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Characteristics of Dyadic Relationship Development Within the Norwegian and Eastern European Fishing Industry

An Inter-Personal and Inter-Organizational
Perspective

Master's thesis in International Business and Marketing

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Abstract

This study explores the development of dyadic business relationships between Norwegian exporters and their Eastern European importers of fish, with an emphasis on how the inter-personal social aspect affects this development. Previous research on dyadic relationships within the chosen context and the inclusion of social capital has been rather limited. As such, this is the research gap we close in this master thesis.

A qualitative, multiple case study was conducted among five different sales representatives of three central Norwegian fish exporting firms and five of their respective Eastern European importing firms, totaling five business dyads. The interviews uncovered important factors affecting the development of dyadic relationships, as well as the social aspect's effect on this development. These interviews also revealed the level of development, both including only the inter-organizational perspective and then the inter-organizational perspective combined with the social aspect. The inter-personal perspective was found to be key to development of dyads.

Based on the gathered interview data, a revised framework on the stages of development is identified by combining the inter-organizational and inter-personal perspective, which can assist firms in growing their relationships. The aforementioned factors are included in the framework, further assisting firms in the fishing industry to adapt their operations to promote relational development.

The main contributions to this study are the stage-based framework, including the most common affecting factors driving development. These factors are applicable for Norwegian exporters and Eastern European importers in the fishing industry seeking to develop their business relationships.

Keywords: Development of dyadic relationships, Fishing industry, Social capital

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Definitions and concepts

The IMP perspective: ...views companies as interdependent actors, dependent on other firms' relations to gain access to key resources (IMP Group. 2020).

Dyadic business relationship: Interactions between two parties including layers of actor bonds, resource ties, and activity links, which can create positive outcomes for both actors (Håkansson & Snehota, 1995)

Interdependency: Institutionalized relationships tends to create interdependency between the actors, hence affect the development (Håkansson & Snehota, 1995). Before becoming initialized, one-sided dependency often occur.

Embeddedness: Actors of institutionalized relationships are *embedded* in social systems where the actors create and take advantage of resources (Easton & Araujo, 1994; Bondeli, 2018).

Adaptations: Once a relationship become institutionalized, the parties begin to adapt process to fit the environment (relationship). This may include “...*adaptations in product, in financial arrangements, in information routines or social relations*” (Håkansson, 1982, p. 22).

Relationship substance: ...is factors to understand the development of business relationships. According to Håkansson and Snehota (1995), three factors make up the *substance* of a relationship: (1) *actor bonds*, (2) *activity links* and (3) *resource ties*.

The ARA model: In order to characterize the nature of a relationship, the ARA model identifies connections in actor bonds, resource ties, and activity links between inter-organizational parties (Håkansson & Snehota, 1995).

Social capital: “*Social capital is the aggregate of the actual or potential resources which are linked to possession of a durable network of more or less institutionalized relationships of mutual acquaintance and recognition...*” (Bourdieu, 1986, p. 51).

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1 - Introduction

The purpose of this study is to *investigate the characteristics that explain how Norwegian exporters and Eastern European importers of fish develop dyadic relationships, and how the social aspect affects this development*. Although not a new concept, recent developments within IMP-research (studies on business relationships) has signaled a need for further research on the matter of social capital in IMP research (Bondeli, et al., 2018).

In the following sections, the background and motivation will be explained, followed by a further clarification of the purpose of the study, along with the research gap we seek to close. Finally, a brief presentation of the master thesis' structure is presented.

1.1 - Background and Motivation

Norway has a long tradition of being one of the key exporters of basic commodities, especially fish. Whereas the 20th century offered new riches to the country in the form of natural gasses and oil, the fishing industry remained much the same. However, in recent years, the Norwegian fish has been subject to heavy marketing efforts, becoming more adapted to worldwide trends and more streamlined (Abrahamsen & Håkansson, 2014). Exports of fish has become an increasingly important contributor for the Norwegian economic growth during the last decade. In fact, the last decade has seen a large growth of exports of fish from 44,6 billion NOK in 2009 to 107,3 billion NOK in 2019, constituting a growth roughly 240% in ten years (Norsk Sjømatråd, 2019). Thus, the fishing industry is an important source of stability and growth for the Norwegian economy.

In IMP-research - the studies on business relationships - there has been previous studies on many of the most important fish-importing countries for Norway (Abrahamsen & Håkansson, 2014). However, less attention has been given to Eastern European importers. Approximately 24,5% (including Poland) of total fish exported from Norway were sold to Eastern European countries in 2019 (Norges Sjømatråd, 2020), emphasizing Eastern Europe as a key market for Norwegian fish exports. When given the opportunity to work alongside three central Norwegian fish exporting firms, it seemed like valuable context for our master thesis. In cooperation with the Norwegian firms, we were able to speak to five of their different customers, providing a potential for studying both sides of a business dyad. As such, we chose

to conduct an IMP-study on the dyadic business relationships between Norwegian exporter and European importers of fish. Due to time constraints, we were able to include importers from *Poland, Lithuania, Ukraine and Latvia*.

1.2 - Purpose of the Study

Studies on dyadic relationships is a quite old concept within IMP-research. Pioneered by Håkansson (1982) with the *interaction approach*, the value and “raison d’être” of IMP-research was highlighted. The industrial marketing and purchasing (IMP) perspective spawned a new area of study, regarding the nature and dynamics of business relationships. Consequently, expanding on previous *interaction approach*, Håkansson and Snehota (1995) introduced their highly influential ARA-model, used to assess the development of relationships. Regarding studies on our chosen context, previous research has also investigated the development of business networks between Norwegian exporters of fish with international customers (Cantillon, 2010; Haugnes, 2010; Abrahamsen, 2009). One study of the fishing industry found that business network relationships seem to be less developed and more competitive (Håkansson & Ford, 2016). Finally, Norwegian customer relationships in Poland were found to be less developed than that of Japan and Germany (Abrahamsen & Håkansson, 2014).

Whereas these studies look into the business networks of Norwegian suppliers, little attention has been given to the development of relationships between Norwegian suppliers of fish and their Eastern European importers, highlighting a research gap we intend to uncover in our master thesis by utilizing the *Interaction Type Model* (Håkansson & Ford, 2016) and the *ARA-model* (Håkansson & Snehota, 1995).

Although the aforementioned frameworks give a detailed description of business relationships, the *social aspect* and its importance to the development of dyadic business relationships seems to be largely overlooked. The importance of the *social aspect* has previously been mentioned by IMP researchers (Håkansson, 1982); however, the application of the concept within IMP-research has created several challenges in explaining social exchange between actors (Bondeli et al., 2018). As such, Bondeli (2018, p. 1001) developed a theoretical framework in order to explain “*how social capital is created through social connections and social practices*” and implemented the concept within the ARA-model. The

placing of social capital into the ARA-model conceptualizes the social aspect into previous research used to assess the development of dyadic business relationships. However, as the *social aspect framework* (Bondeli, et al., 2018)^[OBJ] is a new contribution to IMP-research, no previous research has been done using this framework within Norwegian exporters and Eastern European importers in the fishing industry. Hence, combined with the ARA-model, we intend to uncover the effects of the social aspect on the development of business relationships between Norwegian exporters and Eastern European importers of fish. Using these findings, we would like to implement the (Bondeli, et al., 2018)^[OBJ] into a revised version of the (Håkansson & Ford, 2016)^[OBJ].

In summary, the purpose of this study will be to *investigate the characteristics that explain how Norwegian exporters and Eastern European importers of fish develop dyadic relationships, and how the social aspect affects this development*. Thus, the phenomenon to be studied are the interactions between two firms in a dyadic relationship where actor A represents a Norwegian exporter and actor B represents the Eastern European importer of fish, as illustrated in figure 1.1.



Figure 1.1 - Dyadic relationship between Norwegian exporter and Eastern European importer of fish

Based on the purpose of the master thesis, we have formulated the following research questions that will be the focus of this study:

- 1. How are dyadic relationships developed between Norwegian exporters and Eastern European importers of fish?*
- 2. How does the social aspect affect the development of the dyadic relationships between Norwegian exporters and Eastern European importers of fish?*

1.3 - Structure of the Study

In order to answer our research questions, the master thesis includes 7 chapters which will be briefly explained below.

