

**Seafood export as a relationship-oriented supply network:  
evidence from Norwegian seafood exporters**

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## **Abstract**

**Purpose-**The purpose of this paper is to examine the role of relationships and networking in the international flow of seafood products through export processes and practices using empirical case examples.

**Design/methodology/approach-**This paper provides an insight into seafood export through 10 case studies of seafood exporters from Norway and a freight forwarder working with most of these companies.

**Findings-**The international seafood business is characterised by coordination, interactions and exchange such that economic and social interactions among network members transcend national boundaries into international/global markets. Findings reveal how studied seafood exports are in line with the learning-based Uppsala internationalisation model, embedded in international buyer-seller relationship structures and networks, which is also a particularity of this food-producing industry. To secure long-term business in distant markets, small and medium-sized (SME) seafood exporters have shifted the focus from transactional approaches to relationships and networking as a means of improving export performance. This paper suggests how logistics and marketing have become closely and strategically interconnected, and so marketing strategies depend on logistics strategies and the two cannot be separated in a typical global seafood supply network.

**Practical implications-**Purposeful collaborative interaction between exporter and importer helps in risk mitigation. Increased interactions in distant markets by SMEs can also be achieved using social media networking.

**Originality/value-**This paper offers an insight into the global seafood supply network using empirical case examples from Norway, an important seafood producing country.

**Keywords-**Networking, trade, logistics, interactions, global supply chain management, food.

**Research type** Research paper

## 1. Introduction

The last decades of the twentieth century witnessed a considerable expansion of supply chains into international locations (Meixell and Gargeya, 2005). Fish and seafood constitutes one of the largest segments of contemporary food supply chains and remains one of the most traded food commodities worldwide. The Food and Agricultural Organisation (FAO) of the United Nations predict that about one-third of fish and seafood production is to be exported by 2024. Sustained demand, trade liberalisation policies, globalisation of food systems, improved logistics, and technological innovations will further expand international fish and seafood trade, even if at a slower rate than in the previous decade. World exports of fish for human consumption are projected to reach more than 45 million metric tonnes live weight, representing an increase of 19% by 2024 (Ramsden, 2015). Global per capita fish consumption continues to rise from 10kg in the 1960s to more than 20kg in 2016 (FAO, 2016), driven by higher demand from a growing population, rising incomes, and more efficient distribution channels. About 200 countries supply fish and seafood products to the global marketplace.

The USA is the global leader in imports, accounting for 14.2% of global fishery imports in value terms, followed by Japan and China. Although China ranks third in global imports, the country is also the global leader in the seafood export trade. Norway is the second largest exporter of seafood, with the USA being the third largest exporter (FAO, 2014, 2016; Parke, 2014). In an increasingly competitive global seafood trade, the industry is not without problems. Constraints to an efficient global seafood market include problems with market access, health, safety and sustainability issues, tariff and non-tariff barriers, traceability, and eco-labeling (Parke, 2014). For example, in 2002 an import ban was imposed on aquatic products from China by the EU due to the presence of residues from veterinary medicines, pesticides, and heavy metals that exceeded EU standards (Liu *et al.*, 2012). Incidents of this nature are serious impediments to seafood trade and export. Compliance with food safety standards is a necessity to ensure the health and safety of consumers.

The World Trade Organisation (WTO) and the FAO have in the past few years made strides in contributing to the development of international norms on sustainable fisheries and responsible seafood trade (FAO, 2009, 2016). Although the academic literature on seafood trade is not lacking, the extant literature is silent on how small and medium-sized seafood exporters organise their foreign operations. Seafood companies, as SMEs, lack resources compared to multinational enterprises and cannot afford to make costly mistakes in their quest to internationalise (Paul *et al.*, 2017). This research aims to provide a theoretically grounded understanding of the international flow of seafood products through export processes and practices using case studies of Norwegian businesses. The study seeks to explore the following research questions: (1) how do small and medium-sized seafood exporters organise their international operations? (2) How can seafood exporters best strengthen interactions with distant customers? (3) In what ways can seafood exporters provide value to their customers? To elaborate on these research issues, empirical findings are provided regarding (1) product and supply features, (2) networking practice, (3) culture, (4) conflict resolution, (5) contracting, (6) export process, (7) payment and documentation, (8) transport and mitigating risk, and (9) use

of third party logistics services. The rest of the paper is organised as follows: literature review and propositions, method, case description, discussion, theoretical and practical implications, and conclusion.

