

Building B2B relationships via initiation contributors: Three cases from the Norwegian-South Korean international project business

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Abstract:

Initiation is still an unclear phase of B2B relationship development. Here, we build on existing theoretical knowledge derived from relationship development, project marketing and international business literature. We use this to analyze three cases of business relationship initiations between Norwegian and South Korean actors in the shipping industry. By piecing together theoretical and empirical insights, we develop a dynamic model of the relationship initiation process that highlights the role of initiation contributors in international project business. The developed model reveals that multiple entities— such as contacts, rituals and standards—serve as initiation contributors. These trigger or facilitate the focal dyadic relationship initiation, while also preparing future initiations in the focal context. Thus, our key contribution is to bring processual and contextual dimensions to business relationship initiation. Our research also suggests practical insights as to which actors and entities suppliers need to mobilize, in order to initiate new business relationships in international project business contexts.

Keywords: Contact; initiation; relationship development; project marketing; international business; shipping.

1. INTRODUCTION

Business relationship initiation has increasingly interested B2B marketing researchers (Edvardsson et al., 2008; Valtakoski, 2015). Yet, even though business globalization requires knowing how to initiate new business relationships in international contexts, this particular aspect has remained under researched. Indeed, the very action of beginning the relationship—as per the definition of initiation—is not well documented in B2B marketing and related research streams.

In B2B relationship-oriented research, initiation is conventionally depicted as the simple first phase or stage of the relationship (Dwyer et al., 1987; Ford, 1980). Building on the long tradition of using the matrimonial metaphor to account for B2B relationships (Guillet de Monthoux, 1975), we see initiation in light of Knapp's (1978) stage model of romantic relationships. This model assumes that the relationships escalate in five distinct stages: initiating, experimenting, intensifying, integrating, and bonding. Initiating is defined as the first interaction between two individuals. It occurs immediately upon meeting someone and involves making a first impression. In the B2B context, building on the research developed thus far, we argue that initiation can be defined as the period of first contact before any business development. This period starts when two business actors interact for the first time even if only in an ephemeral and/or superficial way and lasts until the actors seek more in-depth information as a means of determining whether they could fit together (Fox et al., 2013).

The unpredictable and processual nature of the initiation phase in the business context has been pointed out (Aarikka-Stenroos, 2011; Mandjak et al., 2015). A relationship may start from the point of first contact, or it may require a long warm-up period (Edvardsson et al., 2008; Halinen, 1997). Parties may be aware of one another for some time before the actual initiation; informal social events and episodes may occur before transactions, and third parties may contribute to the “opening” of more direct interactions between the two parties (Aarikka-

Stenroos, 2011; Ritter, 2000). Consequently, initiation is an unclear and indefinite period that tends to involve many contributing actors across different episodes. However, thus far, researchers have not clearly examined the role of these actors in the process.

Initiation of relationships and the related contributing actors is also a concern of international business (IB) research, which has studied how firms enter international markets (Coviello and Munro, 1995; Ellis, 2007; Aaboen and Löfsten, 2015), and that networks and social contacts play an important role in that entrance (Chetty and Blankenburg Holm, 2000; Mainela, 2007). Yet this research falls short, when it comes to providing insights into how such facilitative social relationships and business networks contribute to the initiation process by advancing it in international contexts.

The initiation of relationships is also an important topic in project business research. Since the discontinuity of relationships is inherent to project activities (Hadjikhani, 1996), project business requires repeatedly building new relationships. Indeed, each project typically occurs in a networked local business environment referred to as “the milieu” (Cova et al., 1996), which is territorial by nature, due to its domination by local actors (Skaates et al., 2003). Relationship development in the local milieu is necessary to anticipate projects, position oneself for projects and prepare for bidding (Cova et al. 1996). While the research stream on project business focuses on project construction and project implementation mechanisms (Aspara et al., 2013), it seldom details the mechanism of initiating relationships in a local milieu.

The three literature streams of relationship development, international business and project marketing provide fragmented knowledge on particular contributors, such as social and organizational contacts that serve as “gate-openers” (Batonda and Berry, 2003; Mainela, 2007; Mainela and Ulkuniemi, 2013) and thus facilitate the emergence of a business relationship. Here, we use the term “initiation contributor” as an overarching term to refer to different entities—including persons, organizations and things—that contribute to relationship

initiation. Thus far, the research has analyzed such contributors either in general or separately, and has not yet generated a comprehensive view on how they contribute to the full initiation process of business relationships by triggering or advancing the process. Some have even evoked the notion of serendipity to explain it (Ellis, 2000; Perna et al., 2015)

The purpose of this study, then, is to investigate the question of: *what are the initiation contributors throughout the relationship initiation process in the international project business realm?* To achieve that aim, this paper provides a detailed analysis of the full process of initiation. We will contribute to relationship initiation and development, project business and international business literatures by identifying and conceptualizing the initiation contributors and developing a model for a initiations process.

The paper is organized as follows. First, we review literature and develop an *a priori* integrative framework. In the method section, we explore our choice of the abductive case method, the multiple case strategy and the research context. Initiation is a rather under-researched lower-order mechanism of project marketing processes; as such, the deepening of its understanding requires the use and comparison of several cases (Aspara et al., 2013). Therefore we display three different initiation process with different initiation contributors, yet in the same context: Norwegian and South Korean actors operating in the shipping industry. Based our case analyses we develop and suggest the final model. Finally, we discuss the contributions and implications of this study.

2. THEORETICAL BACKGROUND: INITIATION CONTRIBUTORS AND THE INITIATION PROCESS

We start by detecting the initiation contributors and the features of the initiation process, relying on pertinent literature around relationship development, IB and project marketing. We then piece together an integrative framework for the initiation process, via initiation contributors, in the international project business realm.

2.1 A Relationship development approach to initiation and contributors

In B2B marketing research, the initiation of a business relationship is understood as a dyadic process at the organizational level—one that begins with awareness and ends in an agreement, an order or an assignment that may lead to a business relationship (see Edvardsson et al., 2008). We acknowledge that there are several different definitions of the starting point: whereas Edvardsson et al. (2008) consider “recognition” as the starting point, earlier research has also stated other actions, such as the need of, motivation for, interest in, search for, or awareness of a feasible exchange partner (Frazier, 1983; Wilson, 1995; Dwyer et al., 1987).

An extensive literature review of the relationship development of customer/supplier relationships or interfirm network relationships (Ford, 1980; Dwyer, Oh and Schurr, 1987; Halinen, 1997; Wilson et al., 1995; Polonsky et al., 2010; Batonda and Perry, 2003; Frazier, 1983; Ring and Van de Ven, 1994; Wilkinson et al. 2005) and initiation of customer/supplier relationships or business relationships (Edvardsson et al., 2008; Valtakoski, 2015; Mandják et al., 2015) reveals that these different models have suggested very different features for initiation and its associated relationship development process. In particular, conventional models suggest straightforward movements via stages and states, whereas more recent studies suggest more multidirectional movements among more unstructured and unpredictable states and statuses. Some models also propose less active periods in the process, such as the dormant phase (Batonda and Perry, 2003), implying that the relationship may be “initiated” between actors that have previously been in contact, and the de-actualization phase (Polonsky et al., 2010), suggesting that relationships can move to and from any phase of the relationship. All these models, despite their different emphases, assume that an initiation is the first stage(s), state(s) or phase(s) of a long-term relationship.

Based on a detailed literature review of the above-mentioned studies on relationship development and initiation, the initiation includes diverse actions and episodes that build the

early relationship interaction. Here we apply the terminology introduced by Holmlund (2004), where actions refer to the shorter initiatives of the firms (e.g., a visit), whereas episodes are formed from several interconnected actions (e.g., a negotiation process). As the literature analysis shows, these initiation-related interactions include searching processes that lead to awareness-building; accessing via introductions and getting linked; compatibility testing and building preconditions that lead to social bonds and trust building; and mutual negotiation processes that lead to definitions of expectations and common goals.

Literature has indicated that, in some of these episodes of initiation—for example, in “search” and “getting linked”—prior relations are crucial, as are referrals, references and introductions by third parties (Mandjak et al., 2015; Aarikka-Stenroos and Makkonen, 2014; Batonda and Perry, 2003). Ritter (2000) conceptualizes a mediation effect, showing how other actors can trigger or facilitate the dyadic initiation of new relationships through references and introductions. In brief, we see that the literature has suggested indirectly that many entities—such as persons, organizations and references—can facilitate the emergence of interactions for initiating. We compile these entities into the conceptual category of initiation contributors. Such contributors can assist, for example, as awareness builders, need creators, access providers, accelerators, advocate sellers, matchmakers, trust builders, evaluation assistants, expectation builders, risk reducers, and providers of concrete evidence (Aarikka-Stenroos and Halinen 2007). Such contributors may facilitate the initiation process actively or passively, and at the dyad level or at the network level.

