonidou et al. (2006) the physical and cultural separation between international sellers and buyers may increase the possibility of having more covert conflicts characterized by hidden actions by frustrated party that does nothing to change its behaviour or the behaviour of the other.

The discussed above issues connected with conflicts show that repeated and accumulated conflict situations are more likely to effect relationships negatively. Thus the conflict level is an important construct of the relationship quality. Besides, the level of conflicts may influence the

risk distribution in the deliveries between the partners. For example, the importers, who have many conflicts with their suppliers, may tend to use Incoterms 2000 that provide the importer with fewer risks, such as Incoterms 2000 of group “D” (risks and costs are minimal for the buyer). In the present study the conflict level will be revealed through examining the existence of conflicts between partners, differences in opinions, analyzing the negotiation process and understanding the way the partner works.

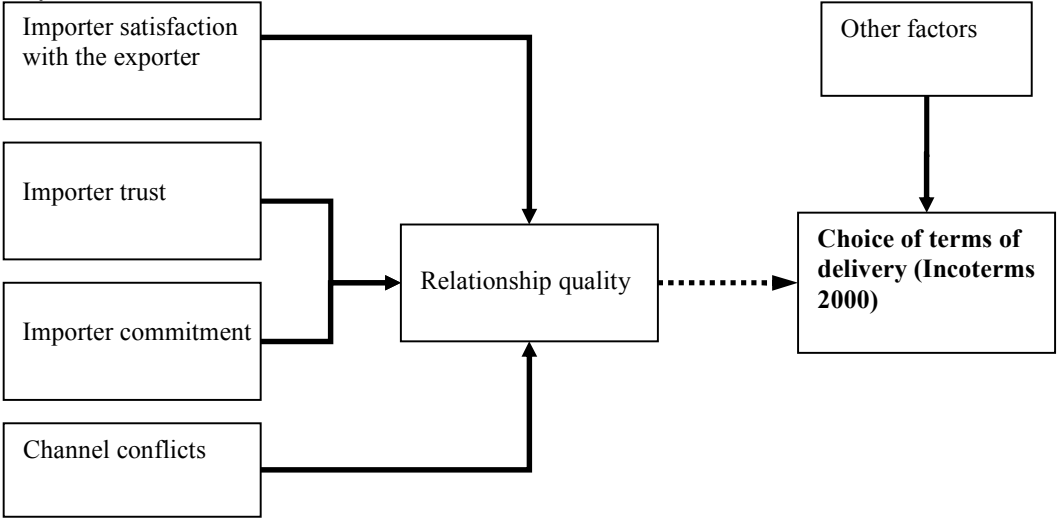
2.6 Study framework

In the previous sections the aspects of Incoterms 2000 and possible factors influencing their choice by the partners in import-export environment within the seafood trade have been discussed. The problem of relationship quality between importers and exporters and the constructs of relationship quality have been also contemplated. In this section, the study model will be developed based on the theoretical propositions described above.

The study is focused on finding out the main factors influencing the choice of Incoterms 2000 in the seafood trade between Norway, Japan and Russia. These factors are identified by the respondents in semi-structured interviews. It is investigated if different factors such as type of fish; volumes/values; control over delivery, insurance, possible legislation obstacles, customs regulations and other possible factors influence the choice of Incoterms 2000. The respondents were also asked to associate the choice of Incoterms 2000 with their perceived relationship quality.

The framework for the present study includes factors influencing the choice of Incoterms 2000, see figure 1. Relationship quality is included in the study as a possible factor associated with the use of Incoterms 2000. In order to investigate the relationship quality the study adopts the model proposed by Van Bruggen, Kacker et al. (2005). It is proposed that four factors comprising of satisfaction, trust, commitment and conflicts have a significant influence on the relationship quality in import-export relationship. By analyzing these four constructs from the point of view of the importers the perceived relationship quality is evaluated.

Figure 1 Study framework



3. Method

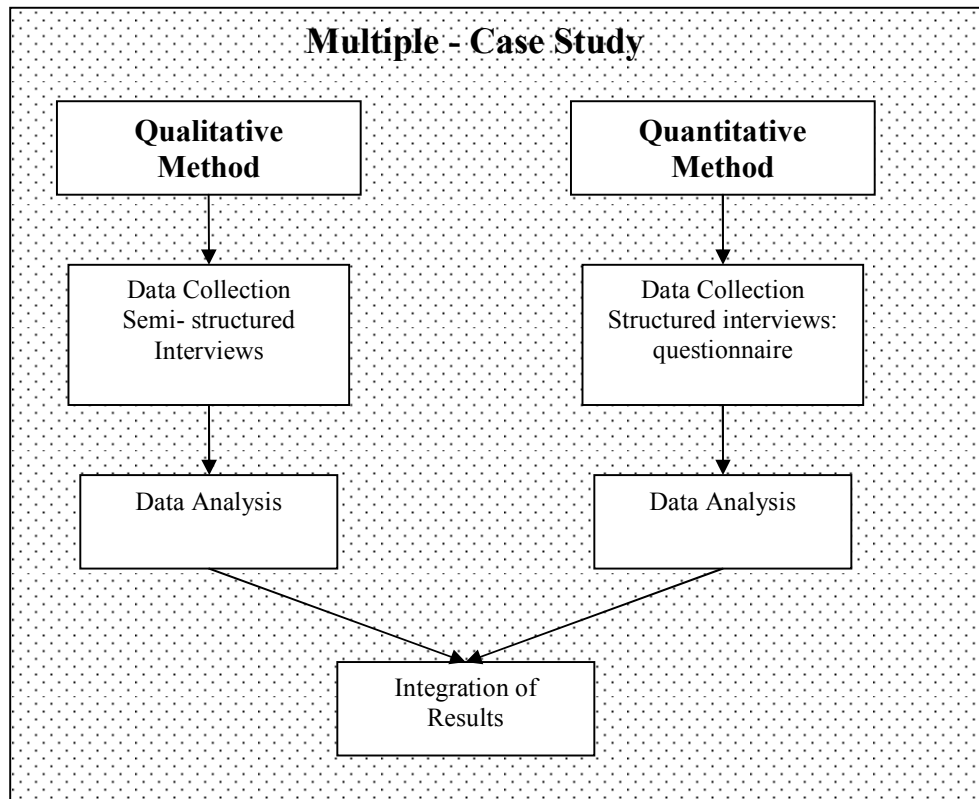
The following chapter presents the study design, key informants, measures and construct operationalization, questionnaire design, analytical method, and reliability and validity of the study. The chapter is concluded by discussing the problem of generalization.

3.1 Study design

The choice of the study design is dependent on the nature of the investigated phenomenon and the study aims. Thus the approach applied to the present study is a multiple-case study with the use of the mixed-method technique. The case study is the most suitable method for investigating phenomena such as factors influencing decision making regarding different business issues (terms of delivery in this study) and the relationships in the business dyads, because the case study “is an empirical inquiry that investigates a contemporary phenomenon within its real-life context, especially when the boundaries between phenomenon and context are not clearly evident” (Yin 1989: 23). The choice of this method is also stipulated by the fact that the behavioural events are not controlled and the study focuses on contemporary events. The study is aimed at comparing cases of Japanese and Russian importers participating in the seafood trade with Norway. The general analytic strategy chosen for the study is following the theoretical propositions that led to the case study. This means that the original objectives and design of the case study are based on such propositions which in turn reflect a set of research questions, reviews of the literature, and new insights (Yin 1989).

The present case study is based on the mixed-method approach, see Figure 2. The approach is named so because it combines qualitative and quantitative methods. For the present study the use of the mixed method approach is very beneficial, as it is aimed at both exploring and explaining the phenomenon (Creswell 2003). The quantitative research method is applied for analysing the relationship quality constructs and for defining the perceived relationship quality. The qualitative research method is applied for studying the Incoterms 2000 used by the importers, the factors influencing the choice of terms of delivery, for analysing possible influence of the relationship quality on the choice of the Incoterms 2000, and for collecting additional information about the respondent’s perception of the relationship quality. The combination of both methods contributed to a more accurate study.

Figure 2 Structure of the multiple-case study based on the mixed method approach



3.2 Choice of cases and their characteristics

The cases chosen for the study consisted of seafood importers that are currently engaged in import-export activities with Norway. The geographic location of the importers was limited to Japan and Russia. Interviews with Japanese importers were conducted in August 2006 at the 8th Japan International Seafood and Technology Expo that took place from the 19 till 21 of July in Tokyo. Russian importers were interviewed during the period from January till March 2007. All interviews with Japanese respondents were face-to-face. Three of the six interviews with the Russian respondents were telephone-interviews, due to logistical difficulties to meet face-to-face. To encourage participation, the respondents were assured a summary of the main findings of the study. Altogether ten Japanese respondents and six Russian respondents were questioned for the study purposes, see tables 4 and 5.

The Japanese respondents participated in this study have in terms of import activities on average nine years of business experience with their Norwegian exporters. Their import activities mainly include import of Norwegian salmon, shrimps, mackerel, horse mackerel, turbot, capelin and

haddock. The Russian respondents have on average ten years of experience in importing seafood from Norway. Their main fish products imported from Norway are the pelagic species: herring, capelin; salmon, trout, cod liver, red fish, coalfish, haddock, flounder and plaice.

Table 4 Respondents – Japanese importers

	Company	Foundation date	Respondent name and position	Type of seafood products exported from Norway
1	Marubeni Corporation	1949	Koichi Takao Manager in marine product section, seafood department	Salmon, mackerel, horse mackerel, herring
2	Nippon Suisan Kaisha, Ltd.	1911	Mamory Kanabashira Manager in processed seafood section	Salmon, mackerel
3	Jalux, Inc.	1962	Jin Masuda Manager in marine product team, Agricultural and marine products department	Salmon, trout
4	Maruha Group, Inc.	2004	Ryuji Oshimi Deputy general manager	Mackerel, salmon
5	SC Foods Co, Ltd.	1989	Kazunari Hoshino Assistant to general manager for food service department	Salmon, seithe
6	Toyota Tsusho Corporation	1948	Hidetoshi Tsuruoka Manager in marine products processing group	Mackerel, salmon, horse mackerel, capelin
7	Kyokuyo Co., Ltd.	1937	Shinichi Tonochi Deputy general manager, overseas business department	Salmon, haddock, mackerel, turbot, capelin
8	Japan sakura foods Co., Ltd.	1995	Kodo Nishi Director	Mackerel
9	Kashima Kimura Reize Co., Ltd.	1994	Takeo Sasahara Manager sales department	Mackerel
10	National Federation of Fishery processors cooperative associations	1956	Kenjiro Yanaga Manager	Mackerel

Table 5 Respondents – Russian importers

	Company	Foundation date	Respondent name and position	Type of seafood products exported from Norway
1.	MTSS, Ltd.	1997	Andrey Evguenyevich Nifanevich Deputy director	Pelagic species, salmon, trout, liver, heads.
2.	Severyanin, Ltd.	1999	Sergey Viktorovich Ferzhantsov President	Frozen fish: red fish, coalfish, flounder, liver
3.	Sevrybproduct, Ltd	1992	Pavel Yuryevich Siforov Managing director	Salmon, trout, seithe, haddock, herring, capelin, flounder, plaice etc.
4.	Nordvest, Ltd	1989	Dmitriy Valeryevich Zenitskiy Manager of the delivery department	Salmon
5.	Nord Porto, Ltd	2000	Pareychuk Igor Stepanovich Vice Director in production	Salmon
6.	Trading company Ocean Product	1999	Sanko Alexandr Viktorovich Commercial director	Pelagic species, salmon, trout

Key informants for interviews were mainly export marketing managers, general managers and other executives of the importing companies. Eight of ten Japanese respondents asked for interview refused to participate in the study. This high non-response rate in Japan was mainly because interviews had to be conducted in English, and only a limited number of the potential respondents in Japan could satisfy this precondition.

The Russian respondents were often unavailable because the interview period coincided with their most busy period. Permits for importing seafood must be processed at the beginning of the year (2007) and the relative deadlines take priority. As a result, only six Russian companies were available for interviews. Another important factor of non-response in both countries – Japan and Russia - is the fact that the fishing industry is quite closed, where companies are unwilling to disclose “company’s secrets” by participating in studies that could be shared with their competitors.