## **2. Literature review and propositions**

To understand export operations, it is important to first reflect upon governance issues. This paper applied a range of different approaches to understand the export process, viewing these in the scope of this study as complementary. The focus on these different approaches is to better understand the various practical aspects of exporting. These approaches include transaction cost economics/analysis (TCE/TCA), the relational view of exchange, the Uppsala model, and supply chain management (SCM) literature on industrial information-enabled networking.

Starting with TCE/TCA, which provides a foundation for the network theory, the complexities of international business transactions give rise to higher transaction cost and exposure to opportunism. In addition to investment in specific assets, the lack of knowledge (information asymmetry) about distant overseas markets and the uncertainty this brings further complicates doing business in distant markets. According to TCA prescription, formal contracting is one of the approaches to manage inter-firm relationships (Williamson, 1975, 1979, 1985). On the other hand, networks are open-ended, making them very useful structures when resources are variable and the environment uncertain (Powell, 1990).

Concerning the relational view, the need for coordination is best explained in Macneil's (1978, p. 858) terms; the antithesis of discreteness is the "integration into [an interaction] relation". In other words, some deliberate or formal governance mechanism is needed for coordinating the buyer-seller exchange relationship from a market-based to a nonmarket governance mode (Heide, 1994). Governance is defined as the elements of establishing and structuring exchange relationships, including the monitoring and enforcement of contractual obligations by the parties (Heide, 1994, p. 72). Buyer-seller interaction, therefore, involves individual exchange episodes which are coordinated. Exchange patterns in relational exchanges involve increased social interactions with specific partners compared to transactional exchanges, which are non-specific (see Table 1). "Relational exchange participants can [therefore] be expected to derive complex, personal, non-economic satisfaction and engage in social exchange" (Dwyer *et al.*, 1987, p. 12).

-----Insert Table 1 approximately here-----

*Table 1: Comparison between transactional, relational, and network approaches*

The interaction process is aimed at identifying, developing, and maintaining a cooperative relationship based on trust and commitment, characterised by formal and informal communication across firm boundaries. Obligations are mainly based on norms, with future expectations to deal with the other party in the interaction approach, while in transactional exchanges price defines mutual value with no future obligations expected from the other exchange partner. Relational exchanges having high levels of attributes, such as trust and commitment (Morgan and Hunt, 1994), are developed through various stages of the relationship development cycle. Indeed, it is argued that high levels of relational exchange

features are based on each partner's historical and long-term view of the exchange relationship (Lambe *et al.*, 2000).

Forming and nurturing sound buyer-seller relationships have often been regarded as the core of international business (Håkansson, 1982; Leonidou *et al.*, 2006; Leonidou *et al.*, 2011). A global supply network is characterised by coordination, interactions, and exchange such that economic and social interactions among network members transcend national boundaries into international markets. Global supply/trading networks are also characterised by multiple complex relationships involving social interactions and commitment of resources through investments (physical, financial, and human). Relationships serve, in line with Engelseth (2016), as the main integration factor that binds networked buyers and sellers so they may better collaborate to coordinate their exporting activities on the global seafood marketplace. Firm's internationalisation strategy is an indication of its risk mitigation strategy. Thus, while TCA suggests formal contracting (Williamson, 1975, 1979, 1985), the network theory emphasises the role of normative structures such as trust and norms (Håkansson, 1982; Macneil, 1978; Pfeffer and Salancik, 1978; Powell, 1990).

Internationalisation is the process of adapting exchange transaction modality to international markets, hence the outward movement of a firm's international operations (Calof and Beamish, 1995). The Uppsala Model (Johanson and Vahlne, 1977) was fundamental in providing an understanding of how internationalisation is a gradual management learning process involving interaction between features of market knowledge, commitment decisions, current activities, and market commitment. In exporter-importer relationships, exporting activities involve not only economic transactions but also complex behavioral interactions; networking is decisive in coping with the increased complexity as well as complicated nature of international marketing (Johanson and Vahlne, 2009; Vahlne and Johanson, 2013). Networks create incentives for learning and the dissemination of information, while cooperation between two or more firms can be sustained in the long-term as an effective arrangement (Powell, 1990) to structure international buyer-supplier relationships. This study posits that:

*P1: Networking in foreign markets leads to increased access to distant international and global markets through learning, and that there are increased interactions between network members despite being culturally, geographically, or psychologically distant from each other.*