2.2 Project marketing approach to initiation and initiation contributors

The project marketing literature takes an interest in relationship initiation, since new relationships must be formed for every project. Their discontinuous nature makes the relationships’ time-frames rather short, rendering long-term relationship development challenging. Project marketing research has highlighted “sleeping contacts” (Hadijikhani,

1996), which can be revived for a future project or temporarily revived and utilized during the positioning for a new project (Skaates et al., 2003).

As noted, the project marketing approach views projects as typically occurring in the networked business environment referred to as “the milieu,” where the firm anticipates projects, positions for projects and prepares for bidding (Cova et al., 1996). Business relationships with the other actors in the milieu are crucial for the functional position and the relational position of the firm in the project business (Ahola et al., 2013).

Project marketing suggests some processual stages from the buyer’s perspective, namely: before the project exists, pre-tender and tender preparation (Cova and Salle, 2007). After these stages, the supplier evaluation and selection and contract negotiation (Owusu and Welch, 2007) conclude the project construction mechanism (Aspara et al., 2013). Two other mechanisms follow: project implementation, and project transition and leveraging (Aspara et al., 2013). From the supplier side, project construction requires relational development with network actors and clients outside of any project opportunity; fine tuning of relationships during pre-tender; matching with clients and partners during submission; strengthening relationships during project implementation; and maintaining relationships, during project transition and leveraging (Cova, Ghauri and Salle, 2002). Thus—when linking the project marketing perspective to the initiation of a business relationship—activities that aim to scan and evaluate matching, define exchange, and build and fortify trust to improve operating conditions seem to be relevant.

Regarding initiation contributors, the previous research on project marketing emphasizes personal contacts (Mainela and Ulkuniemi, 2013) and external facilitators (Welch et al., 1996). Also activities such as presence at events, personal involvement, reference visits, negotiations, collaboration agreements, and buying access to proprietary technologies develop business relationships in a project (Ahola et al. 2013). Furthermore, both active and sleeping contacts in

the milieu are important contributors for discovering projects and learning about the customer and project as preparation for the tender. Cayla et al. (2013) emphasize the role of recreation rituals, such as business parties and gatherings. Since the project selling phases described above may be viewed as a cycle (Owusu and Welch, 2007; Ojansivu et al., 2013), the events taking place within a project may contribute to networking between projects and to relationship development as part of future projects. Ojansivu et al. (2015) emphasize the possibility offered by the post-project “afterlife” in a service-intensive project context: companies move beyond the social aspects of post-project interactions to achieve long-term service exchanges, and thus overcome the problem of initiation.

2.3 International business approach to initiation and initiation contributors

The literature on IB discusses relationship initiations when firms enter a new geographical market.. It has highlighted, for example that two interacting firms identify an opportunity and start to commit to it via a bilateral process, or as a multilateral process if multiple firms are involved (Johansson and Vahlne, 2009). Firms need also to build trust and commitment; learn; overcome geographic, cultural and psychic distance; gain information and employ relationships to become an insider (Johnson and Vahlne, 2009; Ellis, 2007; Chetty and Blankenburg Holm, 2008; Coviello and Munro, 1995, Mainela, 2007).

The IB field has suggested some contributors: social contacts lubricate the emergence of new business and relationships, as they enable identifying new international exchange partners and foreign market opportunities (Ellis, 2000; Andersen, 2006). They also lubricate operations and glue actors together, enabling reciprocal exchange, signaling reliability and reducing risk (Gu et al., 2008; Purchase and Phungphol, 2008; Mainela, 2007). Mainela (2007) investigated how various personally and organizationally grounded social contacts “opened gates” and enabled assessment of the counterpart’s competence, demonstrating commitment and credibility, reducing distance and showing an understanding of differences in culture. In

international contexts, social contacts also provide access to information and high quality “inside” information—on time and at a lower cost (Andersen, 2006; Gu et al., 2008). Thus, *informal* social contacts serve as the initial basis for forming *formal* international business relationships (Su et al., 2009).

2.4 Towards a framework of initiation contributors within the initiation process

By integrating the reviewed literature streams, we derive our *a priori* framework (see Figure 1) for the business relationship initiation process and initiation contributors. The framework suggests that initiation is a manifold process comprising multiple process elements and involving initiation contributors, i.e. various personal and organizational actors and other entities that can contribute to that process. Our framework pieces together existing fragmentary insights and suggests a set of initiation contributors and initiation process elements. The relationship development/initiation approach builds our understanding of a range of detailed but scattered relationship-oriented episodes that tend to occur in initiation and contributors, such as prior relations, references and social contacts (Edvardsson et al., 2008, Valtakoski, 2015; Mandják et al., 2015). The project marketing approach suggests some other relevant processual elements, such as preparation, and a set of contributors, including personal interactions and rituals as contributors when entering into the “milieu” (Cova and Salle, 2007; Cova, et al., 2002). IB literature highlights business and social networks as contributors when entering into international markets by scanning opportunities and potential counterparts (Johnson and Vahlne, 2009; Ellis, 2007; Andersen, 2006; Mainela, 2007).

Regarding the *initiation contributors* (see Figure 1), we find that the streams suggest *social and organizational contacts and linkages*. The initiation contributors may also be identified as *activities* in the milieu, such as recreation rituals (Cayla et al., 2013) that have a unifying function for the actors in the community within the focal context. We assume that these initiation contributors play an important role in triggering and advancing the initiation process.

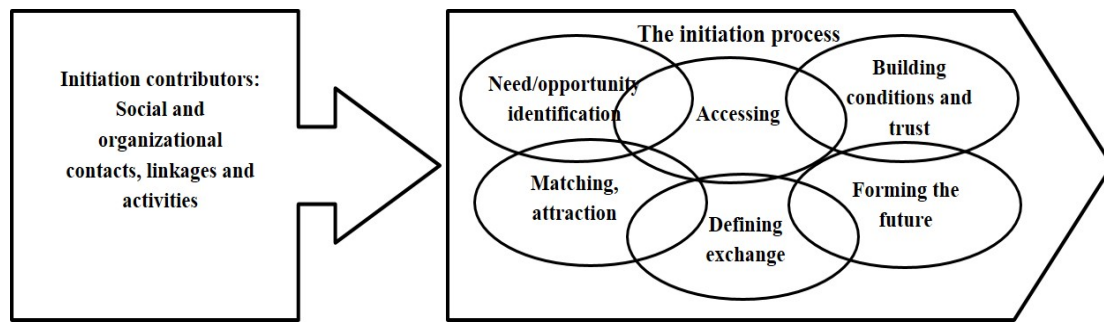


Figure 1. *A priori* model: Initiation contributors along the business relationship initiation process

Regarding the *initiation process*, the framework suggests six main process elements (see Figure 1) based on the reviewed literature. We suggest that the first seminal element of the process is a *need/opportunity recognition* that lays the groundwork for an opportunity for mutual business. The other early element is *matching/attraction scanning*, with an aim to identify a matching, compatible partner. On the one hand, the customers recognize their needs and scan alternative matching suppliers, offerings and trends. On the other hand, the sellers/suppliers scout prospects for new customers, identify and evoke their needs via marketing messages and contact the prospects. However, awareness and attraction are not enough to initiate. The parties also need to succeed in *accessing* each other, after requiring a “gate opening”, in order to move towards closer dialogical interaction and mutual negotiations. The parties can then start to *define exchange* and its content. This occurs through unilateral evaluations, as well as mutual dialogue in which the parties communicate their perceptions and requirements of the exchange and relationship. Consequently, expectations and intentions concerning the potential exchange are formed and elaborated, and commitments are mutually developed. The initiating parties then start to *build conditions* for collaboration *and trust*. Hence, as the initiation progresses, distance is reduced and mutual understanding fortified, particularly when the initiation is made across borders or across different cultures. Furthermore, the parties start to *form the future* of a potential relationship based on

organizational strategic matching, common goals, personal compatibility and the long-term benefits of the relationship.

The *a priori* model will be refined and completed based on our empirical investigation, which is presented next.

3. METHODS

As the extant literature offers only fragments of knowledge for understanding initiation as a process and the related initiation contributors, we use three in-depth cases of relationship initiation to develop our conceptualizations. Critical realism focuses on understanding what caused an event to take place and on entities that have causal powers and build theory (Easton, 2010). From this point of view, we want to find out what caused the relationship initiation to take place by tracking the entities (initiation process elements including acts and episodes and initiation contributors).

3.1 Research design, multiple-case strategy and context of cases

We applied purposeful sampling principles and followed variation and theoretical sampling principles (see Patton, 2005). We discuss three cases from the same geographic locations and industry context but with different types of initiation contributors.