3.3 Interview and questionnaire design

Most of the interviews conducted for the present study were face-to-face interviews, three were telephone-interviews. The type of interview was a combination of structured and semi-structured interview techniques. In the semi-structured interview the respondent was not only presented a series of questions, but also asked to develop on their ideas. Some additional questions that came to mind during the interview were also included. The important factor for using semi-structured interviews for the present study was the condition that the informants should have knowledge and experience on the discussed phenomenon and can discuss their opinions.

The interviews were based on a questionnaire which was divided into three parts. The first part consisted of the general information about the respondent and the company they represented. The second part included “why”, “how” and “what” questions, aimed at revealing qualitative descriptive information about the relationship between partners and the choice and use of Incoterms 2000 in import-export relationships. The third part of the questionnaire was based on indication of agreement or disagreement with statements on a five-point scale, ranging from “completely disagree” to “completely agree”. The statements in this section were grouped by the four constructs used in the present study for analyzing the relationship quality. The interview type used in the third part of the questionnaire is the structured interview, where the respondents were given a series of statements to agree or disagree. The full questionnaire used for interviewing Japanese importers is given in Appendix 2. The same questionnaire translated into Russian was used for interviewing Russian importers.

3.4 Measures and construct operationalization

The measures and construct operationalization were conducted in two stages. Firstly, the respondents in semi-structured interviews were offered to discuss the problem of satisfaction with their exporting partners and the factors connected with the choice of Incoterms 2000 in the seafood transportations from Norway. They were asked to answer questions and to elaborate on their opinions regarding the issues. The respondents were offered the following issues for discussion:

1. which Incoterms 2000 the company is currently using in deliveries of seafood from Norway and if the use of Incoterms 2000 recently has changed;
2. what are the reasons for using specific Incoterms 2000;
3. what influences the decision making regarding the choice of Incoterms 2000 used for deliveries of seafood from Norway;
4. if they are satisfied with their Norwegian suppliers of seafood;
5. if they trust their Norwegian suppliers of seafood;
6. if the import of Norwegian seafood by their company increased during the last 5 years and how it is connected with the relationships with the Norwegian supplier.

In addition, the respondents were asked to fill in the questionnaire aimed at collecting quantitative data on relationship quality. The four constructs for analyzing the relationship quality in the dyads were operationalized as follows: importer's trust (frankness, lack of deceit and fraud, partner reliability), importer's satisfaction (satisfaction from working together, content working relationship), importer's commitment (feeling of loyalty, intention to develop a long-term relationship) and channel conflicts. These constructs of relationship quality were adopted from the buyer-seller relationship analysis performed by Van Bruggen et al. (2005) who in their turn used inputs of other scholars for modelling the study. All the items previously utilized by the named researchers in studying buyer-seller relationships, were reworded correspondingly for the purpose of the present study. In cases where it was appropriate and relevant to the context in which the study was conducted, additional items were developed.

Importer's satisfaction was measured as the importer's satisfaction from working together with their exporter from Norway and their evaluation of a happy working relationship. This included one item from scales used by MacIntosh and Lockshin (1997), one item used by Van Bruggen et al. (2005), and one new item which was developed for the study purposes. The respondents were asked to agree or disagree with the following statements: "We are fully satisfied with our Norwegian suppliers when we receive seafood products", "Our Norwegian suppliers can improve a lot"(Van Bruggen, Kacker et al. 2005), "Generally we feel satisfied"(MacIntosh and Lockshin 1997).

Importer's trust was measured by analyzing the perceived exporter's honesty and reliability. The scale was composed of items from scales used by Sigaw, Simson, and Baker (1998) and

by Doney and Cannon (1997). The respondents were asked to agree or disagree with the following statements: “Our Norwegian suppliers are open and honest with us”(Siguaw, Simpson et al. 1998), “Our Norwegian suppliers are knowledgeable about their products”(Siguaw, Simpson et al. 1998), “In difficult times our Norwegian suppliers will support us”(Siguaw, Simpson et al. 1998), “Our Norwegian suppliers are trustworthy”(Doney and Cannon 1997).

Importer’s commitment was measured with the help of analyzing if the importer wants to keep buying from the Norwegian exporters. The following items were used: “We are constantly looking for another supplier”(Siguaw, Simpson et al. 1998), “We have a good relationship with our Norwegian suppliers and want to keep buying from them”(Kumar, Scheer et al. 1995), “We will continue buying from our Norwegian suppliers”(Sirohi, Mclaughlin et al. 1998), “The quality of products from our Norwegian suppliers will grow in the coming years” (Van Bruggen, Kacker et al. 2005).

Conflict level was measured as the amount of misunderstandings and conflicts; and negotiation process evaluation by the importer. The items used for measuring the construct were adopted from the studies conducted by Frazier et al. (1989) and Kumar et al. (1995). The respondents were asked to agree or disagree with the following statements: “The relationship with our Norwegian suppliers is full of conflicts”(Kumar, Scheer et al. 1995), “Negotiations with our Norwegian suppliers are always rough”(Van Bruggen, Kacker et al. 2005), “We often differ in opinion with our Norwegian suppliers”(Van Bruggen, Kacker et al. 2005), “We get frustrated with the way our Norwegian suppliers work” (Frazier, Gill et al. 1989).

3.5 Analytical method

The data was analysed by aggregating answers of the importers from one country into a group. The aggregated data collected from Japanese respondents was compared with those from Russian respondents. Possible differences and similarities between cases within one country were not analysed in the present study. The qualitative data connected with the use of Incoterms 2000, factors influencing their choice and relationship quality were categorised and then discussed.

The quantitative data were analysed by means of descriptive statistics in graphs and by comparing means. To facilitate data analysis, the composite data of each relationship construct was first calculated, by taking the average of the values of the dimensions comprised. The answers were grouped on the scale from 1 to 5, where the means within the range 1-2 was evaluated as “poor relationship quality”, within the range 2-3 – “satisfactory relationship quality”, within the range 3-4 “good relationship quality”, within the range 4-5 “very good relationship quality”.

Some questions were reversed in order to make the data comparable. Accordingly, in evaluating the satisfaction with the supplier, the question “The Norwegian supplier can improve a lot” was reversed. In evaluating commitment of the importer, the question “We are constantly looking for another supplier” was reversed. The total average mean of the channel conflicts was also reversed. All reversed questions and constructs are marked by [R] on the corresponding figures. The constructs of relationship quality were analysed separately first, and then grouped into one graph representing the perceived relationship quality by the importer.

3.6 Reliability and validity

The trustworthiness of the study was established through provisions of validity and reliability. The reliability of the present case study, defined by Yin (1989: 41) as “demonstrating that the operations of a study – such as the data collection procedures – can be repeated, with the same results”, was met by thorough documenting of all interviews and developing a case study data base. At the same time during personal interviews both the respondent and the interviewer can influence the process of conducting the interview. During the present study the interviewer was asking guiding and additional questions and sometimes explaining the meaning of the questions in order to eliminate misunderstandings and to achieve more comprehensive information. The quantitative data on the relationship quality constructs was collected with the use of multi-item questions that allowed evaluating the constructs from different sides, and thus this increased the reliability of the study. The questions for collecting quantitative data were derived from the literature; hence it indicated the construct validity. The questions chosen for the present study adequately represented the domain of interest, and thus the content-related validation was observed (Tashakkori and Teddlie 2003).

In order to meet construct validity, namely “establishing correct operational measures for the concepts being studied” (Yin 1989: 40), established and validated scales were adopted. The data collection was carried out with the help of both qualitative and quantitative methods. This gave a better understanding of the phenomenon that was investigated in the present study. For the study a case study data base and a report of investigator were composed.

In order to meet construct validity a chain of evidence was maintained. This allows “an external observer – the reader of the case study, for example – to follow the derivation of any evidence from initial research questions to ultimate case study conclusions” (Yin 1989: 102). The draft report was revised by the supervisor, independent reviewers and the informants participating in the study. The later was done in order to reveal any disagreement of the informants with the conclusions of the investigator and also in order to receive additional information regarding the investigation. The draft report was presented at the conference “Håp i Havet” that took place on February 1, 2007 in Tromsø.

For meeting the internal validity, before conducting interviews a wide theoretical framework was worked out. The theoretical background determined the definitions and concepts used in the interview, and ensured that the theoretical propositions and empirical results matched. The external validity, or “establishing the domain to which a study’s findings can be generalized” (Yin 1989: 41), was established through a comprehensive study design. Within the frames of the study, only the respondents possessing necessary experience and knowledge were chosen.

Some limitations of reliability may be present in this study. Firstly, the interviewer had no previous experience in conducting this kind of interviews. Secondly, not all of the interviews were face-to-face. Three interviews were made by means of telephone. Thirdly, the time limitation for constructing the questionnaire also could influence negatively the reliability of the results. And lastly, the communication with the Japanese respondents was influenced by the fact that all interviews had to be conducted in English. The Japanese respondents did not possess excellent knowledge of English and thus their responds lacked in detail.

3.7 Generalizability

Generalizability can be defined as the extent to which a researcher can generalize the account of a particular situation or population to other individuals, times, settings, or contexts (Tashakkori and Teddlie 2003). The findings of the present study have the internal generalizability, or the generalizability of the conclusion within the setting or group studied (Tashakkori and Teddlie 2003). The data was aggregated into groups by country and then analysed and compared. No comparison between the cases within one country was made.

The findings cannot be generalized outside the study context, and hence the external generalizability or the generalizability beyond the group, setting, time and context (Tashakkori and Teddlie 2003), is very weak in the present study. A sound external generalization requires a large sampling size. Due to the small number of cases studied in the present thesis work (Russia - six cases; Japan - ten cases), the sampling size is insufficient for making generalization about all importers in the countries under investigation. Thus the study does not give any guarantee that the results obtained in the study will occur in every situation outside the study.

4. Market overview

This chapter presents a general overview of international seafood trade. Japan and Russia are examined as main actors of the seafood industry and the Norway's overall position in these markets are discussed.

4.1 International seafood trade

International seafood trade has increased remarkably since the 1970s. The total value of international seafood products has risen nearly every year, increasing more than five-fold since 1976, and amounting to 55 USD in exports and 61 million US dollars in imports in 2000 (Anderson 2003). The data for 2000 show that international seafood trade is on the second highest by value after the category “all fruits, nuts and vegetables” (FAO 2002). In 2000 the international trade in fish and fish products accounted for approximately 1% of the value of all world trade and 14% of world trade in all agricultural, food, animal and fish products (FAO 2002). The development and increase in international seafood trade were influenced by many factors, such as the establishment of 200-mile exclusive economic zone, environmental factors and fisheries management that lead to collapses of fish stocks, aquaculture development, expansion of value-added seafood production, technological advances and packing, shifts in the diet habits (Anderson 2003).

Nowadays, there is hardly a country not participating in the international seafood trade. Table 6 shows five largest exporters and importers of seafood both in volumes and values in 2003. Japan represents the largest importer both in volume and value terms followed by USA, Spain, France and Italy in values of the imported seafood. Norway is on the third place in value of the imported seafood, but on the first place in volumes, the share of which in the world import is 8%.