Information Communication Technology (ICT) integration is a key aim in SCM in order to enable often heterogeneous firms to collaborate, and thereby support production practices, e.g., export process coordination. Accordingly, SCM enhances synergies through directing search at a strategic level for complementarities between firms. At the daily level, operations are supported by information, and the information quality is decisive in providing quality production, e.g., the sales negotiations and accompanying logistics of food exports. Networks are based on complex communication channels (Powell, 1990, 2003). Information technology is an enabler of supply network integration. Firms can achieve efficiency and effectiveness using ICT; IT-based systems enable efficient operations and effective management in organisations (Engelseth *et al.*, 2015). The number of businesses integrating ICT into their daily operations has been on the increase due to a reduction in the cost of ICT

services, new online data storage (cloud computing), and integration of smartphones/tablets with information systems (Cesaroni and Consoli, 2015). For example, Enterprise 2.0 is the use of emergent social software platforms within companies and between companies and their partners and customers (McAfee, 2009). This has made it possible for the traditional organisational forms to become more adaptive, open, and collaborative so that companies within such networks can share information, cooperate, and interact with each other in real time. In the last decade, Web 2.0 has enabled the development of social media, first as a means of friendly social networking between private individuals and later as tools used by enterprises to achieve business goals (Cesaroni and Consoli, 2015). Social media offers a unique opportunity for social interactions both for businesses and individuals (Fischer and Reuber, 2011). Social media provides a two-way communication channel within the network of businesses, customers, and suppliers. Durkin *et al.*, (2013) emphasised the importance of relationships with external stakeholders, especially with customers, as the main basis of small firms' competitiveness. While ecommerce allows companies to operate even in a global market as customers can be reached everywhere (Consoli, 2012; Cesaroni and Consoli, 2015), social media has the added advantage of interactivity on a social and personal level. This paper posits that:

*P2: Networking by exporters can be enhanced using information communication technology (with special consideration for electronic data interchange-EDI, the internet, digitalisation, and social media).*

The logistics service provider (LSP) and exporter relationship represents an interdependency between two partners based on the co-specialised human capital provided by each of them, such that one human-capital intensive firm (i.e., the LSP) extends its boundaries and creates more value (Cezanne and Saglietto, 2015). An important challenge confronting the aquaculture industry and fishing fleet relates to logistics. Most seafood consumers are located far away from where the marine products are bred or caught. Therefore, seamless and efficient logistics are crucial to seafood supply to the global market. More so, as consumers becomes increasingly demanding and transportation becomes more complex, fresh products require constant rethinking of how to maintain product quality throughout the supply chain (Nortrade, 2016).

The role of logistics service providers as facilitators of seafood trade is key in resolving some of these challenges. Ensuring delivery and value addition through timeliness and availability is a core function among third party logistics service providers (Bourlakis and Melewar, 2011; Hsiao *et al.*, 2009; Saglietto, 2013; Yang, 2014). The role of logistics and marketing are closely linked and highly strategic to the actors in the seafood trade network (Gadde, 2010; Olsen, 2012). Thus, in the global seafood industry distribution network, logistics and marketing have become closely and strategically interconnected such that marketing strategies depend on logistics strategies and the two cannot be separated (Olsen, 2012, p. 189). This integration, this study suggests, may be alternatively viewed as encompassed by a common SCM policy. This is in line with Engelseth and Felzensztein (2012) who suggest, based on a case study of upstream supply chain salmon production, a "bottom-up" process-based view, discerning conceptually relational interaction as the key to integrating sales with

logistics. This linkage is most important if the benefits of value creation and exploitation through trade are to be fully realised. This study posits that:

*P3: For successful and efficient export operations, the synergy between logistics and marketing should be enhanced when managing export processes.*

Multiple sets of business relationships characterising networks are crucial to the coordination of export processes. The model (see Figure 1) suggests exporting can be efficiently carried out through a set of multiple relationships as a means to access international and global markets. The risk is mitigated through networking while interactions between network actors can be enhanced through ICT. Exporting is not carried out in isolation, devoid of social-business relations. The model suggests that the four elements (mode of interaction, foreign market entry/operation, risk mitigation strategy, and export practices) impact upon each other to the extent that the level at which one element impacts on the other is dependent on the extent of networking.

-----Insert Figure 1 approximately here-----

*Figure 1: Seafood export as relationship-oriented logistics and supply network activity.*

### **3. Method**

Multiple case studies were conducted within the period October 2015-November 2016 comprising ten seafood-exporting companies and one major freight forwarder, all of whom were in the greater Aalesund region in Norway providing details on the research topics described in the introduction through a combination of interviews, observations, and company documents. The investigation was organised as group sub-projects carried out by supervised research teams using a standardised interview guide. Informants held key positions in their organisation, such as marketing or purchasing manager, and on occasion were assisted by personnel with responsibilities for specific trading regions or functions. This case study aims at achieving new insights in line with Eisenhardt's (1989) view of qualitative research as grounds for theory building, and thereby, in accordance with Lincoln and Guba (1985), the credibility and transferability of data is enhanced.