The three cases are similar in that they all concern initiations between Norwegian and South Korean actors in the shipping industry. In recent years, oil companies operating on the Norwegian continental shelf have awarded several construction contracts for offshore production installations to South Korean yards (INTSOK, 2014). Norwegian marine equipment companies have set up subsidiaries in South Korea and have tried to initiate relationships with the South Korean yards in order to become involved in the projects as sub-suppliers. Relationship initiation in project business, however, is sensitive information that many companies are reluctant to share. Therefore, we had little opportunity to actually “select” cases

but were lucky to access these rare data from the three cases.

The cases and their contexts are illustrated in Figure 2. The top left circle shows Norwegian shipping companies that have initiated supplier relationships with Korean shipbuilders illustrated as the top right circle. The Norwegian marine equipment firms illustrated as the bottom left circle used to be suppliers of the Norwegian shipbuilders. In order to continue, the Norwegian marine equipment firms need to deliver to the Korean shipbuilders instead. Therefore, the Norwegian marine equipment firms have started subsidiaries in Korea. Due to previous experience supplying Norwegian firms, the marine equipment firms have an advantage compared to Korean marine equipment firms in projects when the Korean shipbuilder's customer is Norwegian. Figure 2 also illustrates the case boundaries (Dubois and Gibbert, 2010; Yin, 2003) and the firms involved. We were denied access to the South Korean yards, while the Korean subsidiaries of the Norwegian marine equipment suppliers adhered to the Scandinavian tradition of welcoming researchers, shaping our case boundaries, as illustrated by the dotted box in Figure 2. This means that we primarily captured the events of the relationship initiation that were experienced or perceived by the Korean subsidiaries.

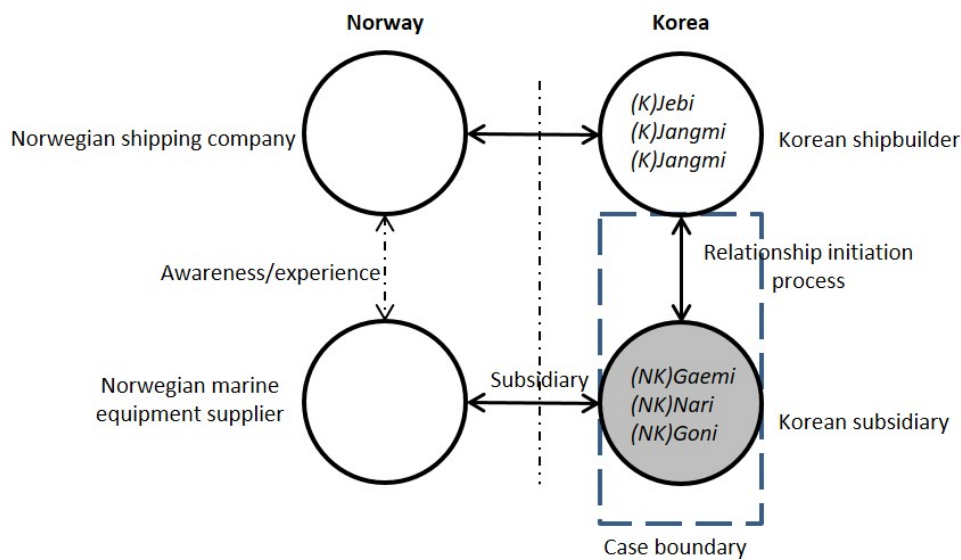


Figure 2. Context, case boundaries and firms in the analysis of the initiation of a business relationship between a South Korean subsidiary of a Norwegian marine equipment supplier and a Korean shipbuilder delivering to a Norwegian shipping company.

Due to applied variation and theoretical sampling principles, there are three major differences between the cases: The first difference is technological complexity. The (NK)Gaemi case is a relationship for delivering paint while the products in the (NK)Nari and (NK)Goni cases are compressor equipment and automation systems, respectively. The second difference is the time frame for the negotiations related to the initiation process. Although the negotiations had been completed when the contract was signed in the (NK)Gaemi and (NK)Nari cases, the negotiations in the (NK)Goni case continued into the engineering phase leading to variations in orders and a revised contract. The third difference is the size of the Korean subsidiaries. While (NK)Gaemi and (NK)Goni employ 300 and 280 people, respectively, the employees at (NK)Nari consist of only the sales manager, two service technicians and two who work with documentation and administration.

3.2 Data collection

The data collection for all three cases relied on multiple data sources and methods mainly in real time (see Table 1). The main methods were interviewing and observation.

Observation of the context and key players (2011–2012) preceded the actual case study launched in 2014. We gained knowledge about potential underlying causes that may have affected the outcome in the cases, which is an important part of the causal analysis in critical realism (Ryan et al., 2012). The preceding observation of the key players was crucial in this particular context as we understood how to access the data we needed. During the spring and summer of 2014, Norwegian marine equipment suppliers with subsidiaries in Korea were contacted, and three of the suppliers were identified and accessed. These three Korean subsidiaries are subsidiaries of three Norwegian marine equipment suppliers, and the relationships the suppliers were initiating were with two Korean shipbuilders. The participating companies suggested projects in which the firms were currently involved in initiating

relationships with Korean shipbuilders and mediated contact with potential interviewees involved in the processes (see Table 1). The company names of the cases (see Figure 2 and Table 1) have been replaced with the names of cyclones to maintain anonymity. (K) at the beginning of the name signals that the firm is a Korean shipbuilder, while (NK) signals that the firm is a Korean subsidiary of a Norwegian marine equipment supplier. The project owner, denoted as Norwegian shipping companies in Figure 2, does not have a prefix and is outside the relationship.

Table 1. Datasets on the three initiation cases and the context.

Cases	Korean subsidiary of Norwegian supplier	(NK)Gaemi	(NK)Nari	(NK)Goni
	Korean shipbuilder	(K)Jebi	(K)Jangmi	(K)Jangmi
	Project owner	Arthur	Laura (who in turn has a contract with Bertha)	Fay (who in turn has a contract with Isaias)
Datasets on case initiations: interviews and other data (2014)	<ul style="list-style-type: none"> • Sales manager/Project manager at (NK)Gaemi (1 hour) • Coating advisor at (NK)Gaemi (1 hour 5 minutes) • A preliminary contract 	<ul style="list-style-type: none"> • Sales manager at (NK)Nari (1 hour 10 minutes) • Follow-up interview with sales manager at (NK)Nari (45 minutes) 	<ul style="list-style-type: none"> • Sales manager at (NK)Goni (1 hour 5 minutes) 	
	<ul style="list-style-type: none"> • The interviews resulted in 70 pages of transcribed data. • 136 emails concerning the cases • Brochures for understanding technical details 			
Datasets on industry and cultural context of the cases (2011–2012, 2014)	Observation notes of the milieu, August 2011–July 2012 (11 months): <ul style="list-style-type: none"> • working at the Norwegian embassy in Seoul and meeting Norwegian and Korean firms in the industry • attending conferences and seminars and meeting representatives from the shipping, oil, gas and marine equipment industries 			

All of the interviews were semi-structured, conducted in Norwegian and English, and took place in Busan, Ulsan and Seoul, except for one follow-up interview that took place via skype. The initial questions of the interviews were broad and open-ended and were completed with follow-up questions. The interviews were transcribed, which resulted in 70 pages of raw data. The interview data were completed with further observations, e-mails, brochures and the

preliminary contract (see Table 1).

3.3 Analytical procedures

When analyzing data in critical realist research it is important to move beyond rich description (Ryan et al., 2012). Our analytical approach follows the principles of abductive analysis, as we piece together the existing theoretical understanding and empirical insights from the three cases. We applied an *in vivo* approach (Dubois and Gibbert, 2010) referring to the approach where theory and empirical data can be confronted in an evolving fashion to build theory in case research.

Our abductive analysis rounds (Järvensivu and Törnroos, 2010), were in the first research phase, primarily deductive, based on an initial framework relying on the relationship development literature. Here, we went through all the transcripts and marked with distinctive colors our framework elements. To give some examples of our coding, the statement “This is a highly prioritized project for Isaias. It is important for us to be part of it” was color-coded with the color of need identification. However, the identification of contributors was a more iterative process, since we first looked for the theoretically identified contributors in the data and then looked for other actors or entities that had the same roles as the theoretically identified contributors. Hence, the contributors as possible sources of causal mechanisms (see further Ryan et al., 2012) during the relationship initiations became more and more clear as the analysis progressed. In the second phase, we discovered that project marketing and IB streams could provide complementary conceptualizations—for example, on the sleeping contacts as initiation contributors—and consequently the theoretical framework was expanded and elaborated toward the final model.