Table 6 World fishery products trade. Five largest exporters and importers in value and volume terms in 2003 (FY2005 2005)

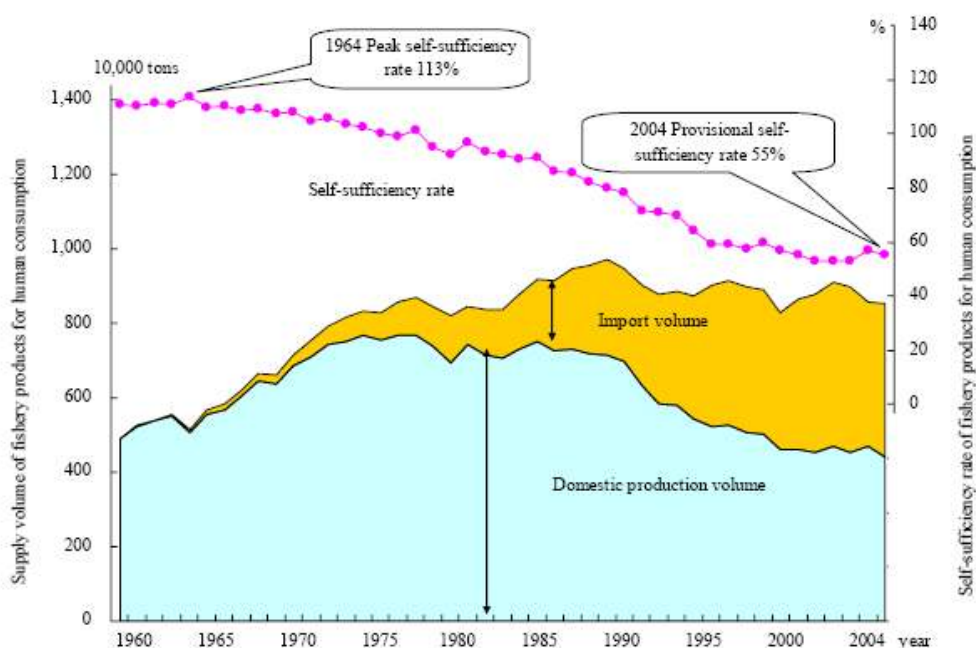
(Value: million dollars
Volume: 10,000 tons)

Imports	Value (Share, %)	World total 68,262 100	Japan 12,624 18	U.S.A. 11,758 17	Spain 4,919 7	France 3,803 6	Italy 3,571 5	
	Volume (Share, %)	World total 2,856 100	Japan 321 11	China 232 8	U.S.A. 224 8	Spain 161 6	Denmark 160 6	
Exports	Value (Share, %)	World total 63,508 100	China 5,362 8	Thailand 3,920 6	Norway 3,669 6	U.S.A. 3,458 5	Canada 3,318 5	Japan (22 th) 952 1
	Volume (Share, %)	World total 2,801 100	Norway 214 8	China 208 7	Peru 172 6	Thailand 140 5	U.S.A. 131 5	Japan (24 th) 36 1

4.2 The Japanese seafood market

Japan has remained the biggest seafood importer in the world both in volumes and value, accounting for 18% of the world's total fishery product import value and 11% of the total import volume in 2003 (FY2005 2005). Though the total market of Japan has declined slightly from 12 million tonnes to 11 million tonnes in 2002, 57% of which is supplied by imports (PromarJapan 2004). The report made by the consulting agency Promar Japan (2004) shows that about 23 % of the total fish supply goes for feed and 77% goes for food. Since the net processing ratio is 56%, and amount totalling 4.8 million tonnes of fish for food moves through the market annually. Net food consumption in the country has been relatively stable. Japan remains the largest consumer of fish per capita (37,4kg/year in 2002) in the world (PromarJapan 2004). The self-sufficiency rate of fishery products for human consumption in 2004 declined by 2 percentage points from the previous year to 55% in 2004 (FY2005 2005), see figure 3.

Figure 3 Transition in self-sufficiency rate of fishery products for human consumption (FY2005 2005)



Data from the Ministry of agriculture, forestry and fisheries of Japan show an increase in imports in Japan’s fish supply, see figure 4. Imports, as a share of supply, grew from 43% in 1994 to 57% in 2002, due to a continuous decline in domestic production (PromarJapan 2004). In 2004 the seafood import to the country increased by 5% over the previous year in volume to 3.49 million tons, and increased by 4% over the previous year in value, see table 7 (FY2005 2005).

Figure 4 Japan’s supply of seafood products (imports/domestic production) (FY2005 2005)

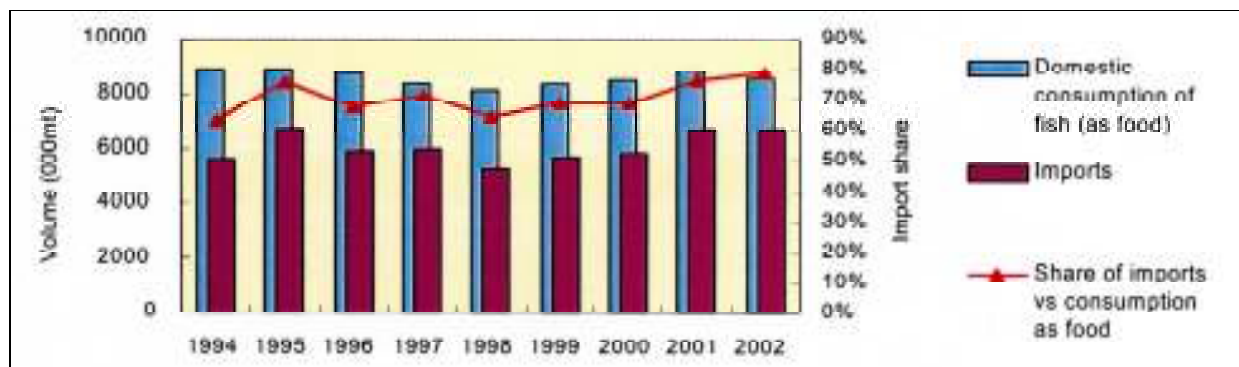


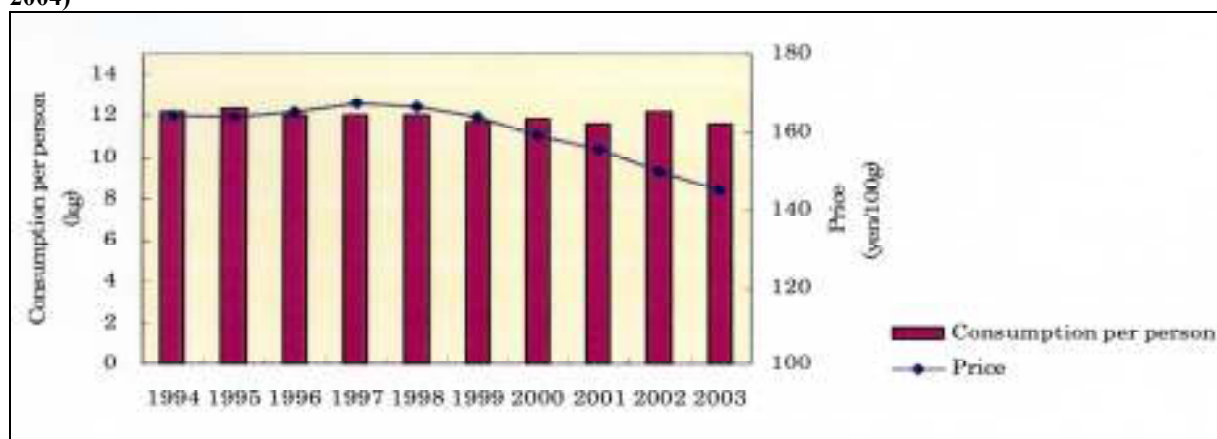
Table 7 Seafood import volume and value to Japan (FY2005 2005)

	1994	1999	2002	2003	2004
Total import volume of fishery products	3.296	3.416	3.821	3.325	3.485
Total import value of fishery products	17.091	17.395	17.622	15.692	16.371

Volume: 1.000 tons
Value: 100 million yen

The Japan's seafood consumption as food has been stable over the last decade. At the same time the average price for seafood is declining due to the plentiful supply from imports (PromarJapan 2004), see figure 5.

Figure 5 Household consumption per capita and the average unit price paid for fresh fish (PromarJapan 2004)



In 2003 Norway occupied the fourth place among the top exporters of seafood products to Japan judging by the volumes. Norway supplied 193 000 tonnes in fishery products to Japan in 2003, that accounted for 8% of total imports of seafood products to Japan (PromarJapan 2004), see Table 8.

Table 8 Top 10 suppliers of seafood products to Japan in 2003 (PromarJapan 2004)

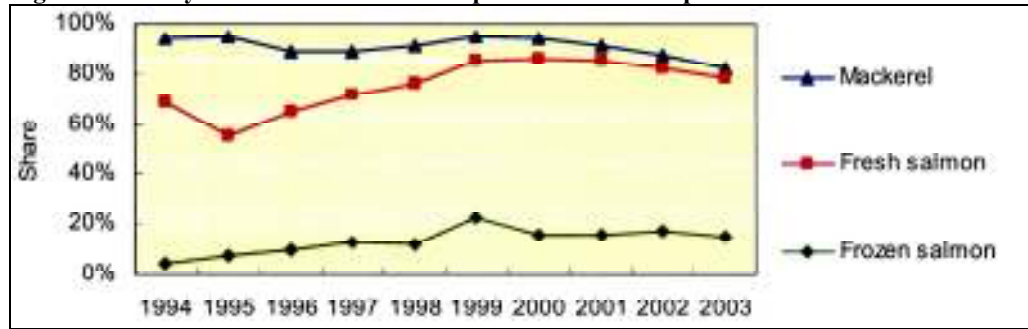
Basic fish products (H&G, fillets, kirimi, other cut fish and salted products)				
	Country	Volume (000mt)	Value (bill. yen)	Share by volume (%)
1	China	335	143	14%
2	US	309	133	13%
3	Russia	208	120	9%
4	Norway	193	56	8%
5	Taiwan	187	96	8%
6	Thailand	169	66	7%
7	Chile	133	65	6%
8	Korea	115	62	5%
9	Indonesia	93	75	4%
10	Vietnam	78	59	3%
	Other	586	349	24%
	Total	2406	1224	100%

Table 9 presents Japan's seafood imports from Norway in 2003. The data show that for Norway the target fish species for export to Japan are Atlantic salmon, salmon trout and mackerel. In 2003, these fish accounted for 78% by volume and 73% by value of Japan's imports of seafood products from Norway in 2003 (PromarJapan 2004). As the supplier of these fish species Norway has built a strong position at the Japanese market. Though the recent research show that Norway's market shares of the named fish species have been decreasing over the last years (PromarJapan 2004), see figure 6.

Table 9 Japan's seafood imports from Norway in 2003 (PromarJapan 2004)

Products	Volume		Value	
	000mt	Share	Bill. yen	Share
Total	193	100%	56	100%
Frozen mackerel	104	54%	16	29%
Frozen salmon trout	24	12%	10	18%
Chilled Atlantic salmon	21	11%	14	24%
Frozen shishamo	14	7%	3	6%
Frozen aji	8	4%	1	1%
Frozen fillets (Salmon)	6	3%	5	9%
Frozen herring	5	3%	1	1%
Frozen fillets (Mackerel, Nishin etc.)	3	2%	1	1%
Forzen Hallibut	2	1%	1	2%
Frozen Atlantic salmon	2	1%	1	2%

Figure 6 Norway's market share at the Japan's market of imported salmon and mackerel



At present the Japanese market is one of the most important destinations for the seafood export from Norway. This is due to the great total capacity of the Japanese market, the stable net food consumption and increasing imports of seafood in the country. Thus investigating the supply channel relationships with Japan is an important issue for the development of the Japanese-Norwegian business relations.

4.3 The Russian seafood market

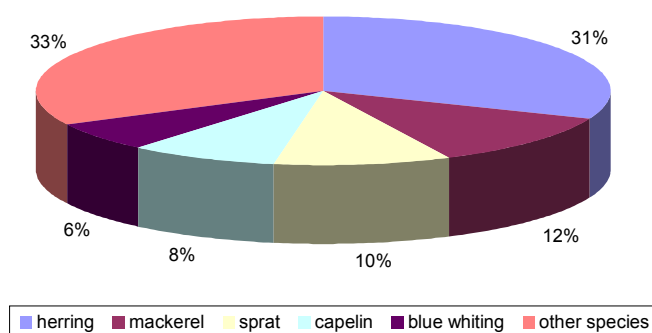
The last years Russia shows an improved economical situation: a decline in poverty, improvement in its international financial position since the 1998 financial crisis, besides data from the Central Intelligence Agency show that the foreign debt declined from 90% of GDP to around 31%. GDP for 2005 constituted \$1.539 trillion, the rate of GDP was 5.9%. In 2005 the records from Food and agriculture organization of the United Nations (FAO) show fisheries production to be 1.820 million USD, or 0.71% of GDP. There is a general tendency to decrease in the Russian fisheries since the early 1990s. During the last five years the national catch has decreased by 20% from 4.2 million tons in 1999 to 3.3 million tons in 2003. The overall TAC in 2003 however was 3% more than the year before with 1.6% more to be taken in the Russian Exclusive Economical Zone.