Reliability and validity are two important criteria for assessing the procedures and results of qualitative research (Flick, 2014; Kirk and Miller, 1986). Researchers can follow different approaches to increase the reliability of data and interpretations. The quality of the recording and documenting of data is key to securing methodological reliability and subsequent data interpretation (Flick, 2014). The study ensured reliability by standardising field notes: "Standardisation of notes increases the reliability of such data if several observers collect the data" (Flick, 2014, p. 482). The case description involves synthesising the data into narratives (Corsaro and Snehota, 2012) from all the companies. To simplify the presentation, the following topics are applied in the case description:

1. Companies, products, and networks.
2. Supply network, export process, and marketing strategies.
3. Export agreements, documentation, and payment methods.
4. Transport, freight forwarding, and logistics services.

## **4.0 Case description**

### **4.1 Companies, products, and networks**

All the companies interviewed are near the city of Aalesund in Norway. This is an important marine cluster where many exporters of dried and salted white fish are found. The ten participating companies are varied; some are recent start-ups; others have a long history, dating back to the 1960s. The companies are SMEs with turnovers ranging from 5,577,000NOK to 1,361,736,000NOK. All companies are export-oriented and export more than 90% of their products to foreign markets. Table 2 shows the main features of the sample companies.

-----Insert Table 2 approximately here-----

*Table 2: The interviewed companies.*

Some companies employ several hundred people (e.g., Company F) and have processing plants, while others are trading firms (e.g., companies B and C) that never physically transform the seafood products. Companies also vary in relation to market specialisation; this is associated with types of fish where market preferences vary. The classification of "seafood" includes a wide variety of traded products. In the Aalesund region, there are two main types of products: aquaculture salmon and wild caught white fish. Furthermore, the type of processing defines the product. Fundamentally, the exported products may be fresh, frozen, or dried/salted. The latter type is often termed "*bacalao*" in the export markets that favour this processed fish product and it is made from wild caught white fish.

Most Norwegian seafood exports undergo a very limited amount of processing in Norway. Products are most often simply cleaned, packed, and frozen or refrigerated for transport. Some seafood is sold to industrial processors who manufacture different seafood-based products for the export markets. The most exclusive salmon products are airfreighted to Asia to be sold as a raw material for sushi or sashimi consumption. The companies operate in one of the most dynamic industrial clusters in the country. They belong to a network where learning from experience is a dynamic capability achieved through interaction in multiple business relationships. Within this network embedded social and business relationships characterised by network collaboration, interdependences, and competition are found (Glavee-Geo and Engelseth, 2016).

### **4.2 Supply network, export process, and marketing strategies**

The first step in exporting is purchasing the products to be exported - the seafood raw material from aquaculture producers or fisheries. The wild catch is purchased through sales monopoly



auctions while aquaculture producers negotiate purchases. Traceability is achieved through a certificate of origin. The health certificate provides evidence of quality, including the genetic material of the eggs and the food and medicine used during farming, allowing customers to trace the quality of the products. Before export, exporters must ensure that their products meet these standards. The exporters sell their products on export markets to a mix of retailers, producers of seafood products, or intermediaries. Most often the marketing strategy is not based on any formal market research. Most small seafood export start-ups begin with a niche strategy in the early phase. These smaller firms described this strategy as being a result of their networking with customers.

Marketing on the global stage is a key challenge for many seafood companies. One informant stated that new opportunities usually come from business contacts in their network: "I know of this company that sells that/that wants that product". However, one other informant stated that more and more often, they are contacted by potential customers as the company is increasingly known for having reliable deliveries. Since none of the exporters themselves carry out any formal market research, this implies that market knowledge is always indirect through their relationships, customers, or through agents. An informant stated: "One comes a long way just being relationship-oriented, honest, and humble". Japanese customers are brought to Norway by some exporters to see the production process so that they have a hands-on feeling regarding their purchases. Company F emphasised the importance of maintaining a good relationship with their Japanese customer; the customer even assigned one of their own managers to work for three months in Company F's main headquarters in Aalesund. Valuable information was generated concerning the customer's expectations, and visits by the quality-conscious Japanese provided innovative ideas for better quality products. According to one informant, such visits lead to a deepening of the relationship between the Norwegian exporter and the Japanese importer.