We employed both within-case analysis that allowed the unique patterns and key elements in the data of each case to emerge, and cross-case analysis via comparisons (Ayres et al., 2003; Eisenhardt, 1989). Here comparisons of three cases enabled us to capture general patterns

across the cases and develop more solid understanding of initiation contributors and their role along the full initiation process.

4. THREE CASES OF RELATIONSHIP INITIATION PROCESSES WITH INITIATION CONTRIBUTORS

The three initiation cases with initiation contributors are presented next. We start by presenting the main contextual features of initiations (shipping as the industry context and South Korea as the cultural/regional context) and the case storylines follow.

4.1 The industry and cultural contexts of the cases

Due to the shipping industry context, the Norsok standards are relevant in all of the case initiations: they are developed by the Norwegian petroleum industry to ensure safety, value adding and cost effectiveness for the industry. They are meant to replace specifications by individual petroleum companies, and thus serve as a reference for authorities' regulations. In connection to European and international standards, the Norsok standards serve as an addition. The Norsok standards hence influence the procurement processes of the South Korean shipyards, when delivering to projects on the Norwegian continental shelf. The South Korean shipyards operate with an approved vendors list (AVL) of qualified supplier companies. The AVL is normally jointly created with the oil company, which has the final word. The compilation of the list begins during the conceptual phase of field development (usually 2.5–4.5 years before the start of the project) and is completed in the front-end engineering design (FEED) phase (usually 1.5–0.5 years before the start of the project). The yards normally want suppliers with which they have had previous experience on the AVL, although the oil company can include new suppliers. The yards are unlikely to include a new supplier for consideration after the start of a field development project, unless this supplier is accepted or invited by the oil company (INTSOK 2014).

The cultural/regional context here is South Korea, a country that is not just the world's largest manufacturer of ships, but that has experienced significant economic and export growth in recent years (Lee et al. 2008). Hofstede (2007) finds South Korean society to be collectivist in nature, in spite of the growing cultural individualism it now displays due to increased economic affluence. In the South Korean context, the structure of crucial social relations is named *chaebol*; this structure is equally important as similar systems in other Asian business cultures, which can even replace state-level infrastructures, highlighting the crucial role of social contacts compared to their role in Western countries (Yang and Su, 2013; Gu et al., 2008;

Purchase and Phungphol, 2008). Consequently, South Koreans like to do business based on personal relationships rather than based on relationships between companies, and those personal relationships are more important than a contract (INTSOK 2014). The social structures are based on Confucianism and Taoism, implying that harmony and adaption to change are important ways to gain legitimacy (Yang and Su, 2013). The three cases of relationship initiation in this context are presented below.

4.2 Case 1: (NK)Gaemi–(K)Jebi

(NK)Gaemi is a joint venture between a Norwegian company and a Korean company. It was founded in 1988 and has 300 employees, of which four are foreigners and the rest are South Korean. The subsidiary is located in Busan, South Korea's second largest city, close to the shipyards in Ulsan and on Geoje Island. The subsidiary is described by one of the interviewees as "not very independent from the headquarters organization," and all their policies are dependent on the headquarters organization in Norway. However, since the headquarters organization is very familiar with the business environment in South Korea and with the South Korean yards, the communication tends to work anyway. The relationship initiation in question concerns a relationship where the subsidiary supplies paint to the South

Korean (K)Jebi shipyard for a floating production, storage and offloading platform to be delivered to the project owner, Arthur Norway.

4.2.1 Identify the need

(NK)Gaemi found out about Arthur's plans to construct a floating production, storage and offloading platform through their network, as well as through the Internet and reports, about one to two years before making a bid to supply the paint. (NK)Gaemi also realized, based on their knowledge of the industry and the main actors involved, that there was the potential that Arthur would award the contract to (K)Jebi, since (K)Jebi was already rather heavily invested in the plans. The network through which (NK)Gaemi was able to gain this information consists of both active and dormant relationships that have developed over time, as a result of previous projects that (NK)Gaemi has conducted together with various Korean shipbuilders. When the (NK)Gaemi employees are part of a project, they become a part of the shipyard and take part in both social interactions at the shipyard and interactions with the business partners of the shipyard. This includes informal discussions during work, as well as informal weekly dinners. The social contacts formed during previous projects have developed into an extensive network consisting of yards, sales departments, and business development departments in the industry. These social contacts now enable (NK)Gaemi both to learn about the plans and to obtain indications of which potential customer they should focus on.

4.2.2 Identify a matching, attractive partner

Based on the information about Arthur's plans, from their network described above, (NK)Gaemi contacted (K)Jebi to recommend its products and inquire about the specifications for the potential construction. (NK)Gaemi also started to develop paint solutions to fit these specifications. (K)Jebi then contacted (NK)Gaemi for technical information about the paint products and quotas, approximately six months to one year before (NK)Gaemi was awarded the contract.

4.2.3 Access

Due to the dormant contacts from previous collaborations, there was already an emerging relationship between the two companies. The companies also had other projects in parallel. These dormant, organizational and social contacts secured (NK)Gaemi a place on the AVL as soon as (K)Jebi was awarded the contract, as illustrated in Figure 3. The AVL was put together in collaboration with Arthur, and three more firms were included on the AVL in addition to (NK)Gaemi.

4.2.4 Form and define the content of their potential exchange

(NK)Gaemi received a document detailing the required specifications for the paint from (K)Jebi, and then submitted a document in return, providing technical points and recommendations. During the development of the specifications of the contract, following the submission of the document, there was intense meeting activity. (NK)Gaemi held about 30 meetings with (K)Jebi and 10 meetings with Arthur before signing the contract. During the period when these meetings took place, the (NK)Gaemi headquarters organization in Norway visited (K)Jebi in South Korea, and (NK)Gaemi also visited Arthur in Norway. The participants in the meetings were usually the (NK)Gaemi account executives responsible for (K)Jebi and the representatives from the purchasing and paint departments at (K)Jebi. The meetings are usually led by (NK)Gaemi's representative. During the meetings, (K)Jebi also suggested changes to Arthur's specifications based on (NK)Gaemi's recommendations, although these changes were rejected by Arthur. The final negotiation meeting that (NK)Gaemi held with the purchasing department of (K)Jebi defined the final prices in the contract, while the final technical meeting with (K)Jebi is described as very important for the final outcome.

4.2.5 Build conditions for operating and creating trust

(NK)Gaemi and (K)Jebi engage in continuous project activity together and have

collaborated many times in the past. Both companies have had good experiences of the collaborations. (K)Jebi is therefore familiar with (NK)Gaemi and knows that (NK)Gaemi is experienced in offshore development and in supplying products to be used in the North Sea. Both the sales manager and the coating advisors know most of the people that they are in contact with at (K)Jebi. Before the contract was signed, Arthur prohibited social activities between the potential actors in the project, and (K)Jebi had also put into place regulations that made this difficult. After the contract was signed, (NK)Gaemi and (K)Jebi arranged joint leisure activities, including dinner and drinks, about once or twice a year to “improve the relationship.” However, (NK)Gaemi’s coating advisors tend to continuously socialize on a private basis with representatives from (K)Jebi, about once a week. These formal and informal episodes, in combination, are contributing to the relationship initiation.

4.2.6 Form the future of their potential relationship

A project contract has been signed for the project, and there have been no changes or amendments to this contract since it was signed. The contract specifies a price per liter of paint for the paint products that are delivered. Since the final amount of paint to be consumed is unknown, the contract value is unspecified. During the project, (K)Jebi has had 30–40 people working on the project; (NK)Gaemi has been in contact with them through meetings, telephone calls and e-mail. The project management teams of (NK)Gaemi and (K)Jebi meet weekly, and the coating advisors meet the (K)Jebi representative at the yard daily. During the project, the level of interaction has been more or less the same. (NK)Gaemi has offered small quantities of non-contracted paint product free of charge to (K)Jebi, to improve their organizational connections. “Sometimes they ask for small quantities of a product that is not in the contract free of charge.... We supply this because of the good relationship.” The construction of the platform has been delayed. The additional one and a half years during which (NK)Gaemi has to provide technical support to the construction, as well as the need to have four coating

advisors working with (K)Jebi and Arthur’s site office because of the delay, are not compensated in the project contract. During the winter season, especially, (K)Jebi has had problems with the drying time of the paint and so have asked (NK)Gaemi to reduce the standard of the paint in order to alter the minimum drying temperature. This has been an ongoing issue in the project, and the companies have met several times to resolve it.

The initiation process and the contributors’ influence on the relationship initiation between (NK)Gaemi and (K)Jebi are summarized in Figure 3. The arrows illustrate where the initiation contributors’ actions are directed.