According to the data from FAO, per capita supply of within Russia in 2001 was about 18 kg. It is important to underline that there are considerable differences between different regions: from 7 kg in Central European Russia, middle Volga region and the North Caucasus, to 14.15 kg in the Russian Far East and the Kaliningrad Oblast Russian Federation. There is a tendency to increase in consumption of seafood by the Russians due to some factors, such as (a) rising consumer disposable income, reflected in major metropolitan areas (Moscow and St. Petersburg), (b) changes in consumer preferences due to increased perceptions of healthy,

nutritious and low fat foods; (c) avian influenza scare; (d) higher prices of other competitive animal proteins; (e) increased investment in new processing facilities, leading to a larger availability of products; (f) improvements in marketing channels (Muran and Wiltgen 2006).

Based on the information from the report made by the company Tromsø Consulting Group (2003), total annual capacity of the Russian market for fish and seafood evaluated in 2003 constituted approximately 1.5 million tonnes. From 1991 till 2002 the total import of fish and seafood in Russia increased 2.8 times and reached 610 000 tonnes. Frozen unprocessed fish constitutes the major part of imported fish (more than 89%) dominated by the pelagic species, such as herring, blue whiting, mackerel and capelin. Imports of semi-finished fishery products represent a smaller share versus imports of frozen round fish. Mainly these are minimally processed fish products. For example, share of frozen fish fillet accounts for not more than 6%. Import share of other kinds of fish products accounts for about 5% of total Russian fish import, out of which salted and smoked fish products constitute 2.5%. Figure 7 shows that the frozen herring is imported in Russia is in the biggest quantity accounting for 31% of the total import of frozen fish, followed by mackerel – 12%, sprat – 10%, capelin – 8% and blue whiting – 6% (TromsøConsultingGroup 2003).

Figure 7 Russian import structure for frozen fish in 2002 (TromsøConsultingGroup 2003)



In 2002 more than 50% of consumer expenses were spent on foodstuff and reached 62 610 billion USD. Presently the share of fish products in the structure of consumer expenditures of Russians accounts for 4.5%. This figure is higher in the fishery centres (Murmansk, Kaliningrad, Astrakhan, Vladivostok), in St. Petersburg and Moscow and is lower in the other regions (TromsøConsultingGroup 2003).

In 2005, Russia's trade deficit in exports and imports of fish and fish products reached nearly 500 million USD, an increase of 55 % over the previous year. Although Norway remains the most important supplier of fish and fish products to Russia, other countries have increased their share in the Russian market (Muran and Wiltgen 2006). Table 10 presents the main countries-exporters of seafood to Russia. In 2005 the export of Norwegian seafood to Russia increased substantially by 47 percent and Russia became the Norway's largest individual export market, taking about 12 percent of the total, followed by Denmark and France (Lexmon 2006).

Table 10 Russian Federation: imports of seafood by country of origin (million USD) (Muran and Wiltgen 2006)

Country	2003	2004	2005	% Change 05/04
World	403.723	642.904	950.684	47.87
Norway	196.029	305.907	448.133	46.49
Mauritania	18.403	25.636	38.669	50.84
Iceland	3.448	18.339	23.203	26.52
Estonia	3.827	8.099	18.580	129.4
United States	7.994	22.769	43.477	90.95

In 2006 exports to Russia have decreased the first six months due to Russia's import restrictions on fresh Norwegian salmon. On January 1, 2006, Russian government banned import of fresh fish from Norway. Russian veterinary authorities reported findings of high values of lead and cadmium in Norwegian farmed salmon. Since then, Norwegian establishments that have undergone successful veterinary inspections by Russian authorities are permitted to export fresh fish to Russia. Currently, eight Norwegian establishments are approved. On September 7, 2006, the Russian veterinary authorities announced the Norwegian Food Safety Authority that it is planning to impose further restrictions on Norwegian seafood exports. From October 1, 2006, all seafood exports to Russia, including chilled and frozen, must come from an establishment approved by the Russian veterinary authority (Lexmon 2006).

Russia is a fast growing and developing market. Despite of the present legislation obstacles for export of the Norwegian salmon to Russia, the big market capacity for fish consumption and the increasing imports of seafood to the Russian market makes it a strategically important market for the Norwegian seafood industry. To facilitate the development of the Russian-Norwegian business relations is it necessary to investigate the supply chain relationships and factors affecting decision making. Understanding the relationships between importers and exporters in

Russia and Norway may give the Norwegian companies competitive advantages on the market and facilitate the development of business relations.

5. Results

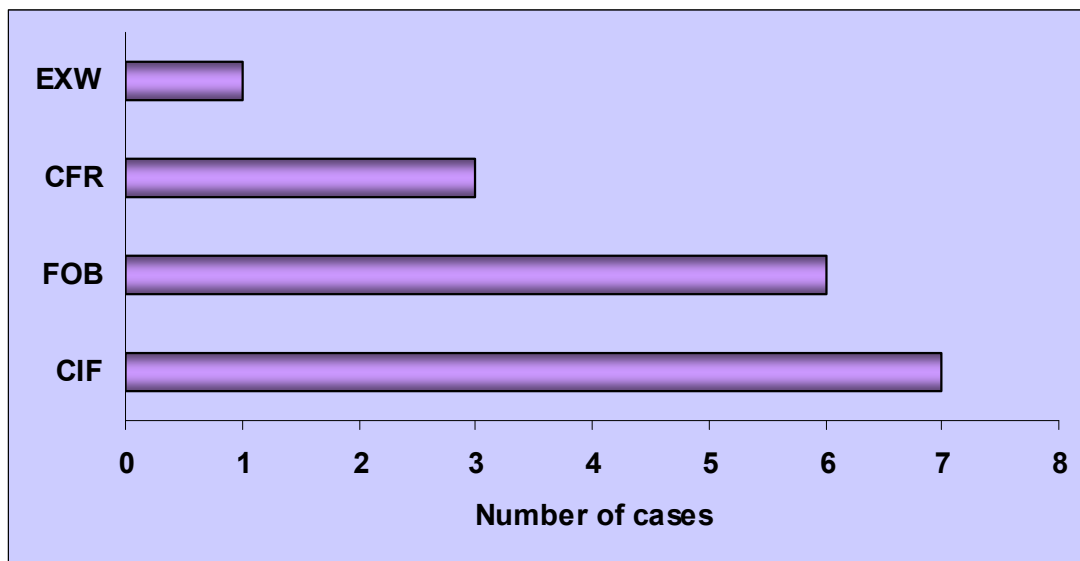
In this chapter the findings obtained during the study are discussed. The use of Incoterms 2000 in the seafood trade with Norway by Japanese and Russian importers and factors influencing their choice are presented. Besides, the perceived relationship quality is investigated and its possible influence on the choice of terms of delivery in the practices of both countries is analysed.

5.1 Japanese importers

5.1.1 Use of Incoterms 2000 in the seafood trade with Norway

The study of ten cases in Japan showed that the most used term of delivery in the seafood trade with Norway was CIF (7 companies of 10 interviewed use the term), followed by FOB (6 companies). The term CFR (3 companies) was rarely used and the term EXW was very rarely used (named only by one company). None of the companies participating in the case study changed the practice of use of Incoterms 2000 recently. All of them used these terms of delivery without changes for many years. A company might also use different terms of delivery from Incoterms 2000 in different situations and with different suppliers. A summary of Incoterms 2000 used by the Japanese importers participated in the study is presented in figure 8.

Figure 8 Incoterms 2000 used by Japanese importers in seafood trade with Norway



5.1.2 Factors influencing the choice of Incoterms 2000

Among the factors that influence the choice of Incoterms 2000, first of all, the Japanese respondents named the type of fish. The collected information on this factor shows that companies tend to use FOB for mackerel and capelin, when CFR and CIF for salmon and other fish. The respondents found it difficult to develop on why they use these Incoterms 2000 for the named specific fish species.

Another factor named by Japanese respondents as important for the choice of terms of delivery, is the volumes of deliveries. It is logical to suppose that bigger volumes increase the value of the delivery. The respondents underlined, that FOB was used for bigger volumes (greater values) and CFR for smaller volumes (lower values) of seafood. In these situations the importers prefer to take more control over deliveries of greater value and thus they take the responsibility for transportation. In the cases when smaller volumes of seafood are to be delivered, the value of the consignment is lower and the Japanese importers have less control over transportation which is usually arranged by the supplier.

The study of Japanese cases shows that the intention to have more control over the delivery makes the importers to use EXW when the responsibility and risks for the exporter are minimal, though rarely, and more often FOB in the seafood trade. The supplier condition plays an important role in the choice of terms of delivery, thus CIF is usually stipulated by the supplier. All the respondents said that the use of Incoterms 2000 was a common practice in the company that has been formed based on the experience of trade with Norway.

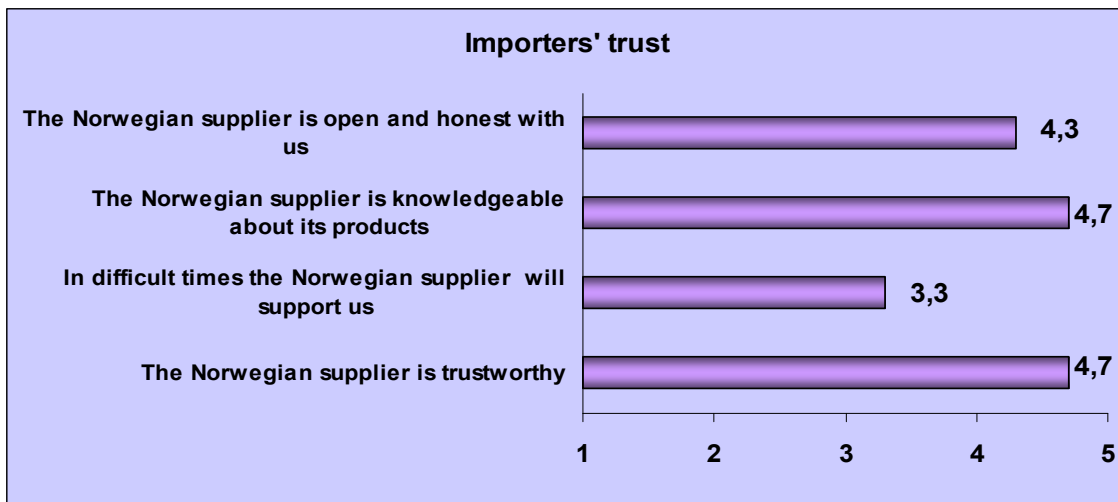
The Japanese importers mentioned that the relationships with the insurance agencies played an important role. This means if the Japanese importers have good relationship with the insurance company they may get better insurance conditions than if the insurance would be fulfilled by the Norwegian exporter. In this case the Japanese importers prefer to use the terms CFR, FOB or EXW.

To summarise the Japanese importers named the following factors influencing the choice of Incoterms 2000 in the seafood trade with Norway: (1) type of fish; (2) volumes; (3) control over delivery, (4) common practice, (5) supplier's condition, (6) relationship with the insurer.

5.1.3 Relationship quality and its influence on the choice of Incoterms 2000

All the statements regarding the **Japanese importers' trust** were estimated to be higher than the middle level (3). Only one statement got a relatively low estimation in comparison with the others. It concerned the support from the Norwegian supplier in difficult times. In general the importers' trust was estimated as "very good", see figure 9. Nine of ten respondents said that they trusted the Norwegian suppliers.

Figure 9 Importers' trust: Japanese respondents



During interviews the Japanese respondents were also asked why they trusted or distrusted their Norwegian suppliers. Categorising the answers, first of all the respondents mentioned the quality of relationships between them and Norwegian partners. They trusted the Norwegian supplier, because of a "long relationship", "good understanding between us", because to their point of view the Norwegians were "reliable and kind partners", "trustable in general", "we (importers) feel happy working with Norwegians".