### **4.3 Export agreements, documentation, and payment methods**

Most companies use formal, detailed written contracts with customers in Eastern Europe, while Company A stated that their customers in Brazil needed a simpler contract containing fewer details so the customer could file for an import licence. Company J, an exporter of salmon products, stated that it does not have written contracts with either its suppliers or customers; all its sales activities are based on trust and established relationships. They make oral deals most of the time. The use of verbal agreements as a form of contracting is informal. The use of formal contracts differs from market to market. An informant said that their company uses written correspondence via e-mail as sales confirmation on terms, prices, etc. The company is connected to key long-term importers by the electronic data interchange.

As demonstrated by the case interviews, seafood exporters use a variety of hybrid governance structures to safeguard export transactions. Relational governance involves the use of relationships embodied by norms, trust, and social structures as complementary or alternative governance forms of safeguarding business relationships and this has been the focus of recent studies (Bello and Zhu, 2006; Gençtürk and Aulakh, 2007; Glavee-Geo and

Engelseth, 2016; Poppo and Zenger, 2002). Thus, an informant stated "We are not interested in long-term contracts but in long-term relationships".

One of the larger exporters of white fish, Company E, mainly uses credit invoices for their regular long-term customers, with a net payment within 14-30 days. Other companies often secure payment in other ways. Seafood exports are usually insured to reduce the risk of loss. The company can obtain a guarantee through the Norwegian Export Credit Guarantee Agency (GIEK), an administrative agency whose purpose is, among others, to financially promote Norwegian exports. Moral attitudes and behaviour regarding payment vary around the world, hence payment terms are dependent on the country in which the customer is located. Customers in Europe who have long established relationships might have 30 days' credit, according to one informant. Close relationships with customers, such as supermarkets in some European countries, are demonstrated by their long history of dealing with the exporter.

#### **4.4 Transport, freight forwarding, and logistics services**

Exporting usually involves long-distance transport. Such operations are associated with risk. This risk is usually included in the sales agreement by using Incoterms, thereby assigning the responsibility of each party, standardising how goods are transported, how risk is shared, and who bears the insurance payment when exporting the goods to the customer. The shelf life of fresh fish is 14 to 16 days, and the shelf life for frozen fish is up to two years. Since it takes two to three days to deliver within Europe, the same fresh fish destined for outside Europe is transported using aircraft. Refrigerated containers and refrigerated trucks are required. Perishability is a risk that is particularly associated with fresh seafood export.

All but one of the exporters interviewed outsource their logistics needs to freight-forwarding companies. The company that kept this function in-house is medium-sized and has a logistics department and purchased computer software to handle documentation procedures. They also organised the transport through direct communication with various transport firms to export the goods. It is very important to make sustainable long-term agreements with these logistics firms since the freight forwarder is responsible for the completion of documentation as well as executing transport. The exporters are not logistics experts and handle only simpler documentation such as transport documents and invoices. Logistics service providers conducting freight forwarding are commonly hired to do the more challenging export-related paperwork.

According to the sales manager of one of the exporters, outsourcing logistics is done because "it is cheaper and easier to organise". They also value good relationships with the logistics service providers they use to secure quality freight forwarding and transport. Stable relationships in logistics activities, providing standardised transportation, and customs procedures is also important for export efficiency. The specialisation in logistics services provides flexibility and effectiveness regarding delivery services, especially where time is the main critical factor together with the costs of transportation and customs fees. Their competitiveness in the freight forwarding business is expressed through the interview as "the good relationship and mutual trust we keep with our long-term customers".

## 5.0 Discussion

The case narratives expose the great importance of networking to export, facilitated by sets of interacting business relationships. This paper elaborates on how this networking supports exporting as a managerial process. Exporting involves operations, such as mitigating risk through contracting, creating the necessary documentation, choosing logistics suppliers and working together with them, to effectively move the exported seafood products to the global markets. A summary of the case study and its relevance to theoretical and practical viewpoints is presented in Table 3 and Table 4.

-----Insert Table 3 approximately here-----

*Table 3: Summary.*

-----Insert Table 4 approximately here-----

*Table 4: Continuation: summary.*

Even though seafood exporters may begin business relationships with their partners in overseas markets with some form of contracting, the formation of norms and trust becomes the bedrock of such relationships and provides protection against the threat of opportunism (Buvik and Anderson, 2002; Ivens, 2006; Macneil, 1978; Wathne and Heide, 2000). Risk is mitigated through third party agencies such as banks, insurance companies, and national government/international agencies. The details of export practices reveal that what customers want is quality supply. However, before this delivery is completed the exporter and the seafood importer are somewhat uncertain about the outcome of their trading. This represents one of the main contributions of this research in that the narratives also encompass the purpose of interacting.