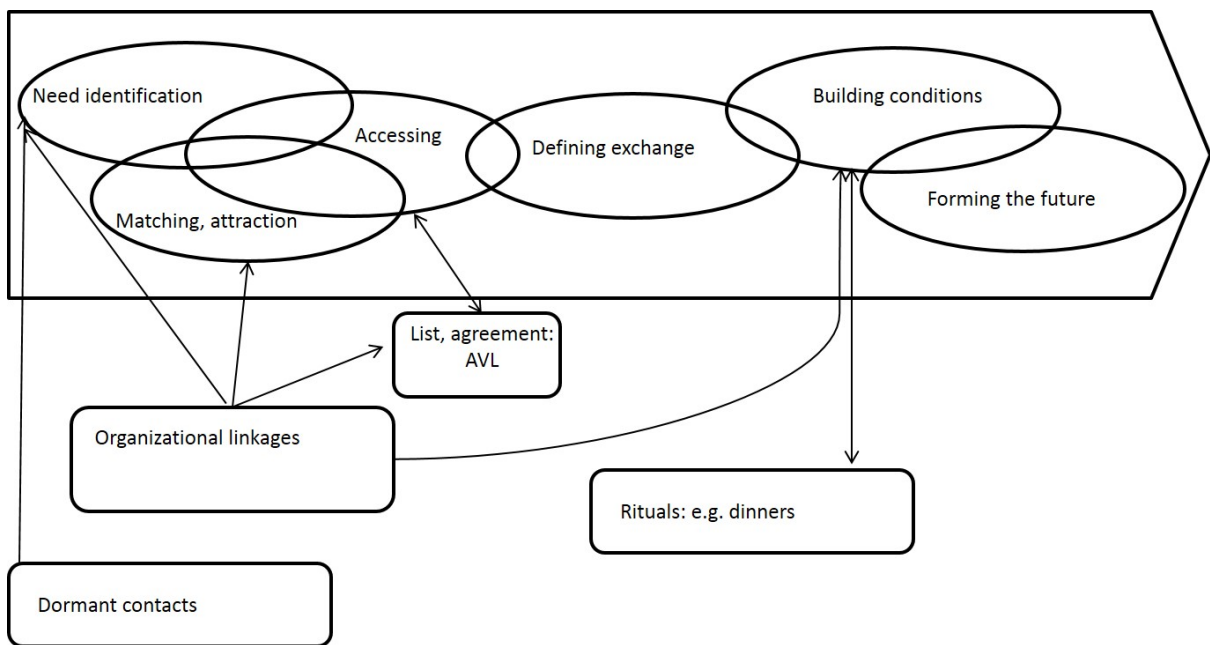


Figure 3. Case 1: The initiation process and initiation contributors in the relationship initiation between (NK)Gaemi and (K)Jebi.

4.3 Case 2: (NK)Nari–(K)Jangmi

The South Korean subsidiary of (NK)Nari was established in 2011 in Busan. However, (NK)Nari was present in South Korea through a sales agent for 15–16 years prior to that. The subsidiary consists of four South Koreans, in addition to the sales manager. The four employees

are two technicians and two people working with documentation and administration. The relationship initiation in focus concerns a relationship wherein the subsidiary provides compressor equipment to the drillship, which (K)Jangmi will deliver to the project owner, Laura.

4.3.1 Identify the need

Bertha, a large multinational company active in both upstream and downstream activities within the oil, natural gas, chemistry and energy industries, signed a contract with Laura stipulating that Laura would build a drillship for Bertha to rent. A number of shipyards were competing for the project. In order to calculate a price for the construction of the ship, (K)Jangmi contacted the (NK)Nari headquarters in Norway to ask about a budget price for the required compressors before tendering for the project. The dormant contact between (K)Jangmi and (NK)Nari thereby contributed to the need identification.

4.3.2 Identify a matching, attractive partner

When the contract between Laura and (K)Jangmi was signed, (NK)Nari started working on the project due to anticipation of an inquiry from (K)Jangmi. This project is a repetition of previous projects involving the same owner and shipbuilding company. The first project was awarded to (NK)Nari in 2008, and the most recent drillship was constructed two years prior to this one. The current drillship is a new order, and it is not a part of an option. Due to the NORSOK rules, all procedures regarding the criteria for the product to be delivered, the AVL and bidding have to take place “from scratch” every time, and there may also be somewhat different people involved. The AVL was constructed by (K)Jangmi and Laura, based on criteria relating to price, technical ability and service. The specifications were somewhat different compared to those of similar projects that had been carried out before, since the (K)Jangmi employees dealing with the specifications for this project were not exactly the same as those for the previous projects. (NK)Nari was included in the AVL. According to the sales manager

at (NK)Nari, this requires preparations: “I am also in contact with Laura in the USA and have had several meetings with them and created a relationship with them that makes them want us as a preferred supplier.... We can get information [from Laura] on projects and what it will take to win contracts.” The social relationship with Laura employees in the USA is therefore an important contributor to this initiation.

4.3.3 Access

(NK)Nari has worked on projects with (K)Jangmi since 1996; in recent years the company has been involved in as many as 80% of (K)Jangmi’s projects. In other words, there seem to be active as well as dormant social and organizational contacts from previous projects that enable (NK)Nari to become included in the AVL. Usually, it is easier to become involved in international projects. “If the ship owner was Korean and the ship was only operating in South Korea, the chances that we will be allowed to deliver Norwegian equipment are smaller. Then they want Korean equipment.”

4.3.4 Form and define the content of their potential exchange

(NK)Nari received an inquiry from (K)Jangmi specifying the type of equipment, amount, options and classification. (NK)Nari evaluated the project specifications and responded to the inquiry with terms, conditions and quotas. Following the bid, (K)Jangmi evaluated the offer and entered a round of technical discussions with (NK)Nari. This round consisted of the exchange of documentation as well as negotiations in meetings, telephone calls and e-mails. After the technical specifications were clarified, the companies entered into commercial negotiations. This process lasted for “several months,” but in the end the contract was signed. According to the sales manager, (NK)Nari has an edge compared to their competitors since they specialize in compressors for marine and offshore applications: “We work dedicated to what we know best, and that is compressors for marine and offshore. We do not make industrial compressors.”

4.3.5 Build conditions for operating and creating trust

The (NK)Nari sales manager has visited the (K)Jangmi shipyard twice since the signing of the contract. However, these visits were not specifically made in connection with the present project, but rather to build social relationships with the (K)Jangmi representatives for future projects. As a salesman, “this [pointing to himself] is what I must sell first.” (NK)Nari also invites (K)Jangmi to their office and factory in Norway whenever they are travelling abroad. In South Korea, (NK)Nari’s representatives are occasionally invited for lunch at (K)Jangmi’s shipyard. (NK)Nari also tries to invite (K)Jangmi representatives for lunch, although (K)Jangmi rarely allows it. Furthermore, (NK)Nari participates in two biennial exhibitions for the marine industry in South Korea. (NK)Nari uses the exhibitions as an opportunity to build personal relationships and to access people higher up in the hierarchical systems of the South Korean companies. This is facilitated by the fact that, on these occasions, (NK)Nari is part of a larger Norwegian delegation that also includes important people. For instance, a Norwegian undersecretary once participated in such a delegation. Since these people are present, the South Korean companies send more senior representatives to these events. (NK)Nari then has the possibility to become acquainted with these senior representatives and to exchange business cards. Later, (NK)Nari is then able to contact the new acquaintances and refer to the conversation that took place during the dinner. If the senior representative has enjoyed the conversation, s/he may then mediate contact with relevant members of the organization. Since the relevant organization members will then have been told by the senior representative to talk to (NK)Nari, they are generally more cooperative. During these events, (NK)Nari also invites (K)Jangmi and project owners such as Laura for dinner. The Norwegian profile of the company is actively used by, for example, serving aquavit and salmon for dinner. As can be seen from this description, (NK)Nari uses social rituals to improve conditions in the current relationship initiation and also to form additional social bonds for the future.

4.3.6 Form the future of their potential relationship

The project contract is mainly formed by (K)Jangmi, and it specifies the delivery of a number of machines for a fixed price and delivery time. Payment is specified as 100% letter of credit. Due to the long process of negotiation, the delivery time was changed after the contract was signed. “We did what we could to reduce the delivery time according to the wishes of the yard.... We made contact with our subcontractors to figure out whether they could deliver faster than usual.” (NK)Nari contacted (K)Jangmi after inquiring with their subcontractors, and the company was able to agree on a changed delivery time via telephone and e-mail. Apart from this, there have been no changes to the contract. After the contract was signed, a number of new departments at (K)Jangmi have taken over responsibility for the project. The project leader on the technical side at (NK)Nari had been in regular contact with the (K)Jangmi representatives until production of the equipment started. Since then, there has been no fixed meeting activity between (NK)Nari and (K)Jangmi. (NK)Nari receives monthly and occasionally weekly updates on all orders that (K)Jangmi has with them. The communication occurs via e-mail, and meetings are set up on an ad hoc basis if issues arise.