The Japanese importers also mentioned the performance of the Norwegian suppliers. The Norwegian suppliers were trustable because they "fulfilled obligations", "knew the market situations in Japan and Norway and this made it easier to establish relations", "kept promises", "had a business style" and were "quick to respond". Some statements concerned quality of the seafood. The Japanese respondents said that they trusted Norwegian partners because "Norwegians handled fish like a baby and Japanese liked this" and because of the "improved

quality of seafood” the recent years. Only one respondent said they did not trust all Norwegian partners because “quality wasn’t the same”.

Importers’ satisfaction was estimated as “good” in the Japanese cases. The importers participated in the study generally felt satisfied though they thought that their Norwegian supplier could improve a lot (this statement got a satisfactory evaluation), see figure 10.

Figure 10 Importers’ satisfaction: Japanese respondents



* [R] indicates reversed scale

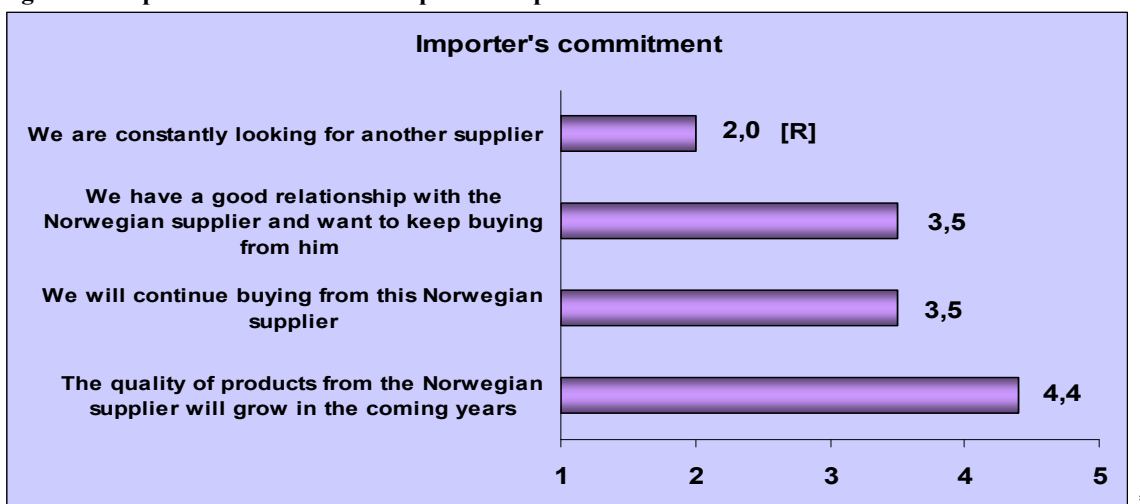
Eight of ten respondents answered that they felt satisfied with the Norwegian suppliers. The Japanese respondents were also asked why they were satisfied or dissatisfied. Categorising the received answers, the respondents named the quality of relationships. They felt satisfied with their Norwegian suppliers because of “good relationships”. The quality of seafood products was also one of the important factors for the importers’ satisfaction. Most of the Japanese importers were satisfied with their Norwegian suppliers because of the “good and stable quality of Norwegian seafood products”. Though at the same time, two Japanese respondents said that they were not satisfied with their Norwegian suppliers because of the “low quality of seafood”.

Another group of statements concerned the performance of the Norwegian suppliers on the Japanese market. The Japanese importers said they were satisfied with the Norwegian suppliers because “Norwegians understood Japanese market” and because “Norwegian suppliers had good communication with customers”. Those importers who showed to be dissatisfied said that

“Norwegian companies ignored Japanese market”, “Norwegian suppliers had big influence on markets, but didn’t understand Japanese market”. Besides the Japanese importers were not satisfied that the “prices for seafood were high” and with the fact that “Norwegian Government was protecting fishermen too much”.

Importers’ commitment. Despite of the importers’ expectation that the quality of products from the Norwegian supplier would grow in the coming years, good relationships with the suppliers and the intention to continue buying from the Norwegian suppliers, the Japanese importers who participated in the study tended to looking for other suppliers, see figure 11. In general the importers’ commitment was estimated as “good”.

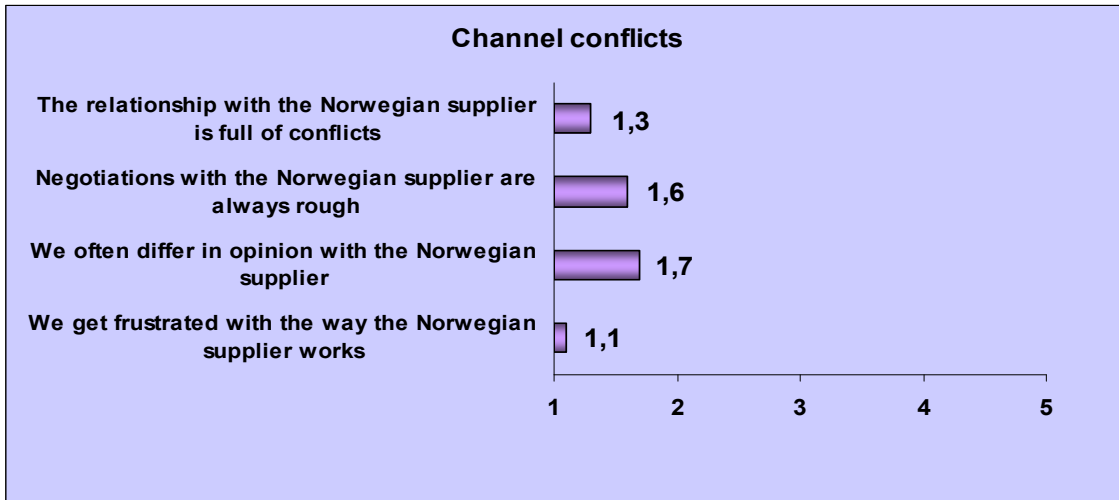
Figure 11 Importers’ commitment: Japanese respondents



* [R] indicates reversed scale

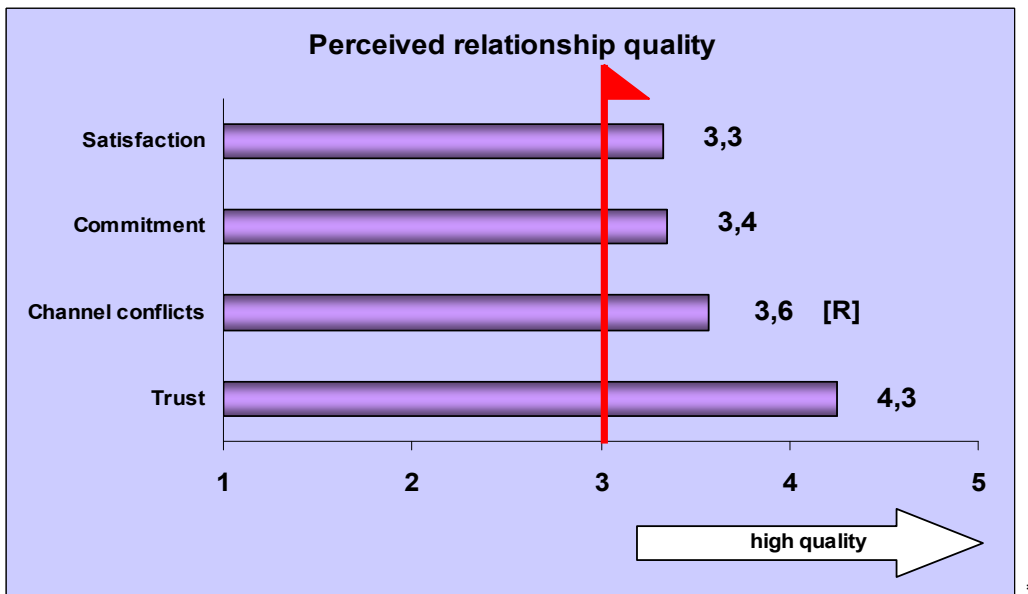
Channel conflicts. The study showed a low level of the channel conflicts between the Japanese importers and Norwegian exporters, see figure 12. The means on the figure are not reversed and are shown on the scale from 1 – “low level of conflicts” to 5 – “high level of conflicts”. The examination of the Japanese cases showed a low level of conflicts, smooth negotiations without misunderstandings, clear and open business relations.

Figure 12 Channel conflicts: Japanese respondents



Perceived relationship quality. The averages of the four relationship quality constructs are presented in figure 13. In general, the relationship quality perceived by the Japanese importers was estimated as “good”. All constructs were estimated by the respondents as “good”, and only trust was estimated as “very good”.

Figure 13 Perceived relationship quality: Japanese respondents



* [R] indicates reversed scale

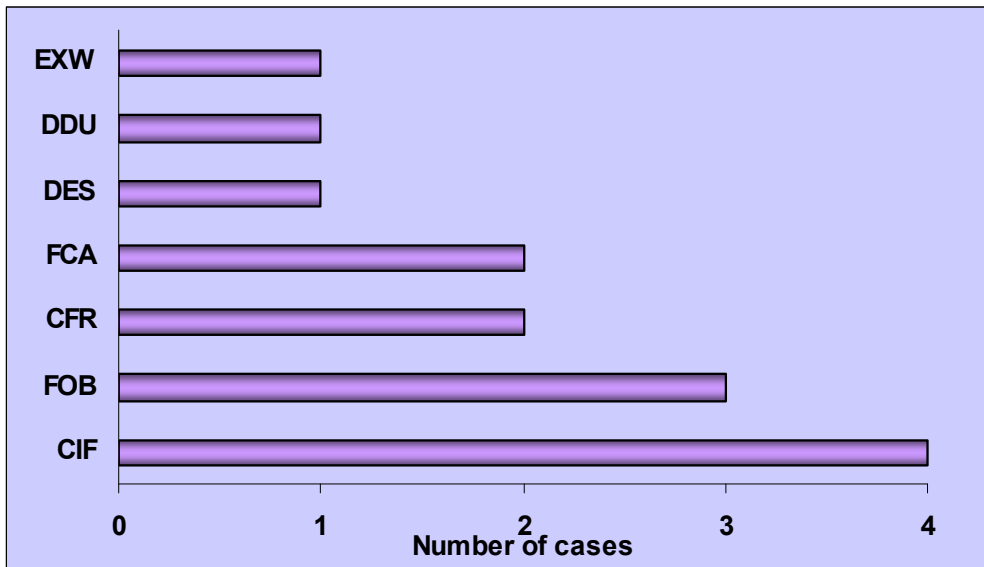
None of the respondents related the choice of terms of delivery with the perceived relationship quality with their Norwegian supplier. At the same time two of ten respondents associated the increase in export by their companies with the increased relationship quality with their Norwegian partners.

5.2 Russian importers

5.2.1 Use of Incoterms 2000 in the seafood trade with Norway

The Russian importers participated in the study mostly used the terms CIF (4 companies of 6). The term FOB was also used by many companies (3 companies of 6). The terms CFR and FCA were used by 2 companies. The terms DES, DDU and FCA were rarely used by the companies participating in the study. The Russian companies in all the cases in the present study use different terms of delivery from Incoterms 2000 depending on the situation and thus various factors are involved in the decision making about the terms of delivery. All the respondents underlined that the practice of use of the named Incoterms 2000 had not been changed the previous years and their use was a common practice. A summary of the Incoterms 2000 used by the Russian respondents is presented in Figure 14.

Figure 14 Incoterms 2000 used by Russian importers in seafood trade with Norway



5.2.2 Factors influencing the choice of Incoterms 2000

Among the factors crucial for the choice of Incoterms 2000 the Russian respondents named the location of seafood which also determines the means of transport. The respondents explained that if the seafood was located in the north of Norway, it was usually transported by trailers and the term DDU was used for these cases by some importers. If the seafood was located in the south of Norway, it was carried by marine transport and the term DES was used. The term CPT was often used by the respondents when the seafood was delivered directly from the fishing

grounds. Another important factor named by the Russian importers was the speed of deliveries. They underlined that it was quicker to transport seafood by trucks, when transportation by marine transport took more time. Accordingly, when the speed was important for the delivery the terms FCA or DDU were used.