Chapter 2 presents the theoretical background of the master thesis, summarized with a conceptual framework. The chapter is structured according to the research questions, including *the IMP-perspective, the Interaction Approach, the ARA-model, and the Social Aspect of ARA*.

Chapter 3 presents the methodological approach of the master thesis, explaining the *research design, sampling, data collection, data analysis, trustworthiness, ethical considerations and limitations*.

Chapter 4 includes a description of the context researched in the master thesis, explaining *the Norwegian Fish Exporting Firms and the Eastern European Fish Importing firms*.

Chapter 5 presents the data analysis of the master thesis, structured according to the theoretical background presented in chapter 2 and the research questions, including *the Development of Dyadic Relationships (ARA-model) and the Social Aspect of ARA*.

Chapter 6 is devoted to discussing the findings in the data analysis, structured the same as the research questions, chapter 2 and 5. The chapter includes *Development of Dyadic Relationships and the Social Aspect of ARA*.

Chapter 7 summarizes our results based on our findings from the conducted research, including *conclusion to the research questions, limitations, managerial implications and suggestions for further research*.

2 - Theoretical Background and Framework

In this section, we will present the theoretical background and theoretical framework of the master thesis. The chapter is structured after the research questions. First, we explain the inter-organizational theory used, including *the IMP-perspective*, *the interaction approach* (Håkansson, 1982) and *the ARA-model* (Håkansson & Snehota, 1995). Next, we explain the inter-personal theory used, including *the social aspect of ARA* (Bondeli, et al., 2018). Finally, we present the *interaction type model* (Håkansson & Ford, 2016), followed by the theoretical framework.

Our area of interest in this research paper is, as introductory stated, to gain a deeper understanding into the dynamics of the *development of dyadic business relationships* and *how the social aspects of the relationship may affect these relationships*. As such, previous IMP-research offers empirical studies and frameworks that are useful for analyzing these business relationships and answering our research questions in the context of the Norwegian fishing export industry. The theoretical framework of this research project is largely based on the works of Håkansson (1982), Håkansson & Snehota (1995), Håkansson & Ford (2016) and Bondeli et al. (2018). Understanding the key concepts of IMP research and social capital is crucial in order to develop our conceptual model. A general explanation of these key concepts will be provided below.

2.1 - The IMP Perspective

In the 1980s, the views of marketing and markets grew more complex. The importance of a better understanding of the dynamics of exchange relationships was strongly emphasized (Möller & Wilson, 1995, p. 5). In the wake of this, the IMP perspective became more accepted as a theory to explain the dynamics of business relationships. Håkansson (1982) lists the following basic premises of the IMP perspective; (1) *the IMP perspective challenged the idea of economic exchange as single transactions between atomistic sellers and buyers in the industrial market*, (2) *the IMP perspective emphasized the business relationship and interaction as the actual phenomenon* and (3) *the IMP perspective defined industrial markets as a network of interconnected and interdependent seller-buyer relationships*. By focusing on the actual interactions, as well as the interconnectedness and interdependencies existent, we

believe this theory could bring the most broad and detailed understanding into how relationships develop in our chosen context.

First, the IMP perspective views companies as interdependent actors, dependent on other firms' relations to gain access to key resources (IMP Group, 2020). The first research studies by the IMP group were primarily analyses of *dyadic* business relationships (Ratajczak-Mrozek, 2017). The IMP approach, one of the first works of Håkansson (1982), is a detailed tool for analyzing these business dyads. As evident today, the business landscape has become very globalized, and so have firms' supply chains. The international nature of businesses has pushed a move from *hierarchy* to *network*, in other words changing from in-house production to outsourcing work. More often you see firms becoming more entangled and dependent of each other to operate efficiently, in turn creating entirely new business models (IMP Group, 2020). Consequently, IMP research evolved over time with a stronger focus on business relationship networks, rather than two actors in isolation. This is further emphasized in the ARA-model (Håkansson & Snehota, 1995), where there are three levels of interaction: *company-, relationship- and network level*. In the context of dyadic relationships, the ARA-model argues that in order to create valuable and positive effects for each actor, a dyadic relationship depends on connections in the activity, resource and actor layer (Håkansson & Snehota, 1995). The substance of these links determines the total effects on the buyer-seller-relationship. As we are interested in looking into business actors in *dyadic* relationships, the focus from the chosen models will be on the interaction between two parties. Nevertheless, the interaction model (Håkansson, 1982) and the ARA-model (Håkansson & Snehota, 1995) are still robust frameworks for assessing dyadic relationships, and our theoretical framework will therefore be greatly inspired by these works, with the exclusion of the network function.

As introductory stated, we wish to explore the role of social capital of business dyads in the Norwegian fish export industry. Bourdieu (1986 p. 248) defines *social capital* as “*the aggregate of the actual or potential resources which are linked to possession of a durable network of more or less institutionalized relationships of mutual acquaintance or recognition*”. From this notion, social capital relates to the resources developed and maintained through institutionalized relationships. A relationship becomes *institutionalized* once there have been several interactions between the parties involved and routines start to emerge, as opposed to *interaction episodes*. According to Håkansson & Snehota (1995) “*routines, explicit and implied rules of behaviour, and rituals in conduct emerge in the more*

important relationships that a company maintains with its customers and suppliers". In fact, the emerging routines assist in the need to "...coordinate the individual activities within the relationship" (Håkansson & Snehota, 1995, p. 10). Moreover, actors within institutionalized relationships are *embedded* in social systems where the actors create and take advantage of resources (Easton & Araujo, 1994; Bondeli, 2018). The exchange of information between actors is likely to increase through embedded ties, thus affect the performance and success of the relationship (Gulati, 1998). The term social capital is originally a sociological concept, but there is a growing interest in implementing this concept into the IMP perspective. A fusion of social capital and classic IMP models has already been developed by Bondeli et al. (2018), in which social capital is placed within the ARA-model. We believe that this framework could provide valuable data for our research question and have chosen to place this framework into our conceptual framework to further explore the role of social capital in our chosen context.

In the following sections, a more detailed explanation of the above listed research and other relevant studies will be provided. All these previous works will represent the foundation of our conceptual model used to explore our chosen context. We have embedded the ARA model (Håkansson & Snehota, 1995) and the placement of social capital (Bondeli et al., 2018) into the interaction approach (Håkansson, 1982), which will be the basis of this chapter's structure and the formation of our conceptual model. Finally, we explain the stages of interaction.

2.2 - The Interaction Approach (Interaction Model)

Based on the connection between interorganizational resource dependency and transaction-cost economics, such as the neo-institutional works of Coase (1937) and Williamson (1979), a business interaction model was developed by the Industrial Marketing and Purchasing Group (IMP) with the intention to understand the interaction mechanism through a buyer-seller-relationship view (Håkansson, 1982; Ford, 1990). This continuous interaction process includes several influencing factors which Håkansson (1982, p. 15) described by dividing the model into four areas: (1) *interaction process*, (2) *participants*, (3) *the surrounding environment*, and (4) *atmosphere*. The model is provided below (figure 2.1).