The initiation process and contributors’ influence on the relationship initiation between (NK)Nari and (K)Jangmi are summarized in Figure 4.

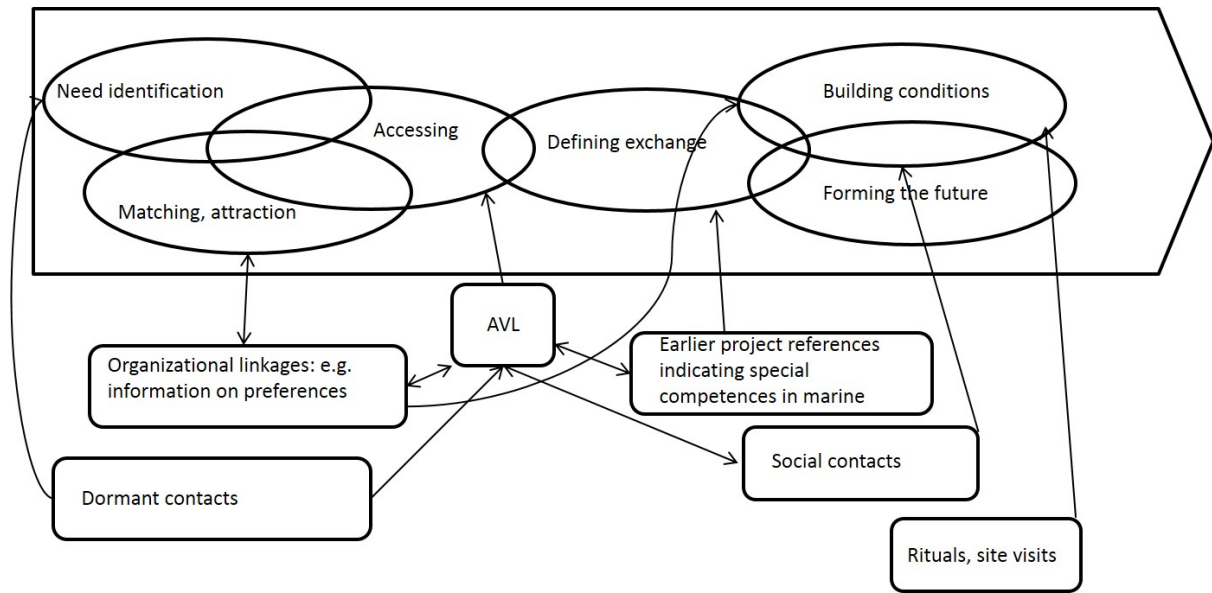


Figure 4. Case 2: The Initiation process and initiation contributors in the relationship initiation between (NK)Nari and (K)Jangmi.

4.4 Case 3: (NK)Goni–(K)Jangmi

(NK)Goni was established as a wholly owned subsidiary of a Norwegian company in 2000, after having had a presence in South Korea through other collaborations since the 1980s. At the time of this relationship initiation, the subsidiary employed 260 people, including six Norwegians. It consists of a headquarters outside Busan and three site offices in Ulsan, Jellanam-do and on Goje Island, near the largest shipyards in South Korea. The relationship initiation in focus concerns a relationship wherein the subsidiary provides marine automation systems to the drilling rigs that (K)Jangmi delivers to the project owner, Fay, who has a contract with Isaias.

4.4.1 Identify the need

(NK)Goni gained knowledge of Isaias’ new concept for offshore rigs through their network more than a year before the contract was awarded to (K)Jangmi. “This is a highly prioritized project for Isaias, and it is important for us to be part of it.” Thus, organizational and social connections were important contributors, in that they enabled (NK)Goni to start

collecting relevant information early. (NK)Goni was also involved in meetings with the Swedish company that designed the concept. When Isaias invited ship owners to bid for the rigs, (NK)Goni expected that the construction contract would be given to a South Korean shipbuilding company.

4.4.2 Identify a matching, attractive partner

When Fay won the contract with Isaias, they invited different shipbuilding companies to bid for the construction of the rigs. Before making their bid, (K)Jangmi contacted (NK)Goni for information about the process for equipment based on the specifications from Fay. The dormant contacts between the two firms were therefore important contributors.

4.4.3 Access

(NK)Goni has been working with (K)Jangmi on projects for “many years before this project,” and the company was engaged in other projects with (K)Jangmi at the time they were initiating the Fay project. These relationships contributed to getting into the AVL, which in turn enabled them to bid for the project.

4.4.4 Form and define the content of their potential exchange

After (K)Jangmi had been selected by Fay, they constructed a more detailed specification list and asked (NK)Goni and a large multinational company (included in the AVL) to compete for the project. After (NK)Goni delivered their bid for the project, the involved parties had meetings to clarify the technical specifications. These meetings lasted for three days, instead of the usual one day. Subsequent changes to the contract were handled as variation orders.

4.4.5 Build conditions for operating and creating trust

Before the contract was signed, the meeting activity was high. Yet, now that the contract has been signed, there has been low meeting activity. Most communication is handled via e-mail or telephone. The project leader is located in Norway but usually travels to South Korea

every two months to follow up on communicated matters. (K)Jangmi and (NK)Goni arranged a kick-off meeting when the project began and an interface meeting when the interface stage of the project began. These meetings also included teambuilding activities and various social events such as dinners. In addition, (NK)Goni and (K)Jangmi arranged some workshops at (K)Jangmi's shipyard. These social rituals contributed to building conditions for the relationship.

4.4.6 Form the future of their potential relationship

The project contract is divided into a technical part and a commercial part. The technical part consists of a scope based on the specifications from Isaias to Fay and from Fay to (K)Jangmi. In addition, there are some technical clarifications. The commercial part consists of process and terms, as well as the services (NK)Goni must provide. The detailed specifications in the project were clarified during the engineering stage of the project. This led to a number of changes to the contract, which have been handled as variation orders. One of the largest changes, a specification concerning operation consoles, led to a revised contract. (K)Jangmi has also experienced several delays in the construction project. This has been a challenge for (NK)Goni, since there are fixed prices in the contract and also because it has forced (NK)Goni to work on the rigs in parallel, instead of successively as planned. However, these changes and revisions in the contract make this case a good example to illustrate the overlap between the processes of building conditions, forming the future and defining the exchange (see Figure 5). Thus, the initiation process here is not a linear process.

The initiation process and contributors' influence on the relationship initiation between (NK)Goni and (K)Jangmi are summarized in Figure 5, below.

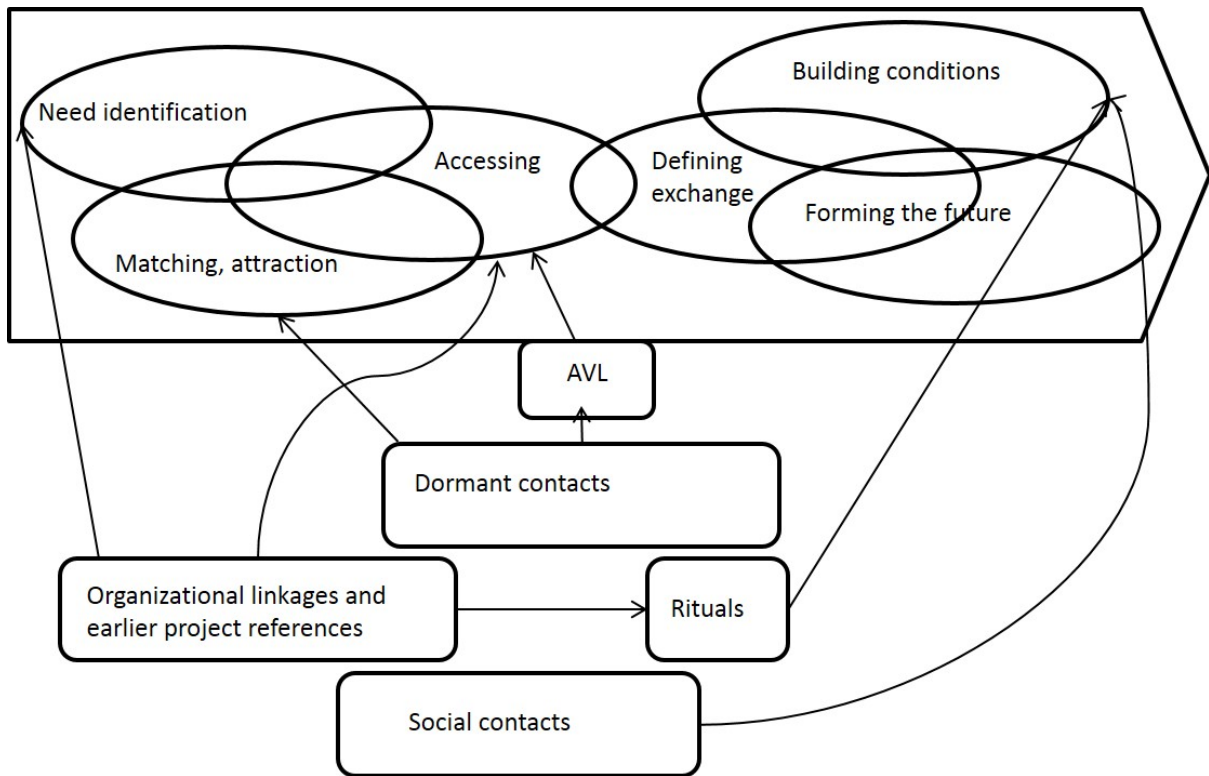


Figure 5. Case 3: The Initiation process and initiation contributors in the relationship initiation between (NK)Goni and (K)Jangmi.