The agreement between the partners upon the costs and risks for carriage determines who arranges the transport. The investigation of the Russian cases showed that in the case if the importer arranged the transport and bared expenses for that, FOB was usually used. If the exporter bared the responsibility for transportation of goods, the terms DES or DDU were used. The respondents explained that sometimes for the importing company it was cheaper to receive the goods at the exporter's store and to conduct an agreement with the carrier on terms of FOB. Carriers often give better conditions to their best clients, and thus some Russian importers get better prices for transportation. Thus the relationships with the carrier were named as another important factor. One Russian importer said that the company chose to use the term CIF and the Norwegian partners organized the transport because it was convenient when big volumes were imported and because Norwegian suppliers had better agreements with carriers. None of the Russian respondents said that the type of seafood influenced the choice of terms of delivery.

The Russian companies underlined the calculation of customs clearance fees as one of the most important factors for the choice of Incoterms 2000. That is why the term CIF is not popular with the Russian importers because the Norwegian exporters do not make insurance for each consignment; they usually have a year insurance agreement. This means that in case if the term CIF is used the Norwegian exporter has to make an extra insurance for a specific consignment. The Russian importer in its turn has to include price for fish, price for transportation and insurance in order to calculate customs fee. This makes the customs fee bigger. Despite of this fact, four companies participated in the study still used the term CIF, though not often. In order to reduce the customs clearance fee the respondents preferred to use the terms CFR, FOB, FCA or EXW.

The demand for insurance was named as another factor influencing the use of Incoterms 2000. In the Russian cases the term CFR was mostly used, because this term stipulates no special demand for the insurance and this helps to keep the tax clearance payments low. Four of six respondents replied that the use of Incoterms 2000 was a common practice in the company.

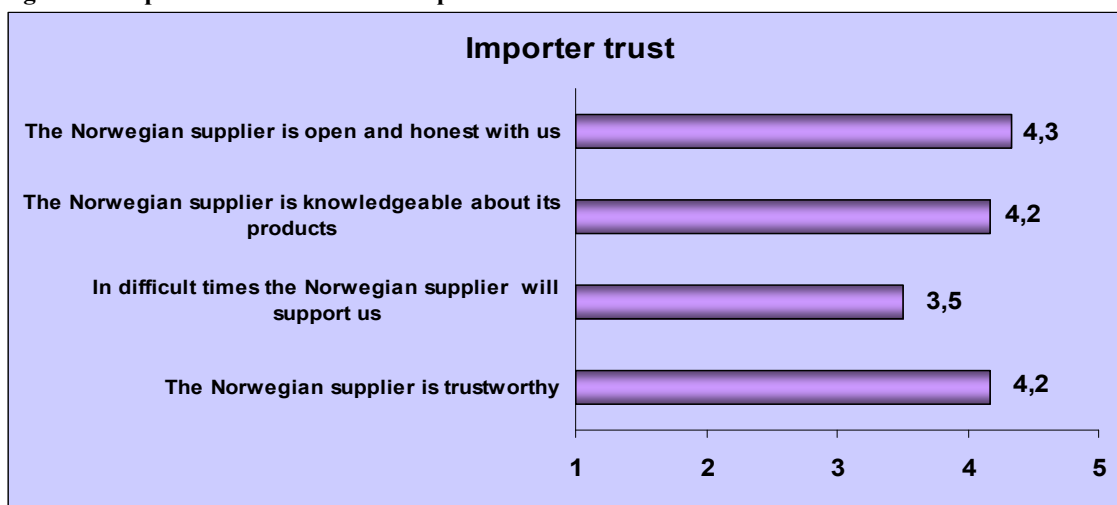
Legislation obstacles play a crucial role in the Russian market. Due to the customs rules the term DDP cannot be used in the seafood trade because the Norwegian company cannot fulfil Russian customs duties. This is impossible due to the fact that the necessary documents for that are provided by the Russian company. Besides, it is much cheaper to use a Russian carrier for many Russian importers. Good relationships with the carrier give the Russian importers the advantage of saving on transportation. It is often cheaper to receive goods at the exporter's cold store and transport them by FOB.

To conclude, the following factors were named in the Russian cases as main for the choice of Incoterms 2000 in the seafood import from Norway: (1) common practice, (2) calculation of the customs clearance fees, (3) demand for insurance, (4) legislation obstacles, (5) relations with the carrier, (6) desirable speed of deliveries, (7) location of seafood.

5.2.3 Relationship quality and its influence on the choice of Incoterms 2000

All statements reflecting the **Russian importers' trust** got high estimations. As in the case with the Japanese respondents, only one statement got a relatively low estimation in comparison with the others. This statement concerned an expectation that the Norwegian supplier would support the importer in difficult times. But the estimation of this statement was above the middle level which showed a good trust in the exporter. In general the importers' trust was estimated as "very good", see figure 15.

Figure 15 Importers' trust: Russian respondents.

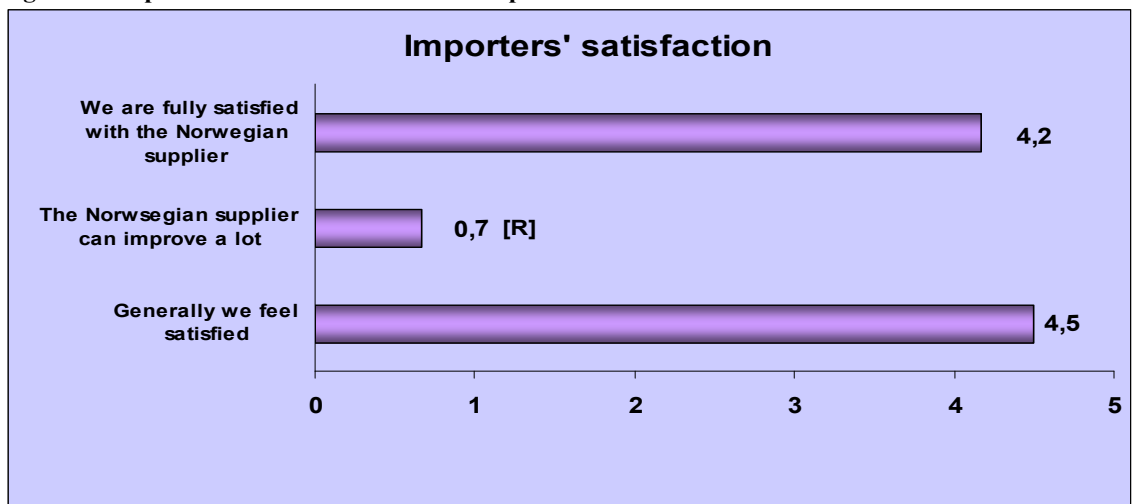


Five of six respondents said that they trusted the Norwegian suppliers. Categorising the answers, the performance of the Norwegian suppliers was named by the Russian respondents. The Russian importers trusted the Norwegian suppliers because they “always fulfilled obligations”, had “good reputation”, and because “the Norwegian supplier always fulfilled the delivery and quality terms”.

The Russian respondents also named the quality of the seafood as one of the factor influencing their trust. The Norwegian suppliers were trustful from their point of view because there “had been no experience when it would be necessary to reject the goods”. Only one Russian respondent said that he did not trust the Norwegian suppliers based on their recent bad experience.

The Russian importers’ satisfaction was evaluated as “good”. The respondents expressed strongly the satisfaction with the Norwegian suppliers, see figure 16. But at the same time the respondents insisted on the fact that the exporter could improve much. This statement got a very low estimation and considerably differs from the estimation made in the Japanese cases, see figure 10 to compare.

Figure 16 Importers’ satisfaction: Russian respondents



* [R] indicates reversed scale

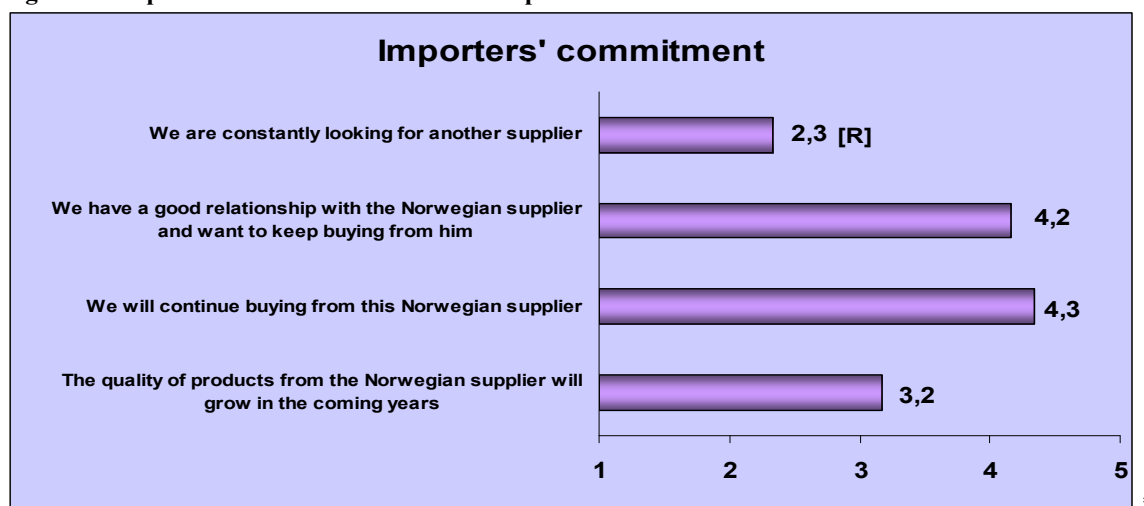
Five of six respondents were satisfied with the Norwegian suppliers. The answers received when the Russian respondents were asked to develop on why they were satisfied or dissatisfied can be grouped in the following categories. First of all, the quality of seafood was named. The

Russian importers were satisfied with their Norwegian partners because “Norwegian suppliers did not try to sell goods of bad quality or the goods they could not sell to anyone for a long time”, and also because of “satisfactory price and quality”.

Another category of answers concerned the Norwegian supplier performance. The Russian importers felt satisfied because “Norwegian partners fulfilled their obligations” and “deliveries were fulfilled in due time”. Only one Russian supplier was not satisfied with their Norwegian supplier because “sometimes Norwegian companies were cheating and it was difficult to get help from the Norwegian police or Government”. Another Russian importer said that they were satisfied in general, but “the large Norwegian exporters lacked consensus in agreeing upon the price which was influencing negatively the business transactions with the Russian partners”.

Importers’ commitment. The Russian exporters expected that the quality of products from the Norwegian supplier would grow in the coming years. The Russian cases showed that the companies had good relationships with their suppliers, and that they had the intention to continue buying from their Norwegian supplier. But at the same time the Russian importers participated in the study were looking for other suppliers. In general, the importers’ commitment was estimated as “good”, see figure 17.