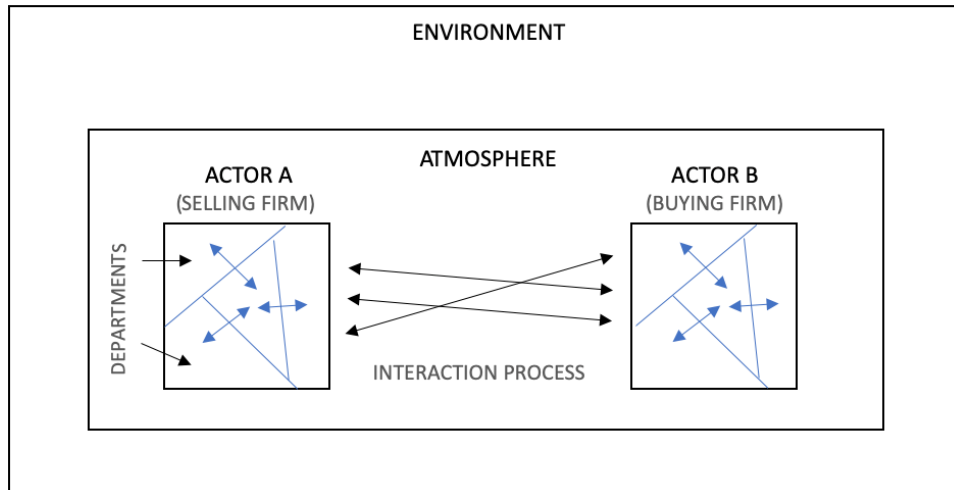


Figure 2.1 - Main elements of the Interaction Model, adapted from Håkansson (1982)

As a bare minimum in the *interaction process*, all transactions between two parties require a price and a product or service to be traded. These simple exchanges are often referred to as an *arm's-length relationship* (Uzzi, 1996). Thus, all business relationships involve some form of interaction. According to Håkansson (1982), we distinguish between two types of interactions: *episodes* and *relationships*. An *episode* is a single exchange between the parties involved, consisting of four elements: *product or service exchange, information exchange, financial exchange and social exchange* (Håkansson, 1982). As multiple episodes have been successfully processed, a *relationship* starts developing between the parties. Routines emerge, and expectations become clearer for both parties. When the expectations are visible, these expectations and episodes become *institutionalized*, to such a degree that they may not be questioned by either of the interacting firms (Ford, 1978). When a relationship has become institutionalized, adaptations become commonplace. Adaptations in relationships could be “...adaptations in product, in financial arrangements, in information routines or social relations” (Håkansson, 1982, p.22). Furthermore, the interaction process is also affected by the characteristics of the *interacting parties*, which according to Håkansson (1982) is *technology, organizational structure and size, organizational experience and the individuals involved*.

Regarding the *environment* in dyadic relationships (figure 2.1), Håkansson (1982) states that the social system is the environmental context where the parties exchange business activities. Further, the environment is connected to the overall *atmosphere*, which Håkansson (1982, p.

21) defines as “...a product of the relationship”. As such, there are several key factors within the atmosphere influencing the interactions: *power- dependence, co-operation, closeness or distance, and mutual expectations* (Håkansson, 1982). These factors should not be described in isolation but rather in combination with the environment and the interactions process. For instance, Håkansson (1982, p. 22) explained the connection between power and dependence as “*the power of organization A over B is directly related to the dependence of B on A*”. Because of close connections, uncertainties within the atmosphere of the relationship may decrease. However, too much closeness can create disadvantages of the parties, therefore it should be balanced to avoid too low and too high closeness (Håkansson, 1982). Relatedly, mutual expectations within a relationship is strongly connected to their mutual trust.

Based on the interaction model by Håkansson (1982), Håkansson & Snehota (1995) extended the contribution to IMP-research by constructing a framework to assess the development of relationships. This model will be frequently used in our master thesis and is explained in the following subchapter.

2.3 - The ARA-Model

In our research project, we distinguish between the *ARA-model* (Håkansson & Snehota, 1995) and the *social aspect* (Bondeli, et al., 2018) of the relationship. The *ARA-model* framework is the focus on organization and the individual. Whereas the social aspect will cover the *individuals* involved in the business dyads, the *ARA-model* investigates the dyad on an *organizational level* (Bondeli, et al., 2018). This will be our focus in this chapter. Hence, we will explain the *ARA-model* developed by Håkansson & Snehota (1995, p. 25), which can be used to “...characterize the nature of a relationship that has developed between two companies”. We begin by explaining the interacting parties within a business dyad, followed by an explanation of the central concepts of *interdependence, substance and function* of relationships. Thereafter, we explain the components of the relationship substance. It is important to note, however, that the focus of the thesis is the dyadic function of business relationships the network function of business relationships will be given less attention.

2.3.1 - Interdependence, Substance and Function

Business relationships occur when there has been “...mutually oriented interaction between two reciprocally committed parties over time” (Gebert-Persson et al., 2014, p. 11). Once these relationships have formed and transacted over time, much like *institutionalization* and *adaptations*, these relationships will create *interdependencies* between the interacting parties (Håkansson & Snehota, 1995). Interdependencies offer limitations and opportunities for the companies involved, as well as members of the business relationship network. In other words, the actions of one party in a relationship will influence the counterpart, which in turn affects the development of the relationship. All these interdependencies are something an individual firm must be aware of, as they can affect the direction a relationship develops in.

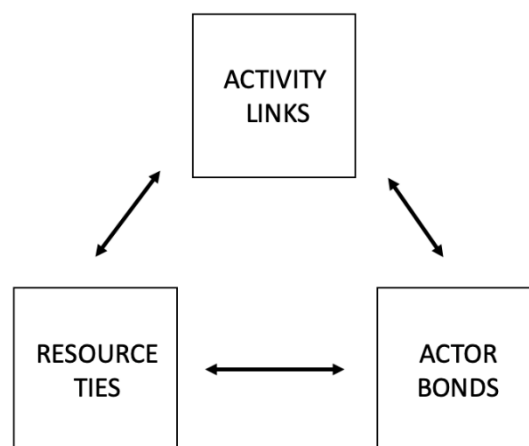


Figure 2.2 - The Substance of a Business Relationship (Håkansson & Snehota, 1995)

Moreover, in order to understand the development of business relationships, one must be aware of the factors that make up a relationship, also called the relationship *substance*, as illustrated in figure 2.2. According to Håkansson and Snehota (1995), there are three important factors that make up the *substance* of a relationship: (1) *actor bonds*, (2) *activity links* and (3) *resource ties*. These factors can be used to “...assess, predict and explain the importance” (Gebert-Persson, et al., 2014, p. 11) of relationships. The interplay between these factors is a central part of the ARA-model, as seen in figure 2.2. Furthermore, this interplay between the activity links, actor bonds and resource ties are a driving force in the development of business relationships (Håkansson & Snehota, 1995). According to Håkansson & Snehota (1995, p. 35), “...every relationship can be developed in one or several

of the substance dimensions”, implying that relationships can be developed even if only one of the substance dimensions is enabled.

Finally, in addition to the *substance* of a relationship, management should also be aware of which function is affected by changes in a relationship. Often referred to as *function* of the relationship (Håkansson & Snehota, 1995), the *activity structure, resource collection and organizational structure* internally in a firm may affect the *substance* of the relationship. Additionally, the *substance* and *function* of a relationship also affects third parties (through activity patterns, web of actors and resource constellations), due to the *connectedness* within a business network. In the context of a dyad, “...*there is a reciprocal conditioning between layers of substance and functions of relationships*” (Gebert-Persson, et al., 2014, p. 12). An ideal for the business dyad is to strive toward a “*quasi-organization*”, a perfect team-based organization (Håkansson & Snehota, 1995). According to Håkansson and Snehota (Håkansson & Snehota, 1995, p. 37), the quasi-organization “...*provides the parties with the opportunity to develop its capabilities, resources and activities*”. In a quasi-organization, the parties can produce something as a relationship, in which they would be unable to do in isolation, often generating sustainable competitive advantages with low risk of duplication (Håkansson & Snehota, 1995).

In the next section, we start discussing the individual variables of the ARA-model. These factors are central for the theoretical framework and further analysis in the master thesis.

2.3.2 - Actor Bonds

Bonds arise in a dyad as the participants direct a certain amount of attention and interest towards each other (Håkansson & Snehota, 1995). In most cases, actor bonds are formed in the beginning of a business relationships, as communication is needed to arrange a relationship. Over time, it could lead to the parties becoming mutually committed, and “...*it may alter their way of seeing and interpreting situations*” (Håkansson & Snehota, 1995, p. 32). Furthermore, the mutual commitment and trust developed between two parties are necessary to decrease the amount of uncertainties between the involved parties. However, these uncertainties are not completely avoidable by just commitment and trust (Håkansson & Snehota, 1995). The bonds between two firms created through interaction represent a lock-in factor. Håkansson & Snehota (1995) states that “*commitment, identity and trust are processes*

that constrain and at the same time enable the behavior of the actors in relation to each other". Thus, if the firms interact over time, they might develop personal connections that lead to partner preferences. These preferences could make it harder for the firms to substitute their partner for another, emphasizing the importance of the social aspect in relationship development.