5. DISCUSSING RESULTS

The discontinuity of relationships inherent in project marketing (Hadjikhani, 1996) allows this study to put initiation contributors and initiation processes in business relationships under a magnifying glass. Next, discussion of results follows.

5.1. A refined model of initiation

When focusing on *the initiation process* specifically, the cases examined in this study highlight that the initiation process can be broken down into two sections: the *pre-initiation phase* (including awareness, match and attraction) and *actual initiation* (including accessing, defining exchange, building conditions and forming the future).

The findings and our model (Figure 6) underline the complex features of the initiation process. Even though there are some clear, typical process elements forming the initiation

process, *the sequence of process elements can vary*, as the elements can interact and co-exist (see Figure 6, Initiation arrow). *The nonlinearity of the process* became particularly apparent in Case 3. However, in the rest of the cases studied, some of the process elements were clear, such as defining the exchange, which included the contract negotiations. On the other hand, access seems to be a very multidimensional process element; it has often already been granted through episodes carried out earlier in the process, and is then realized later. Due to these processual complexities, this study found, in line with the previous literature (Edvardsson et al. 2008), that it is impossible to define exactly when the relationship starts. This is demonstrated by all three of these cases of relationship initiation. The cases suggest that *the blurredness of the starting point originates from the implicit features of the pre-initiation phase*. For example, the suppliers prepare the initiation long before the actual need exists with their potential customer. They strategize in their international network, utilizing initiation contributors such as current and dormant relationships with customers, suppliers, headquarters and customers' customers in order to ensure that their later relationship initiating—i.e., accessing and condition-building—will be facilitated should the project materialize. The purpose of this strategizing is to anticipate, position and bid for projects, as outlined by Cova et al., (1996).

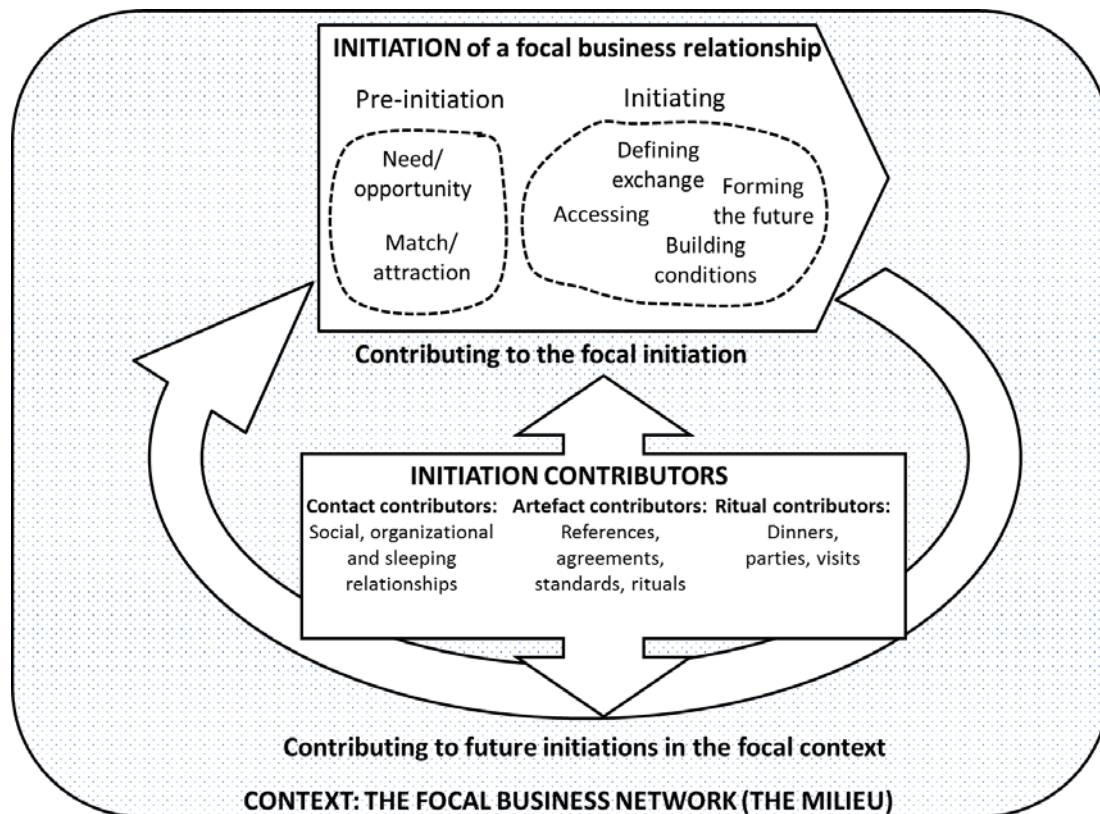


Figure 6. Refined model of the initiation process with contributors for the international project business realm

5.2. Initiation contributors facilitating the initiation process

The three cases developed also our understanding of how initiation contributors facilitate the manifold initiation process. Two major contribution mechanisms were identified. First, the initiation contributors pushed the process forward by triggering and advancing the focal dyadic initiation process (see Figure 6, initiation contributors, upper arrow). Second, they facilitated future initiations by increasing the firm’s initiation capability in the focal context, comprising the business network and milieu and enabling the reactivation of any relevant relationships (see Figure 6, initiation contributors, lower arrow).

Hence, the refined model displays how initiating with relevant initiation contributors in the international project business realm is a cyclic and dynamic phenomenon, with both processual and contextual dimensions. At the dyadic initiation level, this model presents how the initiation process is pushed forward (Edvardsson et al., 2008) as initiation contributors

trigger and advance the initiation. At the network level, the contextual model elucidates how initiating capabilities are developed (Mitrega et al., 2012), and how new future initiations emerge from earlier projects through reactivation and remobilization. This is a result of breaking into the milieu and local project networks (Cova and Salle, 2007; Skaates et al., 2003) and gaining “insidership” in the focal business context (Johansson and Vahlne, 2009).

Multiple major *initiation contributors* were identified, namely *contact contributors* (sleeping/dormant contacts, social contacts, organizational linkages), *artefact contributors* (agreements, customer references, standards) and *ritual contributors* (dinners, parties) (see Figure 6, initiation contributors). Some aspects of these contributors have been mentioned in the previous literature, such as the relevance of social contacts when entering or doing business in the IB realm (Gu et al., 2008; Purchase and Phungphol, 2008; Mainela, 2007). Yet some contributors were more emergent, such as artefact contributors.

5.2.1 Contact contributors

A *contact contributor* is a business node (an individual or an organization) to which another business node is connected. In the three cases, *social contacts* advanced the initiations, first, by increasing awareness and need identification regarding business opportunities. This was followed by matching (i.e., assessing the credibility and competence of the counterparts), and later by negotiations when defining the exchange and building conditions and, particularly, trust. In addition to *organizational linkages*, social contacts represent the previous trusting connections necessary for the early information exchange to take place. Organizational linkages were present in the early initiation process and enabled the firms to access information and position themselves. They are needed for many reasons, including: determining what potential project to strategize towards; building awareness of interesting projects and helping to identify which company to initiate contact with; enabling the early exchange of information (e.g., what the other party may be looking for in a bid); enabling one another’s knowledge

development and generating business intelligence (related to learning on relationships and context; Johansson and Vahlne, 2009); and accessing employees who are higher up in the hierarchy of potential customers. For example, in Case 1, the linkages with the shipbuilder enabled the subsidiary to engage in the early exchange of information. Based on that information, the subsidiary was able to gain an understanding of the kind of potential project that was being organized in another part of the network, in addition to which shipbuilder was most likely to win the contract. Initiation contributors also included *sleeping/dormant* contacts (Hadjikhani, 1996; Polonsky et al., 2010), which could be temporarily revived to access information as needed.