Findings suggest that when exporting, both the exporter and the importer must engage in purposeful interaction to mitigate risk. This is in line with Engelseth (2016); both parties are usually in a long-term business relationship even though the goods are formally traded on a commodity-type market. Discourse bonds the exporter, importer, and freight forwarder, and all three of these enterprises will have developed customer relationships. These types of relationships, embedded in institutionalised discourse, represent core resources upholding continuous export. Following the Uppsala Model (Johanson and Vahlne, 1977), clearly a learning process that develops discourse on exporting. These relationships are dynamic, characterised by different challenges associated with the practices and context, pieces that, through interaction, fit together like the pieces of a jigsaw puzzle to create a quality export experience; collaborating to coordinate seafood supply for customers efficiently. In cases of lower trust, formalised contracting or pre-payment are used to safeguard exports. Since learning is revealed as situation-specific in addition developing gradually, the Uppsala Model (Johanson and Vahlne, 1977) therefore only provides a partial understanding of how export competence is created and used in these seafood supply networks, since it does not explain features of interactions in the network. These interactions are mainly associated with

management processes rather than production operations. In the study, the smaller and often newer companies viewed networking as a vital preliminary knowledge developing activity.

Without relationships in a network, there are no exports because information about customers is lacking. For example, one company speaks of knocking on doors at first, using the few contacts they had without really having a product to sell: "We presented an idea and got feedback from potential customers about what they wanted to buy". The next step in developing an exporting business is thinking strategically, attempting to formulate a strategy for these new types of companies on how to move seafood to customers in other countries. Outsourcing logistics operations to LSPs is a key supply chain strategy. Most small to medium-sized seafood exporters hire freight forwarders to do the more challenging export-related paperwork. Accordingly, a sales manager of one of the exporters explained that "outsourcing logistics is done because it is a key component of the export process". Logistics activities bridge the boundaries among supply chain members and exert an influence on supply chain effectiveness and performance (Panayides and So, 2005). Outsourcing logistics activities create value-added services for seafood exporters through quick delivery, product availability, timeliness, ease of meeting customer orders, and superior customer service that helps seafood exporters to become more competitive and profitable. Outsourcing is useful in reducing product delivery time and logistics time in general (Zhu, 2016). This provides an operational-level view of our findings.

## **6. Theoretical and practical implications**

This paper now turns to a more long-term view, providing empirically-founded insights that may be applied at a strategic level. Since our findings are interorganisational in character, this implies they have an inherent conceptual relevance to SCM; directing attention to the institutional layer of discourse that exports are embedded in. This discourse is expressed in the reasoning (founded on knowledge) on how they choose to export. Founded on a mixed-use of relational contracting and network theoretical perspectives, this paper sought to throw more light on both governance of exporting operations based on relationships and to explore the dynamics of exporting where companies simultaneously work on several business relationships. The exporting companies seem, however, strategically concerned with operating in seafood markets and applying an arm's-length distance to various suppliers and customers. This is, however, not the reality they work within. In line with Engelseth (2016), the use of market governance does not entail the demise of relationships. They are alive and well, even though the price is fixed on the market. Based on the empirical evidence, the studied seafood exporters have strategically reoriented from a focus on transactions to a focus on relationships and networking for increased export performance.

A focus on relationships and networking have led to an improved knowledge base and so have increased the quality of exports. This is associated with increased social capital and trust and norms formation, which helps secure long-term international business relationships, especially in risky and uncertain distant markets. Also, a need for increased interactions by small and medium-sized exporters can be enhanced using ICT to enhance networking. Recent studies have alluded to the benefits that small businesses can achieve from social media. It can

increase interactivity through increased engagement between small businesses and their partners. Small firms can successfully use social media technologies to improve their ability to manage business relationships and networking (Cesaroni and Consoli, 2015; Durkin *et al.*, 2013) in distant markets.