2.3.3 - Activity Links

Activity links are the effects that emerge after a series of exchange episodes have taken place within the relationship, in which the activities become adapted between the participant of a dyad (Håkansson & Snehota, 1995). Once a firm enters a business relationship, the relationship affects the way the companies perform their activities and may require adaptations in their activity structure (Håkansson & Snehota, 1995). Each participant has their own internal *activity structure*, which might become adapted to the counterpart's activity structure, resulting in activity links in said dyad. Linked activity structures may lead to uniqueness, and organizationally embedded capabilities are hard for competitors to imitate (Peng, 2008). One key challenge in managing business relationships is the burden of activity links' intangibility. In most cases, only the key actors involved in the direct interaction in the relationship are aware of the links. If communicated on an organizational level, opportunities may arise as these links are exploitable. As emphasized by Håkansson and Snehota (1995, p. 30), "*The coordination efforts of the interacting companies will have consequences for costs and effectiveness of activities*", opening for the previously mentioned opportunity of creating a sustainable competitive advantage through cooperation.

2.3.4 - Resource Ties

In a dyadic relationship, resources may be shared among the involved parties. In some cases, these resources tie together with the individual firms' internal resource collections, creating resource ties (Håkansson & Snehota, 1995). If exploited correctly, these resource ties may become unique and create resources of new quality. Within resource ties, there are two kinds of resources that the interacting parties within a dyad can share: *tangible resources* and *intangible resources*. Tangible resources include product-specific resource adaptations, and intangible resource ties may include "...*technical, commercial or administrative know-how*" (Håkansson & Snehota, 1995). Advantages of relationships regarding intangible resources may often be hard to appreciate by the firms, but their role is crucial. For example,

transforming tacit knowledge across the firm is an important responsibility for a firm's management (Nonaka & Konno, 1998). Relationships with strong resource ties is another tool for management in this process, improving organizational learning, while also learning from the counterpart (Håkansson & Snehota, 1995). Like activity links, a result of exploiting and communicating intangible (and tangible) resources can result in integrated combined resources, allowing for deeper, broader and unique resources (Håkansson & Snehota, 1995).

2.4 - The Social Aspect of ARA

In order to evaluate how the social aspect affects dyadic business relationships, the extended ARA-framework developed by Bondeli et al. (2018) will be used to implement social capital as a part of the ARA-model.

The social aspect within IMP-research has previously been loosely defined, especially regarding the placement of *social capital* into traditional IMP models (Bondeli, et al., 2018). Håkansson (1982) has noted the existence of a social exchanges in his interaction model and its role as a lock-in factor, however, there has been little consensus regarding one method of applying *social capital* into IMP-models. In recent years, the IMP Group highlighted a need for further research on the matter of *social capital* in IMP research, spawning some pioneering research (Bondeli, et al., 2018). One such study is the *placing social capital in business networks* framework provided by Bondeli et al. (2018), where social capital is placed within the ARA-model of Håkansson & Snehota (1995). In the research paper, Bondeli et al. (2018) argues that IMP research is too centered around the idea of the *inter-organizational* effects on business relationships, whereas a socio-economic perspective of *inter-personal* connections have been overlooked. Another key critique of other attempts of implementing the social aspect into the ARA-model is the tendency of researchers to place social capital within actor bonds, in which the studies leave out the social aspect of resource ties and activity links (Bondeli, et al., 2018). Rather, actor bonds should not be known as the dimension where social capital resides, but where it originates (Bondeli et al. 2018). Moreover, it is the actor bonds that constitute the “...creation of social obligations but are not social obligations in themselves” (Bondeli et al. 2018, p. 1106).

Based on these arguments, Bondeli et al. (2018) presents a framework in which the *substance* of the ARA-model is included as a whole, combined with three respective factors of the social

aspect of business relationships; (1) *social connections* as a part of actors bonds, (2) *social practices* as a part of activity links and (3) *social capital* as a part of resource ties. The framework is presented below (figure 2.3). A more in-depth explanation of the model and the three factors will be provided in the following section.

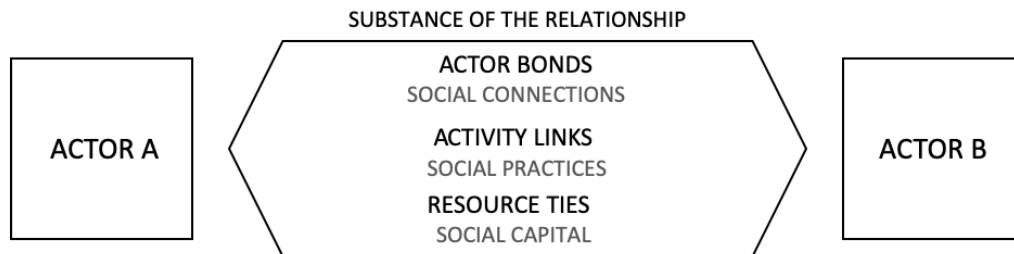


Figure 2.3 - Social Connections, Social Practices and Social Capital Placed Within ARA, Adapted From Bondeli, et al. (2018)

2.4.1 - Social Connections

First, *social connections* in actor bonds “...designate institutionalized social relationships of mutual recognition and commitment between business actors” (Bondeli et al. 2018, p. 1106). It is within the actor bonds where social capital *originates*, through the social connections between the interacting individuals of the dyad. Hence, actor bonds explain the inter-organizational level of actor bonds, whereas social connections encompass the social relations between the individuals within actor bonds.

2.4.2 - Social Practices

As *social connections* become institutionalized, it will over time result in the formation of *social practices* (Bondeli, et al., 2018). Moreover, the exchange of information between actors is likely to increase through embedded ties, thus affecting the performance and success of the relationship (Gulati, 1998). Embedded ties are relationships characterized by reciprocal social relations between the involved actors (Vieira & Bonifácio-da-Silva, 2016). Consequently, social practices could provide mutual recognition and commitment through continues exchanges between the parties within a business relationship.

2.4.3 - Social Capital

Once *social connections* and *social practices* have formed between a business dyad, *social capital* allows for a deeper and broader access to the resources of the counterpart (Bondeli, et al., 2018). Thus, after becoming institutionalized relationships, social capital is obtained through a dynamic interplay including social practices and social connections. According to Bourdieu (1986), a relationship is required to gain access to resources. Still, a relationship cannot be identified as a recourse itself. Moreover, a relationship is not dependent on social capital, but social capital is absent without a relationship (Bondeli, et al., 2018).

Social capital is found within resource ties, hence designating “...a credential made up of social obligations that entitles business actors to each other’s resources» (Bondeli, et al., 2018, p. 1107). Moreover, gaining resources through a relationship is built on obligations between the parties involved (Bondeli, et al., 2018), which is essential for creating great benefits for its own purposes (Håkansson & Snehota, 1995).

2.5 - Stages of Development in Business Relationships

In order to compound our results, we will also base our theoretical framework on the classification of interaction types developed by Håkansson & Ford (2016). Henceforth, this model will be referred to as the *Stages of Development model*. We believe this systematic approach will help us assess the development of business relationships in the chosen context. Moreover, the data collected on the ARA-model would be sufficient for pinpointing the business dyads on this scale and allowing for the conceptualization of a revised model including the social aspect.

Håkansson & Ford (2016) presents a spectrum in which business relationships can be placed, going from one extreme (duel) to another extreme (duet). Originally, the purpose of this research (Håkansson & Ford, 2016) is coping with “*the managerial task of making sense of the diversity and dynamics of interaction and the challenges that arise from that task*” (Håkansson & Ford, 2016, p. 155), however, the main interest for our research is the classifications of interactions provided.