5.2.2. Artefact contributors

As an important contributive finding, this study identified *artefact* initiation contributors, such as *agreements and standards*. An artefact contributor is something made or given shape to by businesspeople, e.g., a business artefact. The NORSOK standards make the Norwegian subsidiaries particularly attractive for the Korean shipbuilders, since they already know how to adhere to them. This is something the customers of the Korean shipbuilders are also aware of. Such agreements and standards, as initiation contributors, can be considered objectified artefacts developed through interactions between the business network actors, which display shared understandings of rules and the manifestations of agreements such as industry standards and regulations (Mouzas and Henneberg, 2015). In the Asian context studied here, the *customer references*—representing successfully realized outcomes for previous customers and indicating good relationships (Salminen and Moller, 2006)—played a minor role but facilitated the accessing and building conditions. In addition, the *approved vendors list (AVL)*, which provides evidence of a step in the relationship initiation, can also be considered an artefact contributor, as only the firms included on the AVL have a chance to continue the initiation processes.

5.2.3. Ritual contributors

A *ritual contributor* is a sequence of activities involving gestures, words and objects performed regularly, especially as part of a ceremony. Ritual activities—realized as weekly dinners, leisure activities and the Norwegian traditions of serving aquavit and salmon—particularly contributed to building conditions for operation and trust. These ritual activities improved relationships both within and between projects, which in turn made it easier to utilize these relationships in order to initiate relationships for future projects. Other activities, such as site visits and trade fairs, also contributed. These contributions could extend beyond the focal dyadic initiation; for example, the biannual trade fair took place at the network level and was, according to Cayla et al. (2013), more focused on improving the firm’s situation in the milieu than on a particular relationship.

6. CONCLUSIONS

When it comes to the topic of first contact in an international business context, many practitioners and even scholars evoke serendipity (Ellis, 2000; Perna et al., 2015). Our contribution breaks with this dominant perspective by developing a dynamic model of the initiation process, with six key process elements, and a categorization of three categories of initiation contributors. In doing so, our research downplays the role of serendipity in first contact to highlight the possibility of facilitating business relationship initiation.

Our detailed analysis of the full processes of initiation reveals that initiation contributors facilitate initiation via two mechanisms, namely, triggering/advancing the focal initiation and contributing to future initiations in the focal context through revival and reactivation. Our results provide new avenues for research on relationship marketing approaches and provide practitioners with new opportunities to build relationships. These and our three contributions are therefore summarized next.

6.1 Contributions and theoretical implications

First, by increasing the understanding of how project business firms initiate their crucial relationships, enter into “the milieu” and reactivate their relationships particularly via initiation contributors, we contribute to the international project marketing research (Ahola et al., 2013; Aspara et al., 2013; Cova and Salle, 2007; Cova et al., 1996). We identified three categories of initiation contributors (contact initiators, artefact initiators and ritual initiators), representing crucial sources of network interactions, which are necessary throughout the initiation process in order to keep the process going. We also showed how the initiation of new relationships and the revival of “sleeping” relationships are embedded and linked to the network mobilization in the milieu. This underscores the shift from discontinuous projects towards continuous customer relationships (Jalkala et al., 2010; Ojansivu et al., 2013).

Second, our findings on initiation patterns with initiation contributors extend our understanding of relationship initiation, per se. Our cases demonstrate how many newly initiated relationships grow organically from earlier business and can almost be seen as renewed episodes in ongoing relationships. This develops the existing knowledge that tends to assume that the parties are unknown to each other at the point of initiation (Edvardsson et al., 2008). Thus we extend the understanding of different relationship initiations by showing the cyclic features of some relationship initiations, since the previous research had so far concentrated only on examining the initiation of continual relationships.

We also generated a process model with six process elements that capture the full process of initiation. Our model then further highlights the dynamics of initiation and extends the current knowledge on initiation within existing relationship development models, which minimize said initiation as an “early phase.” Our process model also sharpened the recently emerged focused understanding of initiations, since our model shows how different initiation

process elements can overlap and initiations can progress through various patterns, often due to diverse involved initiation contributors. Up to now, awareness and need recognition were often considered the starting points of initiation (Edvardsson et al., 2008). But our findings suggest that the suppliers tend to start the initiation process, through contextually embedded initiation contributors, long before the actual need exists on the part of their potential customer. Consequently, our model also highlights the contextual aspects of initiation.

Third, our findings—based on the initiation cases between Norwegian and Korean firms—revealed how the socio-cultural features of the international context underline the relevance of initiation contributors that shape the way initiations occur. By examining how initiation contributors enable reaching “insidership” (Johanson and Vahlne, 2009) in the focal business networks, we contributed to a series of international business studies that apply an interaction perspective (Mainela, 2007) and a business network approach to internationalization (Johansson and Vahlne, 2009). Furthermore, our analysis of unfolding diverse initiation contributors, including agreements and rituals, extends the current IB research knowledge—which has so far primarily focused on contributions via social contacts and interorganizational linkages (Coviello and Munro, 1995; Ellis, 2000).

6.2 Managerial implications

Our findings suggests also some practical implications and highlights the fact that suppliers need to mobilize an arsenal of initiation contributors.

First, the international dimension, which amplifies the distance between the actors—both physical and psychic—calls for ritual-type extrabusiness episodes (Cova et al., 2002), such as dinners, site visits and leisure activities, conducted at a group level. Indeed, these rituals usually involve several people from both the supplier's organization (salesperson, technician, manager) and the client's, in an atmosphere of “letting go,” which reinforces social bonds and social cohesion. As a result, it appears possible to use different types of rituals (initiation rituals or

rites of passage, calendar rituals, cyclical rituals, occasional rituals; see further: Bell 1992) to shorten any type of distance to ease the relationship initiation.

Second, suppliers must develop and mobilize initiation contributors that go beyond the dyad to act on multiple actors in the targeted milieu (Cova et al., 1996). Here again, rituals are of paramount importance, as they allow for the involvement of different actors in the milieu. As shown by Cayla et al. (2013), business parties, such as exhibitions and fairs, function as macro-rituals that facilitate a sense of community among business executives coming from diverse professional backgrounds.

Third, still at the milieu level, companies need to move beyond the soft dimension of contacts and rituals to activate hard contributors, such as standards. Standards are not connected to an isolated supplier, but rather stem from its participation in a collective standardization process that is often based on voluntary cooperation between different actors. For example, standardization in Norway is a voluntary tripartite cooperation that involves participants such as experts from the operators, suppliers, service companies, safety authorities and so on. This active participation in the creation and promotion of such standards facilitates relationship initiation in a targeted milieu. The implication here is that firms should acknowledge the artefact contributors affecting the focal context and be active in their regard, in order to gain access to the context. This may require interactions with players beyond the business actors (international and governmental actors, regulators, etc.).

6.3 Limitations and further research

We acknowledge the limitations of our findings, as the study was conducted in a single context—a single industry, a single country of origin and a single target country—and the findings stem from the initiation patterns experienced by a set of specifically chosen firms. The focal relationships were studied from one side of the dyad. Given that the relationships are

mutual, this is a limitation of the study. However, this limitation is not unique to this particular study. Among other studies of relationship initiation we also find other examples of studies using a monadic view (Edvardsson et al., 2008; Aaboen, Dubois and Lind, 2012). Particularly among quantitative studies of strategizing in business relationships it is common to send questionnaires to managers about relationships without knowing who the other parties in the relationships are (Mitrega and Pfajfar, 2015; Zaefarian, Thiesbrummel, Henneberg and Naudé, 2017). We believe that the multiple case strategy and the similarities identified across cases enabled us to identify typical initiation contributors and initiation patterns, and thus increased the analytical generalization of our findings.

The cases studied here are part of an industry with standards that all companies must adhere to. While the strategizing that took place in order to become part of the AVL was an interesting finding in these cases, the industry standards may also have underscored certain contributors or highlighted their relevance to a larger degree than if the cases had been from an industry that did not require adherence to the same standards. Therefore, we therefore suggest that further studies should examine how the features of industry, geographical or cultural context may shape the relevance or role of initiation contributors.

Our research takes for granted that the initiation phase exists. In addition, this is confirmed by our observations in the shipping industry. However, research could investigate the continuous relevance—or not (Ojansivu et al., 2015)—of the initiation phase in project-related industries. One could question whether the long-term relationship strategy of service companies is changing the importance of initiation processes.

Finally, some initiation contributors or process elements seem to be more important than others and, therefore, deserve to become the focus of future studies. For example, standards as artefactual initiation contributors and early access as a key element seemed to be crucial. Hence, these aspects of initiations could be the focus of future studies.

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