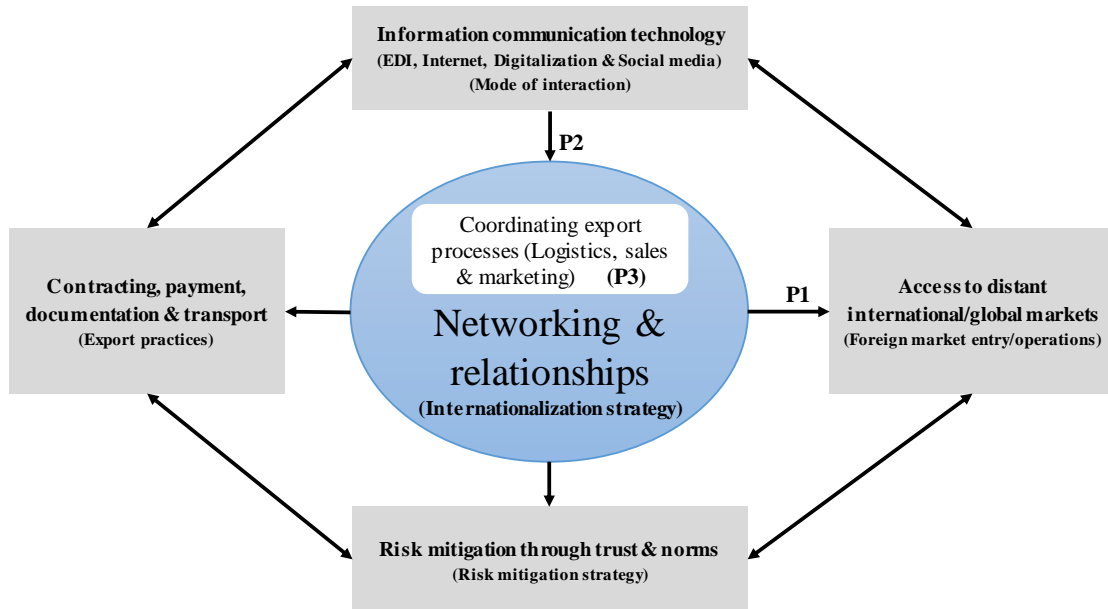
Finally, logistics and marketing have become closely and strategically interconnected, such that marketing strategies depend on logistics strategies and the two cannot be separated. They are both found in a common organisational structure, the supply chain. This structure, following SCM integration, is the key to quality improvement. Even though SCM is not explicit in our empirical data, the findings suggest that the informants value integration to collaborate. These supply chain interconnections may be due to the nature of the product being traded, the need for seafood exporters to access other markets other than their domestic markets, and the need to provide value to customers and end users/consumers through delivery, availability, and timeliness. This has implications for global supply chain design if the movement of goods from the point of origin to the point of consumption is to be undertaken efficiently. SCM is not just a domestic phenomenon; supply chains transcend national boundaries, imposing the challenges of globalisation on managers who design supply chains for new and existing products (Meixell and Gargeya, 2005).

## **7. Conclusion**

This study involved a limited number of informants, all exporting seafood products from the same region in Norway. This is a limitation that entails the need for further research considering export practices and the need for networking in other geographical areas. Further research may take into consideration the qualitative aspects of interacting in a focal business relationship and simultaneously consider alternative relationships, this would include their networked relationships, such as with freight forwarders and other network actors (e.g., financial institutions like banks and insurance companies). Likewise, complex operational sourcing interaction may be studied from the importer perspective. This indicates that sourcing in seafood supply chains where business relationships transcend commodity markets could be considered as an operational rather than a strategic consideration. Further research may also attempt to refine and test models and propositions suggested in this paper empirically.

This can be done through quantitative multigroup analysis using three informant data groups: (1) exporters, (2) importers, and (3) freight forwarders. Given the perception of the conceptual complexity of seafood exporting generated through the current research, this paper emphasises that such a study could apply structural equation modelling to provide factorial and structural validity, as well as external validity using other empirical contexts. Another research path is to consider seafood exporting combined with importing as complex adaptive systems. Such research could focus on the dynamics of a focal business relationship in its networked context. This will enable modelling export and import as networked and functionally balanced relationship activities using, for example, agent-based modelling and computer simulation.

## Tables and Figures



**Figure 1: Seafood export as relationship-oriented logistics and supply network activity**

**Table 1: Comparison between transactional, relational, and network approaches**

Attribute	Transactional	Relational	Network
1) Unit of analysis.	Transaction.	Relationship.	Network.  Simple or complex with multiple relationships.
2) Objective.	Economic transaction.	The relationship is mainly interactive between buyer and seller.	Economic and social interactions among network members which transcend national boundaries into international/global markets.
3) Exchange pattern.	Non-specific.	Increased social interaction with specific partners.	Social interactions and commitment of resources through investments (physical, financial, and human).  Products, information, social, and financial exchange.  Interdependency between network actors.
4) Duration.	One-time, discrete exchange.	Long-term and continuous but may involve short exchange episodes.	Continuous and long-term interactions but also involving short exchange episodes.
5) Contact.	Impersonal, arm's length.	Close; face-to-face; interpersonal and based on trust, cooperation, and commitment.	Network members tend to be interactive despite distance (cultural, geographical, psychological).  Adaptations among interacting parties.  Could have arm's length, close relationships, or a mix of these where network members could cooperate and compete.
6) Contractual obligations.	No future obligations, price defines mutual value.	Obligation based on norms and defines mutual value.	Obligations based on norms, mutuality, and bonding (social, technical, legal, and other ties) between actors.