It is worth noting that in our adaptation of this work, we assume that there are strong similarities to Håkansson’s (1982) and Håkansson & Snehota’s (1995) research. Thus, in

order to ensure continuity in terms used, our adaption of the framework assumes that the development from duels to duets is the same as the development from exchange episodes to relationships.

Henceforth, we will refer to business duels as *exchange episodes*, and business duets as *relationships*. Once a relationship (or duet) becomes more developed, it is referred to as an *institutionalized relationship*. In the following section, an explanation of the scale will be given.

2.5.1 - Pure Exchange Episodes vs. Institutionalized Relationships

Exchange episodes and *institutionalized relationships* are inserted into a model of consecutive stages, based on the type of interaction within the dyad. In the model, *simple exchange episodes* are characterized by the aim of business being to seek advantages on the expense of the counterpart, representing a *zero-sum game*. In these types of relationships, little attention is given to combining resources, maintaining actor bonds and developing activity links.

Moreover, an *institutionalized relationship* is characterized by close cooperation, with the two actors trying to find a way to combine and develop their abilities. In doing business this way, unique capabilities may arise over time, and each *relationship* will develop or create new resources (Håkansson & Ford, 2016). Nevertheless, firms striving towards an institutionalized relationship will find a new way of using an existing set of resources (Håkansson & Ford, 2016). Empirical studies done by Håkansson & Ford (2016, p. 158) have shown that “...businesses are likely to be involved in simultaneous interaction processes with multiple counterparts that exhibit a range of different patterns”. In most cases, firms have some pure exchange episodes and some pure institutionalized relationships. However, in some cases there is a combination of the two. In the following section we look at these interaction types, excluding the final interaction type - *network interactions* - as we focus on dyads.

2.5.2 - Interaction Types

Figure 2.4 presents the scale by Håkansson & Ford (2016). Below, we will explain each stage in more detail.

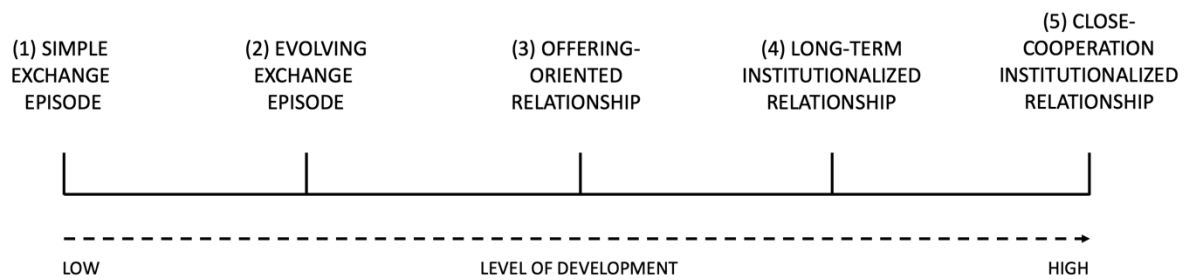


Figure 2.4 - Stages of Interaction Development in Business Relationships, adapted from Håkansson & Ford (2016)

(1). Simple Exchange Episodes

Simple exchange episodes represent one extreme of the scale, with interactions characterized by single transactions. In simple exchange episodes, the interaction usually terminates at the moment of the exchange of a product for price, and involvement is limited (Håkansson & Ford, 2016). This is common in simple commodity markets, especially so in the fishing export industry (Cantillon, 2010; Haugnes, 2010; Abrahamsen, 2009). These kinds of interactions leave no traces in the counterparts' internal structure; however, it is worth noting that exchange episodes can occur in an organized system of contracts and payments (Håkansson & Ford, 2016).

(2). Evolving Exchange Episodes

Evolving exchange episodes introduces inter-personnel communication and evolution (Håkansson & Ford, 2016). In other words, actor bonds start forming, but offerings remain the same as in pure exchange episodes. Some of these relationships stay simple, however, some may develop structural elements over time (Håkansson & Ford, 2016). Social sentiments and inter-personal connections are likely to develop (Håkansson & Ford, 2016). Adaptations will not be found in evolving exchange episodes, in turn limiting the business relationship development.

(3). Offering-oriented Relationships

In offering-oriented relationships, adaptations become clear and embedded into the dyad and leave clear traces in the features of both offerings (Williamson, 1979). These adaptations could be better prices, delivery mode etc. On the other hand, adaptations are characterized as simple (Håkansson & Ford, 2016). Moreover, inter-personal contact develops, but “...offerings remain fixed independently to the counterparts” (Håkansson & Ford, 2016, p. 160). It is important to note that some offering-oriented relationships remain simple. There is still a strong focus on the short-term, but the counterparts often start valuing mutual benefits.

(4). Long-term Institutionalized Relationships

As the first three forms of interaction have a short-term perspective, long-term institutionalized relationships are “in it for the long run”. In long-term institutionalized relationships, the ability of “abandoning ship” is harder, more time consuming and costly for both parties. In these kinds of relationships, the dyad becomes interlocked and limiting in nature (Håkansson & Ford, 2016). Resource ties grow strong, combined with strong activity links and actor bonds. Additionally, the long-term institutionalized relationship leaves clear traces in the counterparts' internal activity patterns, resource constellations and organizational structure (Håkansson & Ford, 2016). Moreover, in long-term institutionalized relationships, the two interacting parties can adapt the physical or organizational facilities (Richardson, 1972; Dubois, 1998). As the relationship becomes more unique, the potential of the relationship being a source of a sustainable competitive advantage becomes bigger. However, as interdependencies grow stronger, so do the constraints (Håkansson & Snehota, 1995).

(5). Close-cooperation institutionalized relationships

The abovementioned interaction types allow for one-sided adaptations; however, close-cooperation institutionalized relationships require adaptations from both sides of the dyad (Håkansson & Ford, 2016). As both parties within the dyad deploy multiple resources, activities and key actors, the relationship could be considered a close-cooperation institutionalized relationship. Offerings are characterized with tailored solutions, mutual development of physical resources and training of human resources. In many ways, once a relationship reaches this stage of cooperation it could be called a *partnership or an alliance*.

Due to the complexity and intensity of the interdependencies, it will require mutual commitment, trust and cooperative intent by both sides of the dyad (Hamel, 1991; Gulati, 1998).

2.6 - Theoretical Framework

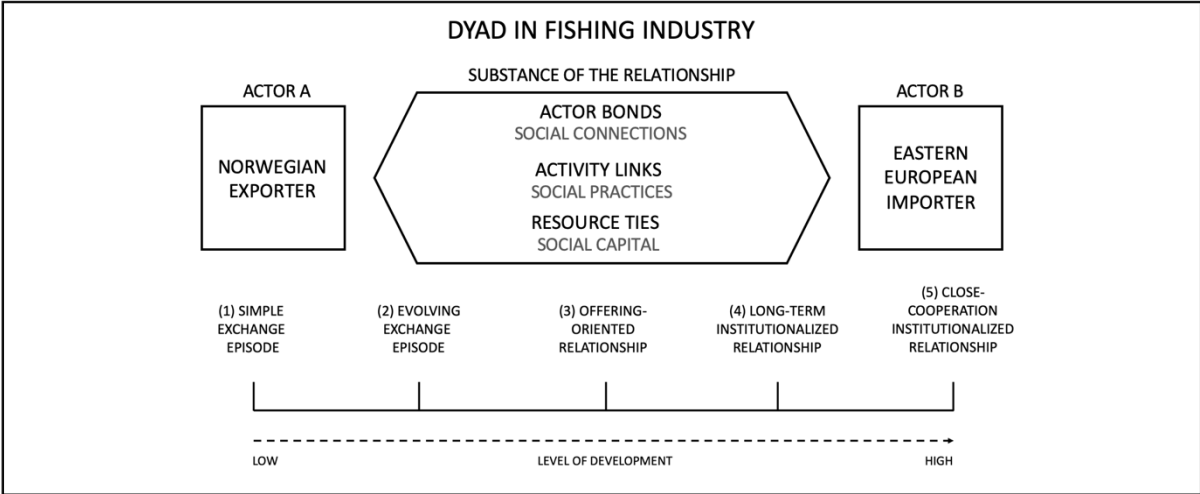


Figure 2.5 - Theoretical Framework: Dyads in the Fishing Industry

Figure 2.5 summarizes the included theory of chapter 2, serving as the theoretical framework for the master thesis. The conceptual framework combines the *substance* of the ARA-model (Håkansson & Snehota, 1995), the social aspect of the ARA-model (Bondeli, et al., 2018) and the *Stages of Development model* (Håkansson & Ford, 2016). The ARA-model will be instrumental assessing the level of development in the five respective dyads. Consequently, this analysis is a prerequisite for exploring the importance of the social aspect in the development of the business relationships. Finally, the findings from these analyses will be compiled into the *Stages of Development model*, used to further answer the research questions. Building on the abovementioned framework, we create a revised version of the *Stages of Development model* by implementing the inter-personal aspect. As such, by using the contents in our conceptual framework, both research questions will be discussed in chapter 6 and concluded in chapter 7.