Figure 17 Importers’ commitment: Russian respondents



* [R] indicates reversed scale

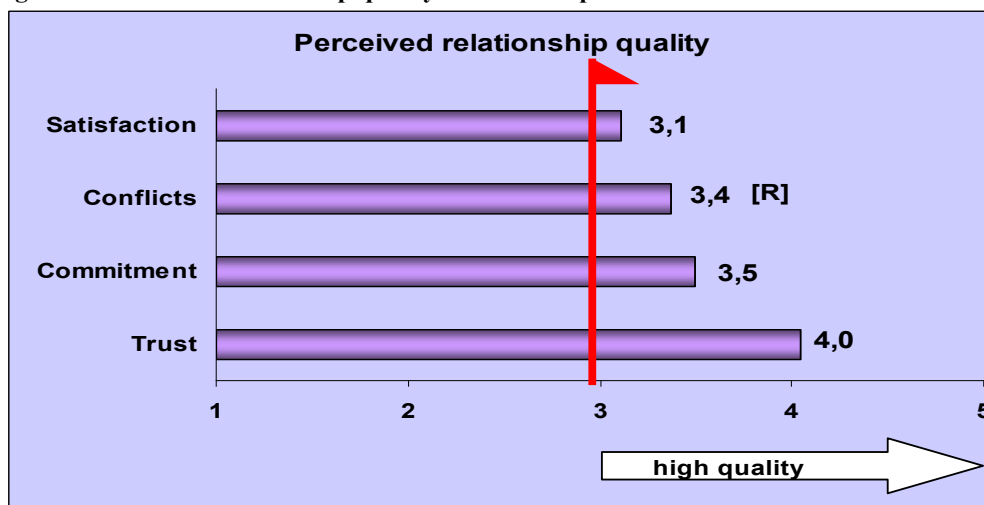
Channel conflicts. The study showed a low level of the channel conflicts between the Russian importers and Norwegian exporters, see figure 18. The means in the figure are not reversed and are shown on the scale from 1 – “low level of conflicts” to 5 – “high level of conflicts”. The examination of the Russian cases showed no frustration in the way the Norwegian suppliers worked. The Russian respondents vary rarely differed in opinions with their suppliers. The negotiations with the Norwegian suppliers were not rough and the conflict situations were very rare.

Figure 18 Channel conflicts: Russian respondents



Perceived relationship quality. The averages of the four constructs of the relationship quality are presented in figure 19. In general, the relationship quality perceived by the Russian importers was estimated as “good”. All constructs were estimated by the respondents as “good”.

Figure 19 Perceived relationship quality: Russian respondents



* [R] indicates reversed scale

None of the Russian respondents related the choice of terms of delivery with the perceived relationship quality with their Norwegian supplier. At the same time two of six respondents associated the increase in export by their companies with the better relationship quality between them and their Norwegian suppliers.

6. Discussion, limitations and implications

In this chapter the aggregated Japanese and Russian cases are compared in the discussion section. Here the use of Incoterms 2000, factors important for their choice and the perceived relationship quality are discussed. At the end of the chapter, managerial implications, limitations and future research proposals are presented.

6.1 Discussion

Incoterms 2000 have been used in international seafood trade for years; however, to date, their use and the factors influencing their choice have not been explored. The main factors identified in the present study are different for both countries under investigation, due to different geographical positions, legal circumstances within the countries and the companies' internal demands and intentions. With this in mind, it is important to note that the factors that determine the choice of Incoterms 2000 are unique for each country.

This study in many ways differs from other studies regarding import-export relations. First and foremost, this is the first attempt to identify the main factors affecting the decision making with respect to the delivery terms of seafood export from Norway. Secondly, two models of the main factors unique for Russia and Japan are constructed and the factors for both countries are analysed. Thirdly, there was made an attempt to associate the relationship quality with the choice of Incoterms 2000. And lastly, the perceived relationship quality by the importers in Japan and Russia are evaluated and compared.

The aim of the present study is to find out which Incoterms 2000 are used in the export of Norwegian seafood to Japan and Russia and to identify main factors for the choice of terms of delivery. Assuming that the companies involved in the case study are representative for the population in Japan and Russia respectively the following conclusions can be drawn. The most used terms of delivery in both countries are CIF, FOB and CFR. The delivery term EXW is used rarely in both countries. The terms DDU, DES and FCA are used by the Russian importers, but not by the Japanese. All the respondents participating in the study explain that their companies have been using these terms of delivery without changes for many years.

Based on the results of the study the following main factors for the use of Incoterms 2000 are identified: (1) type of fish; (2) volumes; (3) control over delivery, (4) common practice, (5) supplier's condition, (6) calculation of the customs clearance fee, (7) demand for insurance, (8) legislation obstacles, (9) relations with the carrier, (10) relations with the insurer, (11) desirable speed of deliveries, (12) location of seafood. Due to different business practices, the representatives from both countries show different dependence on these factors.

Some factors such as type of fish and volumes seem to be very important for the Japanese importers, though they are insignificant for the Russian importers. Control over delivery and condition of the supplier are also important in the Japanese cases, but not in the Russian cases. At the same time for the Russian importers calculation of customs clearance fees, legislation obstacles, relations with the carrier, and location of the seafood are crucial for the decision making in respect to the Incoterms 2000. At the same time the Japanese importers do not consider these factors to be important. Table 11 presents the summary of the factors essential for Japanese and Russian importers with regard to the choice of Incoterms 2000 in the seafood trade with Norway.

Table 11 Main factors for the choice of Incoterms 2000 in Japan and Russia

Factor	Important for Japanese importer	Important for Russian importer
Type of fish	X	
Volume / value	X	
Control over delivery	X	
Common practice	X	X
Condition of the supplier	X	
Calculation of customs clearance fees		X
Demand for insurance		X
Legislation obstacles		X
Relations with the carrier		X
Relations with the insurer	X	
Desirable speed of deliveries		X
Location of seafood		X

The study shows that the type of fish is an important only by the Japanese importers. For example, mackerel and capelin is usually delivered to Japan by vessels using the delivery term FOB. Salmon and other fish products are delivered using the terms CFR or CIF. The Japanese respondents did not argue why they use these specific terms of delivery for different types of seafood. Another important factor for the use of delivery terms for Japanese importers is the volume or value of the deliveries. The Japanese importers prefer FOB as the term of delivery for bigger volumes (greater value) and CFR for smaller volumes (lower value) of goods. This is stipulated by the fact that the importers prefer to take more control over consignments of higher value, when the transportation of seafood of lower value is organised by the supplier and thus the importer has less control over delivery.

The Japanese importers occasionally face the fact the conditions for the use of certain Incoterms 2000 comes from the supplier. In these cases the Norwegian supplier usually insists on CIF being used. Another factor essential for the Japanese importers is control over delivery. This means that by using the terms FOB and CFR, the companies-importers have more control over the delivery because of the earlier transfer of risks to the importer. These factors – type and volume/value of seafood, condition of the supplier, control over delivery – were not named by the Russian importers as important during the interviews. Thus it is possible to assume that these factors are not essential for the Russian importers.

The calculation of customs clearance fees is one of the main factors for the choice of Incoterms 2000 for the Russian importers. That is why the companies prefer to avoid using the term CIF because in this case, the customs fee will be increased. In order to keep the customs fee lower the Russian importers use the delivery terms CFR, FOB, FCA and EXW. The factor regarding customs clearance fee is not important for the Japanese importers.

Another factor important for the Russian importers is connected with the clearance fees, namely the demand for insurance. In Russia the term CFR is used more often, because there is no demand for insurance, though the insurance anyway exists because Norwegian exporters usually have a year insurance agreement for all consignments. The use of CFR is very beneficial for the Russian importers because as described above, this does not increase the customs clearance payments.

In Russia legislation can restrict or not permit some terms of delivery from being used. Hence legislation is also one of the factors influencing the choice of Incoterms 2000 in seafood trade. Thus the delivery term DDP cannot be used in seafood deliveries from Norway to Russia. Relationships with the carrier are another main factor for the Russian importers. Good relationships with the carrier allow the Russian importers to save transport costs. At the same time, for the Japanese importers the relationships with the insurer are an important factor that may influence the use of Incoterms 2000. Good relations with the insurer allow the Japanese importers to save insurance costs.

Desirable speed of deliveries is named only by the Russian importers, though it is logical to suppose that this is also an important factor for the Japanese importers. In situations when the deliveries should be fulfilled in shorter time, the terms FCA and DDU are used by the Russian importers. The location is one of the factors named by the Russian importers that determines the use of the transport means and thus determines the Incoterms 2000. The seafood from the north of Norway is usually transported by trailers (DDU is used) and from the south of Norway it is transported by sea (DES is used). The term CPT is often used when the seafood is delivered directly from the fishing grounds.

There is only one similarity between the Japanese and Russian cases regarding the factors influencing the use of terms of delivery. All the respondents from both countries underline that the use of Incoterms 2000 is mainly based on the common practice in the company.

Another aim of the study is to identify if the relationship quality influences the choice of delivery terms. None of the respondents in Russia or Japan connect the choice of Incoterms 2000 with the relationship quality they have with their Norwegian supplier. Thus relationship quality cannot be included as one of the main factors that are under investigation in the present study. At the same time, some Japanese and Russian respondents associated increasing import from the Norwegian suppliers with better relationship quality. Based on the study results it is possible to construct models of main factors that influence the choice of Incoterms 2000 in Japan and Russia, see figures 20 and 21.

Figure 20 Main factors for the choice of Incoterms 2000 in deliveries of seafood from Norway to Japan

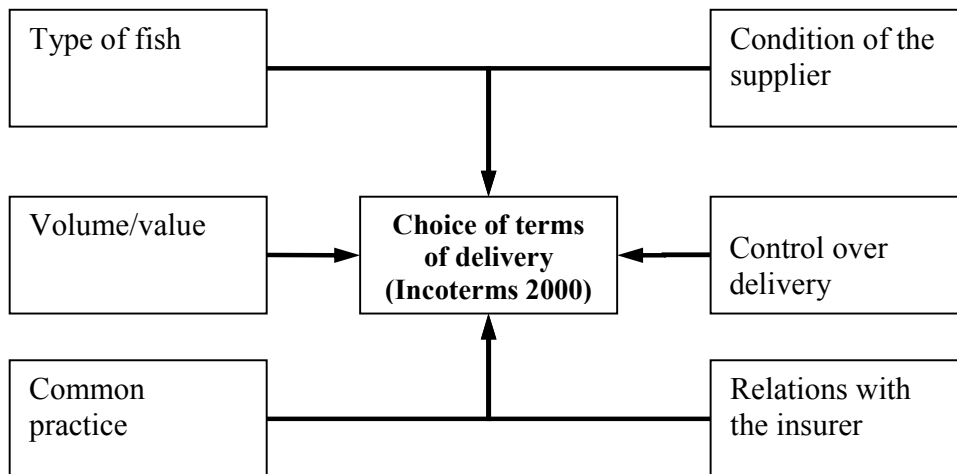
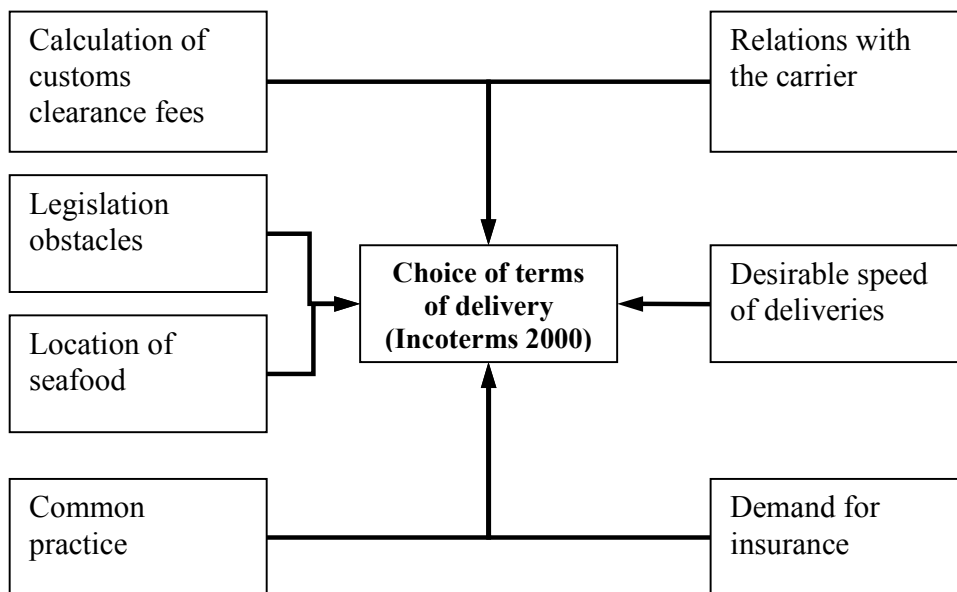


Figure 21 Main factors for the choice of Incoterms 2000 in deliveries of seafood from Norway to Russia



The perceived relationship quality by the Japanese and Russian importers was evaluated by analyzing its constructs: trust, satisfaction, commitment and conflict level. Despite of the fact that the sampling size is insufficient for making generalizations it is possible to assume that the respondents participating in the study are representative for the population. In this case comparing the results received from Russian and Japanese respondents some conclusions can be made.