Source: Glavee-Geo and Engelseth (2016), Håkansson (1982) and Leonidou *et al.*, (2006; 2011).

**Table 2: Company characteristics**

Company	Year of establishment	2014 Turnover (1000NOK)	Export performance (% of turnover) *	Firm size (Number of employees)	Export importance*
A	1992	1,121,313	98%	160	High
B	2012	5,577	90%	2	High
C	2015	Not available	90%	1	High
D	1994	292,595	90%	8	High
E	1969	1,361,736	98%	197	High
F	2010	1,208,610	98%	965	High
G	1979	117,480	90%	25	High
H	1998	630,446	90%	47	High
I	2001	944,375	90%	34	High
J	1996	1,225,903	90%	13	High
K	1960	185,673	Not available	88	High

Source: Proff.no

NOK Norwegian Kroner

\*Subjective evaluation based on an interview

**Table 3: Summary**



Theme	Seafood export-import particularities based on case narratives and literature review	Relevance to theory and practice
1) Product features and supplies.	Perishable commodity (sometimes requiring processing), supplies secured from wild caught fish or fish farms/aquaculture (vertically integrated or from other network actors/suppliers), traded internationally, traceability, rules of origin, food safety, environmental and sustainability issues.	Value addition, utility, and trade (Engelseth, 2009, 2016; FAO, 2014, 2016; Liu <i>et al.</i> , 2012).
2) Strategy through networking.	Network actors such as seafood exporters, overseas buyers, importers, processors, distributors, retailers, local and international banks, insurance companies, shippers, customs brokers, freight forwarders, food safety authorities and other regulatory agencies.	Coordination, interactions, and exchange (Håkansson, 1982; Powell, 1990).
	Network members tend to be interactive despite distance (cultural, geographical, psychological), experiential knowledge gains, market entry.	Stakeholders (Freeman, 1984) Power-dependency relationships (Emerson, 1962). Interactions not only domestic but international/global, internationalisation strategy (Glavee-Geo and Engelseth, 2016; Johanson and Mattsson, 1988).
3) Culture and the unruly foreign markets.	Export market conditions (different regulations, laws, political, economic, social environment), language barriers.	Uncertainty, complexity, and risk (Leonidou <i>et al.</i> , 2006, 2011; Pilbean <i>et al.</i> , 2012).
4) Conflict resolution.	Industry norms and values, long-term close business relationships though one-off transactions are common, dispute resolution through arbitrations or the courts.	Normative structures to reduce uncertainty and the threat of opportunism (FAO, 2014, 2016; Glavee-Geo and Engelseth, 2016; Ivens, 2006; Macneil, 1978).

**Table 4: Continuation: summary**

Theme	Seafood export-import particularities based on case narratives and literature review	Relevance to theory and practice
5) Contracting/agreements.	International sales agreements and contracts, terms and conditions of sales, oral agreements, offer and acceptance constituting agreements enforceable by law.	Performance measurement problems, safeguarding, control of opportunism (Buvik and Anderson, 2002; Glavee-Geo and Engelseth, 2016; Wathne and Heide, 2000).
6) Export process.	Seafood export to overseas/international buyers, information and financial exchange.	A typical exchange process involving the flow of products, information, and money (FAO, 2009, 2014; Håkansson, 1982; Håkansson and Snehota, 2006).
7) Payment and documentation.	Payment systems through banking channels, use of letters of credit and drafts, use of Incoterms, catch certificate, inspection/health certificates.	Securing payment, allocation of cost, risk and responsibility (Bade, 2015; Glavee-Geo and Engelseth, 2016).
8) Risk mitigation and transportation.	Risk mitigated through third-party agencies (banks, insurance, Norwegian Export Credit Guarantee Agency, shippers).	Ensuring delivery and value addition through timeliness and availability (Engelseth, 2016; Meixell and Gargeya, 2005; Yang, 2014; Zhu, 2016).
9) Third party logistical services.	Provision of logistics services, specialised services including special packages (e.g., reefer containers for frozen fish, airlifting of fresh fish).	Outsourcing non-core functions and harnessing expertise/competence outside the firm (Bourlakis and Melewar, 2011; Gadde, 2010; Olsen, 2012; Saglietto, 2013; Yang, 2014).