3 - Methodology

This chapter describes the choice of methodology, as well as research design used to answer our proposed research questions stated in the introduction. First, we argue for our choice of research design and epistemological approach, followed by the limitations in our samples. Finally, we explain how data were collected.

3.1 - Research Design

As introductory stated, we are interested in exploring the development process and the role of social capital in cross-border relationships. In order to do this, we have chosen to use individual dyadic business relationships as the unit of analysis. Qualitative research designs are best when there is limited research on the phenomena and if the study is exploratory (Myers, 2020). Given the limited nature of current research on the topic, our study is best fit to be exploratory - as opposed to explanatory. Moreover, qualitative research is designed to gain an understanding for people's "*...motivations, reasons, actions, and the contexts for their beliefs and actions in an in-depth way...*" (Myers, 2020, p. 27). As our research tries to understand behavioral and social constructs within business dyads, a qualitative research will allow for more in-depth data to be collected, of which quantitative data would not be sufficient. Also, in order to understand a phenomenon from the participants' views, important context could be lost by utilizing a quantitative research design (Kaplan & Maxwell, 2005).

Regarding the choice of research design, we found that the limited research in the field of social capital and dyadic relationships in our chosen context would fit the case study approach. Myers (2020, p. 125) defines case studies as research in business that "*...uses empirical evidence from one or more organizations where an attempt is made to study the subject matter in context*", adding that "*multiple sources of evidence are used, although most of the evidence comes from interviews and documents*". What characterizes case studies is the exploration of new topics (Myers, 2020), and that it is appropriate for questions worded with "how" or "why" (Yin, 2018). Therefore, our first research question seeks to answer *how dyadic relationships develop between Norwegian and Eastern-European countries*, which fits this criterion and is the primary focus of the research. The second research question seeks to answer *how the social aspect affects the development of these business dyads*, which also is best suited to answer with qualitative methods.

Since our research relies heavily on the meanings that people assign to the phenomenon of interest, the case study will take an interpretivist approach. Interpretivism, as opposed to positivism, defines “...*quality in terms of the plausibility of the story and the overall argument*” with an emphasis on the social construction of reality (Myers, 2020, p. 127). Thus, we believe this epistemological position offers the most value to our study.

Finally, our case study will be a *multiple-case study*. By looking into multiple business dyads, we believe that our data could bring more value into understanding how different firms approach the development and the social aspect of relationships. Moreover, the fact that we are interested in Eastern European customers requires us to investigate more than one country. In our case, we are looking into customers from Latvia, Lithuania, Poland and Ukraine, all within the area considered to be Eastern Europe. By utilizing a multiple-case study, one can create more convincing theory, as well as “...*a wider discovering of theoretical evolution and research questions*” (Gustafsson, 2017, p. 9). Due to the limited research done on this topic previously, we believe that a multiple-case approach could help us identify important factors through multiple sources. These multiple sources create a broader description of the phenomenon at interest, providing more perspectives from different business dyads. It is worth mentioning that single-case studies provide richer and more detailed information (Gustafsson, 2017), however, as we gained access to three different Norwegian fish exporters and their respective Eastern European customer, we saw the potential to detect how the different firms approach the phenomenon at interest. Thus, we found a multiple-case design to be the best fit for our project.

3.2 - Sampling

In the selection of respondents, our first criterion is to select key respondents which are relevant according to the phenomenon of the study, and our second criterion is that they should have decision making authority in the function of business relationship (Yin, 2018). Thus, we found that the people responsible for selling, having direct contact to the buying function of the importing firm, would have the most knowledge on the topic of interest. Furthermore, to gain a more in-depth understanding of the business dyads, the inclusion of buyers in contact with these sellers seemed appropriate. All the selected respondents fit the criterion of relevance to the study, as well as the decision-making authority, as they process

and initiate orders. Moreover, the respondents have experience with the business relationships and their respective dyads, which according to Yin (2012) improves the data value of collected further.

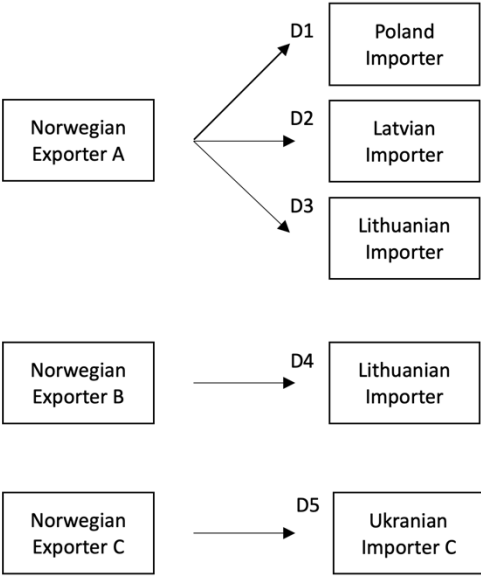


Figure 3.1 - Business Dyads Researched in the Master Thesis

The phenomenon at interest is the business dyads between exporters and the importers, as illustrated in the figure above (figure 3.1). In this research project, we conducted a total of 10 interviews with five Norwegian sales representatives responsible for handling business relationships, in addition to their five Eastern European customers. Hence, we are exploring both actors within a business dyad, making up a total of 5 different business dyads. Three Norwegian firms were involved in this study, referred to as firm A, B and C. In firm A, three interviews were conducted with their Norwegian sellers where each of these sellers chose one relevant Eastern European relation to focus on. Following the interviews with the Norwegian seller in firm A, we interviewed their nominated Eastern European customers. In firm B, we conducted one interview with a Norwegian seller and one interview with their Lithuanian customer. Finally, we did an interview with a Norwegian seller in firm C, and their Ukrainian customer.

Table 3.1 depicts the interviews conducted through the period of 01.04.2020 to 18.05.2020, showcasing the respondents organized into their respective dyads. The table also includes information of the country of origin, working positions, date of the interviews, as well as language and duration of the interviews.

Table 3.1 - Overview of the Interviews

DYADS (D)	RESPONDENT (R)	COUNTRY OF OPERATION	WORKING POSITION	DATE OF INTERVIEW	LANGUAGE	DURATION
D1	R1	Norway	Seles manager	01.04.2020	Norwegian	1h, 10 min
	R2	Poland	Managing shareholder	20.04.2020	English	40 min
D2	R3	Norway	Sales manager	02.04.2020	Norwegian	40 min
	R4	Latvia	Sales manager	22.04.2020	English	45 min
D3	R5	Norway	Sales manager	21.04.2020	Norwegian	45 min
	R6	Lithuania	Sales manager	04.05.2020	English	30 min
D4	R7	Norway	Leader pelagic	06.04.2020	Norwegian	35 min
	R8	Lithuania	Director	20.04.2020	English	30 min
D5	R9	Norway	Manager	18.05.2020	Norwegian	1t, 15 min
	R10	Ukraine	Foreign exchange leader	01.05.2020	English	35 min

3.3 - Data collection

After selecting a research design, the researcher must decide which qualitative techniques to use when collecting data (Myers, 2020). According to Yin (2014, p. 60) there is no specific procedure of how to use the case study method, however, the choice of data sources should depend on the research questions and the phenomenon to be studied. A qualitative data collection may be a combination of several primary and secondary sources in order to provide a solid foundation for the further analysis. Myers (2020, p. 186) describes primary data sources as *“those data which are unpublished and which the researcher has gathered directly from the people or organization”*. Furthermore, this concerns arranged interviews with selected participants, internal documents which are not published, fieldwork, etc. Secondary

data are related to already published data sources, such as published books, different types of articles, and so on. Primary data add value to the research and make it unique, and the secondary data are the supportive information that strengthen the evidences found in the primary data. In this case study, we find it most appropriate to use interview (primary data) and supportive documents (secondary data) as data collection techniques in order to explain the phenomenon. This will be explained in the following sections.