The importer trust is estimated as “very good” in both countries. The Japanese importers have stronger belief that the Norwegian supplier is trustworthy and that the Norwegian supplier is

knowledgeable about their products. The Russian importers are surer that in difficult times the Norwegian suppliers will support them. In both countries the openness and honesty of the Norwegian suppliers are estimated equally, see figures 9 and 15.

The importer satisfaction is estimated as “good” in both countries. Comparing the means representing opinions of the importers in Japan and Russia, the Russian importers show more satisfaction with the Norwegian exporters. At the same time there is a considerable difference in means regarding the expression that the Norwegian suppliers can improve much. In this case the Russian importers are less satisfied with the Norwegian exporters, than the Japanese, see figures 10 and 16.

The importer commitment is estimated as “good” in both countries. The Russian importers are more certain that they will continue buying from the Norwegian suppliers. The Japanese importers are surer that the quality of products from the Norwegian suppliers will grow in the coming years. Despite of satisfaction with the importers, Importers in both countries are constantly looking for another supplier, see figures 11 and 17. Comparing the means representing the channel conflicts in Japan and Russia, the Japanese importers show to have less conflict situations, disagreements and frustration than the Russian importers. In both countries the channel conflicts are at a low level, see figures 12 and 18.

The relationship quality perceived by the Russian and Japanese importers is estimated as “good” in both countries. The average means of trust, satisfaction, commitment and conflicts in Japan and Russia are all above the middle level 3 and can be evaluated as “good”. In general the relationship quality perceived by Japanese importers is better judging by higher means for all the constructs. One of the constructs, namely “trust”, is estimated as “very good” in Japan. All the constructs explaining the perceived relationship quality by the Russian importers are within the range from 3 to 4 on the five-point scale, see figures 13 and 19.

When the respondents from both countries were asked to elaborate on why they trust and why they feel satisfied with the Norwegian suppliers, they named performance of the Norwegian importers (“fulfil obligations”, “know market situation”, etc.), quality of relationships (“long relationship”, “good understanding”, etc.), and quality of seafood (“handle fish like a baby”, “improved quality”, etc.) as among the factors that influence trust. Only two respondents – two

Japanese and one Russian – said that they did not trust and are not satisfied with Norwegian suppliers.

6.2 Managerial implications

Despite of the study limitations presented later in this chapter, the main factors outlined through this study as being essential for the use of Incoterms 2000 in Japan and Russia have potential for managerial implications. Firstly, the models of main factors present practical information for the Norwegian exporters and carriers of seafood to Japan and Russia. The study gives examples and summarizes the practice in the use of terms of delivery and at the same time identifies the exact reasons for the choice of specific Incoterms 2000 in seafood trade. The analysis of these factors gives a better understanding of the channel relationships between the Russian and Japanese importers and Norwegian exporters.

Secondly, the estimated perceived relationship quality represents data that can be used by the Norwegian exporters for developing their advantages within the markets. Understanding the way the importers evaluate the relationship may help the Norwegian suppliers to contribute to the development of their business relations with their partners. Although the study showed no connection between the relationship quality and the choice of Incoterms 2000, the relationship quality is still an important element in business relations and the decision making process.

The study is carried out within the project for the carrier Bjørnflaten Frysetransport AS, Tromsø. The project concerns the investigation of supply chains, which includes the customs procedures, food safety, contract legislation issues, transport insurance, obligations and responsibilities of partners, and terms of deliveries in seafood supplies from Norway. The present study will be used for further analysis of risk factors for carriers regarding the logistics lines for seafood export from Norway.

6.4 Limitations and future research

Like all studies, this study also has its limitations. Firstly, the study was limited to case studies involving Japanese and Russian importers. This gives only one perspective on the quality of the relationship and on the factors influencing the choice of Incoterms 2000, namely from the point of view of the importers. The perceptions of the Norwegian suppliers to relationship quality can

be different and their association about the relationship quality and its affect on the choice of delivery terms may also differ.

The relationship quality in importer-exporter dyads can be examined better if the researcher is focused on the importer-exporter dyads when both exporters and importers are involved. Besides, the constructs can be extended, too. This will give a better insight into the problem and will allow the relationship quality to be evaluated thoroughly.

The limited number of cases studied in both countries presents a limiting factor to generalizations made in the study results. A greater amount of cases will produce more accurate data on the use of Incoterms 2000 and the perceived relationship quality. Another limitation of the study is that it is impossible to make a serious statistical analysis of the data regarding the perceived relationship quality in the Japanese and Russian cases because of the small number of cases involved in the study. That is why this study is mostly based on descriptions and some elements of statistical analysis. Besides, the amount of cases in Japan and Russia is unequal. This is due to the fact that interviews with the Russian companies were carried out during the first three months of 2007 – the busiest period of the year and potential respondents had little time to participate in interviews.

The results of this study also suggest several directions for future research. One possibility is to extend this analysis - to include Norwegian exporters. This study focused only on the importers in Japan and Russia who presented their points of view on the problem of using Incoterms 2000 and possible influence of relationship quality. However the Norwegian exporters may give valuable information regarding this issue.

Another suggestion for further research is to extend the study and examine the whole supply chain to Russia and to Japan separately in order to identify all important factors in seafood supplies from Norway. The issue of using Incoterms 2000 represents only a part of the problem connected with the seafood deliveries. Other issues concern customs and legal requirements, contractual law, quality control, insurance and responsibilities between parties.

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Appendix 1. Incoterms 2000. Distribution of obligations between buyer and seller. (The Online Resource for International Trade Professionals)

Incoterms and Services	EXW	FCA	FAS	FOB	CFR	CIF	CPT	CIP	DAF	DES	DEQ	DDU	DDP
	Named place	Named place	Named port of destination	Named port of destination	Named place of destination	Named place of destination	Named place of destination	Named port of destination	Named place	Named port of destination	Named port of destination	Named place of destination	Named port of destination
Warehouse storage at point of origin	SELLER	SELLER	SELLER	SELLER	SELLER	SELLER	SELLER	SELLER	SELLER	SELLER	SELLER	SELLER	SELLER
Warehouse labor charge at origin	SELLER	SELLER	SELLER	SELLER	SELLER	SELLER	SELLER	SELLER	SELLER	SELLER	SELLER	SELLER	SELLER
Export packing	SELLER	SELLER	SELLER	SELLER	SELLER	SELLER	SELLER	SELLER	SELLER	SELLER	SELLER	SELLER	SELLER
Loading at point of origin	BUYER	SELLER	SELLER	SELLER	SELLER	SELLER	SELLER	SELLER	SELLER	SELLER	SELLER	SELLER	SELLER
Inland freight	BUYER	BUYER	SELLER	SELLER	SELLER	SELLER	SELLER	SELLER	SELLER	SELLER	SELLER	SELLER	SELLER
Port receiving charges	BUYER	BUYER	SELLER	SELLER	SELLER	SELLER	SELLER	SELLER	SELLER	SELLER	SELLER	SELLER	SELLER
Forwarding fees	BUYER	BUYER	SELLER	SELLER	SELLER	SELLER	SELLER	SELLER	SELLER	SELLER	SELLER	SELLER	SELLER
Loading on ocean carrier	BUYER	BUYER	BUYER	SELLER	SELLER	SELLER	SELLER	SELLER	SELLER	SELLER	SELLER	SELLER	SELLER
Ocean freight	BUYER	BUYER	BUYER	BUYER	SELLER	SELLER	SELLER	SELLER	SELLER	SELLER	SELLER	SELLER	SELLER
Charges in foreign port	BUYER	BUYER	BUYER	BUYER	BUYER	BUYER	SELLER	SELLER	SELLER	BUYER	SELLER	SELLER	SELLER
Delivery charges to final destination	BUYER	BUYER	BUYER	BUYER	BUYER	BUYER	BUYER	BUYER	BUYER	BUYER	BUYER	BUYER	SELLER
Customs duties and taxes abroad	BUYER	BUYER	BUYER	BUYER	BUYER	BUYER	BUYER	BUYER	BUYER	BUYER	SELLER	BUYER	SELLER

Appendix 2. Questionnaire

1. Interview date

We are going to speak about the use of Incoterms 2000 in the seafood trade with Norway and the supply chains relationships between Japanese and Norwegian actors in the fish import market to Japan in order to reveal main factors influencing the choice of terms of delivery and whether the relationship quality influences this choice. Besides we will evaluate the relationship quality perceived by the importer.

2. Name of the company

3. Company's specialization and number of years of work with Norwegian exporters

4. Average volume of imported Norwegian seafood per year (ca.)

5. Company's address

6. Respondent's name

7. Respondent's position

8. Contact phone number and e-mail address

9. Are you satisfied with your Norwegian suppliers of seafood?

Yes (develop on the answer)	No (develop on the answer)

10. Do you trust your Norwegian suppliers of seafood?

Yes (develop on the answer)	No (develop on the answer)

11. Have the import of Norwegian seafood by your company increased during the last 5 years?

Yes (develop on the answer)	No (develop on the answer)

12. How this increase~ decrease in import is connected with relationships with your Norwegian suppliers?

13. What party is influencing the sales contract development more?

14 . Which of the Incoterms 2000 is your company currently using when delivering fish products from Norway?

EXW	FCA	FAS	FOB	CFR	CIF	CPT	CIP	DAF	DES	DEQ	DDU	DDP

15. What are the grounds for using exactly this Incoterms? (each of them if several)

16. Has the company been using this type of Incoterms during the last 5 years? Or has the use of Incoterms 2000 changed recently?

16. a) If the use has changed recently – What Incoterms 2000 were used before? Why?

17. What influence the decision making re. choice of Incoterms 2000 in delivery?

Relationship quality (trust/ distrust, satisfaction, commitment, conflicts) – why? how?	
Volumes of imported goods	
Types of seafood	
Desirable speed of deliveries	
General economic situation in the country	
Common practice in the company (why common practice?)	
Other aspects/factors?	

Please evaluate the following statements on the scales when 1 means completely disagree and 5 completely agree

18. Importer satisfaction with the supplier (completely disagree 1-2-3-4-5 completely agree)

- 1. We are fully satisfied with our Norwegian suppliers when we receive seafood products

1	2	3	4	5
---	---	---	---	---
- 2. Our Norwegian suppliers can improve a lot

1	2	3	4	5
---	---	---	---	---
- 3. Generally we feel satisfied

1	2	3	4	5
---	---	---	---	---

19. Importer trust (completely disagree 1-2-3-4-5 completely agree)

- 1. Our Norwegian suppliers are open and honest with us

1	2	3	4	5
---	---	---	---	---
- 2. Our Norwegian suppliers are knowledgeable about its products

1	2	3	4	5
---	---	---	---	---
- 3. In difficult times our Norwegian suppliers will support us

1	2	3	4	5
---	---	---	---	---
- 4. Our Norwegian suppliers are trustworthy

1	2	3	4	5
---	---	---	---	---

20. Importer commitment (completely disagree 1-2-3-4-5 completely agree)

- 1. We are constantly looking for another supplier

1	2	3	4	5
---	---	---	---	---
- 2. We have a good relationship with our Norwegian suppliers and want to keep buying from them

1	2	3	4	5
---	---	---	---	---
- 3. We will continue buying from our Norwegian suppliers

1	2	3	4	5
---	---	---	---	---
- 4. The quality of products from our Norwegian suppliers will grow in the coming years

1	2	3	4	5
---	---	---	---	---

21. Channel conflicts (completely disagree 1-2-3-4-5 completely agree)

- 1. The relationship with our Norwegian suppliers is full of conflicts

1	2	3	4	5
---	---	---	---	---
- 2. Negotiations with our Norwegian suppliers are always rough

1	2	3	4	5
---	---	---	---	---
- 3. We often differ in opinion with our Norwegian suppliers

1	2	3	4	5
---	---	---	---	---
- 4. We get frustrated with the way our Norwegian suppliers works

1	2	3	4	5
---	---	---	---	---

Thank you very much for attention and participation in the research!