3.3.1 - Semi-Structured Interview

As a primary data source, interviews are the most common technique used within qualitative research methods (Myers, 2020). Qualitative interviews allow the researcher to collect a wide aspect of information, which emphasizes the importance of structuring the data. The reasons why we find it most appropriate using interviews as our primary source of data is: *(1) we are studying a few units of dyadic relationships, (2) the respondents' personal opinion and understanding of the phenomenon is of interest* (Jacobsen, 2015).

The decision of whether to choose a strictly structured-, semi-structured-, or unstructured interview depends on the information to be gathered (Walle, 2015). Our purpose regarding the interview is to get a deeper insight from both importer and exporter's perspective related to their inter-organizational and inter-personal relations within their dyad. As such, a semi-structured interview would be preferred as the pre-formulated questions are structured based on the information we need, as well as it allows improvisation in terms of follow-up questions (Myers, 2020). Furthermore, Myers (2020, p. 189-190) highlights that *"It gives the interviewee the opportunity to add important insights as they arise during the course of the conversation, while your previously prepared questions provide some facts as well"*

In contrast of close-ended questions, a semi-structured interview with open-ended questions invites the respondents to describe their own experience and opinion to a greater extent (Yin, 2014). In our case, we are dependent on the respondents' personal experiences dealing with the relationship with their partner. Thus, it seemed necessary to allow more in-depth discussion on the topics in our interview guide. This also allowed us as interviewees to ask follow-up questions to further understand the phenomenon of study. As such, we used a semi-structured interview approach in our data collection process.

Interview guide

The interview guide is conducted with the intention to create a connection between research questions, theory and evidence. Moreover, we structured the interview by dividing the questions into three main topics: (1) the ARA-model, (2) the social aspect of the model, and (3) institutions. In addition, the interview guide includes a few background questions about the company and the respondent as a starting point for the interview.

In advance of the interviews, we prepared our respondents by giving them a short description of each topic and their following sub-themes:

- Actor bonds: *How long/how/how often do you interact together?*
- Activity links: *What types of business activities do you share with each other?*
- Resource ties: *What types of resources, tangible and intangible, do you share?*
- Social connections: *How is your relationship with your partner?*
- Social practices: *How do you communicate (informal or formal) and interact?*
- Social capital: *How do you emphasize the social aspect of the dyadic relationship?*

In order to provide open-ended answers, and avoid closed questions, the guide is mainly built on questions starting with “...who, what, why, where, when and how” (Myers, 2020, p. 200). Furthermore, an advantage of a semi-structured interview is the ability to adjust the questions according to respondents throughout the execution of the interview. The interview guide is primarily the same for both Norwegian sellers and East-European buyers, whereas some adjustments were made (see Appendix 1 and 2).

Execution of the interviews

The interviews were conducted via Skype and WhatsApp, and the duration of each interview depended on how much information they were able to share. The interview with R9, however, were held in their office because the situation of Covid-19 allowed it. Moreover, our Norwegian respondents were asked a few questions about the political situation in their partner’s country, which extended the duration of those interviews.

We started each meeting by introducing ourselves and thanking them for supporting our research. Then, we asked the respondents for their permission to record the interviews, which everyone agreed to, and each of the interviews was transcribed consecutively as they were

conducted. There are several advantages of recording and transcribing interviews, where Heritage (1984, p. 238) suggest that *“It helps to correct the natural limitations of our memories and of the intuitive glosses that we might place on what people say in interviews”*. Even though the transcribing process was time-consuming, it helped us to prepare the analysis of the study.

Our respondents were also informed that the collected information was stored in an encrypted database and deleted within the submission of the master thesis. At the end of the conversations, we asked to stay in contact if the need for more information appeared. The interviews with our Norwegian respondents were naturally held in Norwegian while the conversations with their East-European partners were held in English. This led to some challenges for our data collection, which we will discuss later in this chapter.

3.3.2 - Documentation

Documents are valuable and additional evidence to the primary data collection (Myer, 2020). There are various types of documents to be applied in different contexts with an intention of understanding a phenomenon. However, secondary sources should not be analyzed in isolation but in the context of the findings provided in the primary data collection.

Within a business context, personal documents are composed for internal purposes, whereas public documents are available for everyone, such as annual reports, journal articles, statistics, and statements through media channels. In our study, we used previous empirical findings to understand the phenomenon, and to create a linkage between theory and our findings. In addition to annual reports of the Norwegian companies, the pelagic report by Abrahamsen & Håkansson (2014) was used to structure the context of the study. Statistical data from international organizations, such as NOAA, ICC and Norges Sjømatråd were also used as supportive documents.

3.4 - Data Analysis

In this section we explain the data analysis approach. First, we explain the type of reasoning used, followed by data reduction, explaining how we intend to analyze the data gathered.

3.4.1 - Systematic Combining

Due to the limited nature of previous research on the phenomenon at interest, the most fitting type of reasoning for our study would seem to be systematic combining. Taking inspiration from abduction, systematic combining adapts a “matching” technique, where researchers go “...back and forth between framework, data sources and analysis” (Dubois & Gadde, 2002, p. 556). Moreover, Dubois & Gadde (2002, p. 559) argue that “...an abductive approach is fruitful if the objective is to discover new things - other variables, or other relationships”. Thus, the systematic combining based on abductive reasoning provides the opportunity to gain a deeper understanding into the context at hand and adapt the conceptual framework accordingly. Choosing a pure inductive or deductive form of reasoning could result in limitations to the study and become “...forced to fit preconceived or preexistent categories” (Glaser, 1978, p. 4).

3.4.2 - Data Reduction

As soon as the data collection is completed and transcribed, it is time to start the process of reducing the data. A data reduction based on a qualitative research study is about illuminating concepts in order to describe the phenomenon (Bryman & Bell, 2011). There are different ways of coding the concepts depending on how the researcher wants to structure the data. With an intention of eliminating the complexity of the collected information, Miles and Huberman (1994) introduced different techniques for displaying the data. Moreover, this is a useful technique for structuring the information and emphasizing important concepts for the analysis.

In the case of our data reduction, we placed all collected data into their respective topics using our interview guide, leading us to the identification of a series of over-encompassing factors. The identification of these factors is based on the collected data where multiple respondents mentioned relevant information. Some factors were found to be similar, hence some factors being fused into one factor. All these findings are presented using displays, as suggested by Miles and Huberman’s (1984) display approach, which is a way of systematically formatting and presenting findings using tables. These displays allow findings from the interview transcripts to be presented in a more compressed format.

3.5 - Trustworthiness (Validity/reliability)

It is generally agreed between researchers that it is necessary to ensure validity, credibility, and reliability in qualitative research (Konradsen, et al., 2013), and to do this in order to maintain neutrality and trustworthiness (Golafshani, 2003). Often the terms of validity and reliability are associated with rationalistic and quantitative research, however, there are tools to ensure trustworthiness in qualitative methods. The naturalistic approach (Guba, 1981) assumes that there are multiple realities, and rather than striving towards generalizability one should try to ensure transferability. A naturalistic approach is best fit when exploring social and behavioral phenomenon and when trying to get an understanding of similarities. Moreover, the approach assists in finding differences important to understand a phenomenon in depth (Guba, 1981). The nature of the project and context we are exploring in this paper requires an understanding into the respondent's behaviors, as such, we will utilize the naturalistic paradigm in order to ensure our project's trustworthiness. According to Guba (1981), there are four elements to ensure trustworthiness in qualitative research: (1) *credibility*, (2) *transferability*, (3) *dependability* and (4) *confirmability*.

First, *credibility* is concerned about if the results are credible and can be trusted, producing plausible results (Guba, 1981). One way to ensure credibility is doing triangulation by getting multiple perspectives on a topic. In our case, interviews were done with different salespersons in three different firms, as well as getting the perspective of key people responsible for buying in eastern European countries. Involving these different perspectives makes our data more reliable, as we attain multiple sources and avoid single source data. These data were also reviewed with previous literature and theory, as well as internal documents provided by the firms, which is another triangulation strategy. Furthermore, choosing a sample of key people with long experience at the phenomenon at interest also ensures credibility. Most respondents have worked in their current roles for over 5 years. One respondent was relatively new in the role as a salesperson but had worked in a different role for over 30 years within the same company. We believe that all respondents interviewed carry rich knowledge on the phenomenon at interest, and that it is sufficient to ensure credible results.

Second, transferability involves the degree to which testing the results in another context or situation is possible (Ghuri & Grønhaug, 2010). The naturalistic researcher does not try to generalize the findings, but tries to “...*form working hypotheses that may be transferred from*

one context to another depending upon the degree of "fit" between the contexts" (Guba, 1981, p. 81). One way of ensuring transferability in a naturalistic approach is to do *purposive sampling*, which strives to "...*maximize the range of information uncovered*" (Guba, 1982, p. 86). In our case, we have thoroughly extended the range of information by involving multiple parties in our samples. First, we have included both perspectives of the business dyads, where both Norwegian salespersons and their respective Eastern-European customer share knowledge and information about the dyad. This allows for multiple perspectives on a single business dyad, and ensures that we get multiple sources, enabling more trustworthy results. Moreover, we involved three different Norwegian fish exporters in our sample. As such, we believe it will provide a wider range of information gathered and enabling the comparison how business dyads are perceived and handled in different firms. Finally, according to Guba (1981), doing purposive sampling by letting the respondents nominate other respondents could help ensure transferability. In our case, we asked all Norwegian sellers to nominate an Eastern European relation with the criterion of relevance and decision-making authority (Yin, 2018). Thus, using the knowledge of the respondents involved in the Norwegian firms, we were able to do purposive sampling, getting in contact with the right respondents. We believe that this choice of sampling allowed for a *collection of thick and descriptive data*, giving the project a higher degree of transferability (Geertz, 1973).

Third, *dependability* involves the stability and consistency of data (Guba, 1981). In our case, we used the same interview guide on all respondents (with some minor exceptions), which is included in the appendices (Appendix 1 and 2). By using this interview guide, it is possible to recreate the study, along with the theoretical background of this project, included in chapter 2.

Finally, *confirmability* concerns the possibility of researcher biases and researcher predilections affecting the trustworthiness of the data (Guba, 1981). According to Guba (1981), one way to counteract these issues is to do *triangulation*. As explained previously, we have included secondary source materials, explained in the documentation. Hence, using multiple types of sources will strengthen the confirmability of our research.

To summarize, by using the naturalistic paradigm and the four elements of trustworthiness; *credibility, transferability, dependability and confirmability*, we have argued for the internal and external validity, as well as the reliability of this research project.

3.6 - Ethical considerations

One of the most essential ethical considerations is the golden rule, which Maylor & Blackmon (2005, p. 281) describes, from a business research view, as “*Treat others as you yourself want to be treated and provide benefit to the organization and individual involved in your work*”.

In other words, the interviewer should be able to see the situation from the respondent’s perspective and evaluate if the research abides by ethical premises. Further, the informant should be informed about the study’s purpose, and how their information will be applied into the study (Myers, 2020). Another important ethical consideration is to decide what information to keep confidential and, of course, not break that promise to the respondents. In this case, our sample is confidential in the way of not revealing their identity, except from what country they are operating within. Furthermore, information obtained from one respondent will not be disclosure to the other party within the dyad, or to other participating firms of the study. The notification form approved by the Norwegian Center of Research Data (Norsk Senter for Forskningsdata, NSD) indicates the research study to be in accordance with the law of privacy.

3.7 - Limitations

Due to the situation of Covid-19, we were not able to arrange physical meetings with our Norwegian respondents (except from R10). For instance, we planned to arrange introduction meetings with our Norwegian respondents at their workplace, which would be interesting for our perception of how the companies operate. However, we managed to conduct video meetings via Skype and WhatsApp with all respondents except from one of the East-European buyers. In this case, we conducted the interview over phone. According to Bryman and Bell (2011), phone interviews might be preferable if the respondent feel more comfortable, but it can also be easier to break the conversation and make the interview shorter than a personal meeting. Another problem regarding interviews not conducted through physical meetings, is the inconvenience of not being able to observe body language and their physical reactions to certain questions. This limits the *triangulation* possibilities for our research, as we are not able to fully observe the interviewee surroundings. However, the video conversations made it possible to recognize some discomfort or confusions of our respondents if they did not understand the questions.

We also discovered language barriers considering the Eastern European respondents trying to conduct the conversation in English, although not everyone felt too comfortable doing so. This might have limited their information sharing because of their weak vocabulary of English words, and a missing understanding of the questions asked. On the other hand, we tried to explain the questions in a simpler way for their understanding, but there might be some lack of information. A study of challenges in cross-languages within qualitative research encourage researchers to conduct a test pilot of the interview in order to eliminate language barriers during the actual execution of the interviews (Squires, 2009). Due to our time limitation of the master thesis, and other challenges regarding Covid-19, this would be too time-consuming to accomplish.

Another limitation while conducting the interviews was the challenge of distinguishing between inter-personal -and inter-organization factors. In order to solve this challenge, we should be even more aware of the distinction while leading our respondents in the right direction when asking questions. Furthermore, our data collection would maybe include a larger extent of information if this challenge was handled before the interview sessions.

4 - Context

In this chapter, we will explain the context of the research project. The information given in this chapter will be on a general level, as the firms involved are to remain anonymous. First, we explain characteristics of the Norwegian exporters, followed by the types of fish being exported. Finally, we present a typical supply chain for a Norwegian exporter, followed by a brief insight into how the Eastern European markets work.

4.1 - The Norwegian Fish Exporting Firms

Included in the research project are three different Norwegian fish exporting firms: *firm A, B and C*. All these firms could be considered as SME (European Commission, 2020)^[10].

According to the European Commission (2020), any firm with 1-249 employees and a turnover up to EUR 50M could be considered a SME. *Firm A* has averaged a stable turnover of approximately NOK 2.000.000' in 2018 (R1). Moreover, *Firm B* has averaged approximately NOK 300,000' (R7) in 2018 and *Firm C* averaged approximately NOK 500.000' in 2018 (R9).

4.1.1 - Products Exported

The involved Norwegian fish exporters are mainly exporting pelagic fish to the Eastern European countries. Pelagic fish is a common definition of fish belonging to open waters, not living on the shore or the bottom of the ocean (NOAA, 2020). According to NOAA (2020), these fish can migrate, often in schools. Pelagic fish exported by the Norwegian fish exporters in our case include *mackerel, herring, capelin, blue whiting, sprat, white salmon and more* (R1). Nevertheless, firm A and B reported having increased sales in *salmon, trout, haddock and clip fish* to the Eastern European region (R1; R7).

The firms vary slightly in their specializations. Firm A and B mainly focus on selling frozen fish to be processed in the importer's country (R1; R3; R7), whereas firm C has diversified their products to mainly pelagic fish being processed in-house and selling finished products (R9). There are different customers in Eastern Europe, both wholesalers/end-users as well as fish traders. These customers require different processing of the fish being exported, as they may be resold, processed in the recipient's country or going straight to the customer.

4.1.2 - The Norwegian Fish Exporter Supply Chain

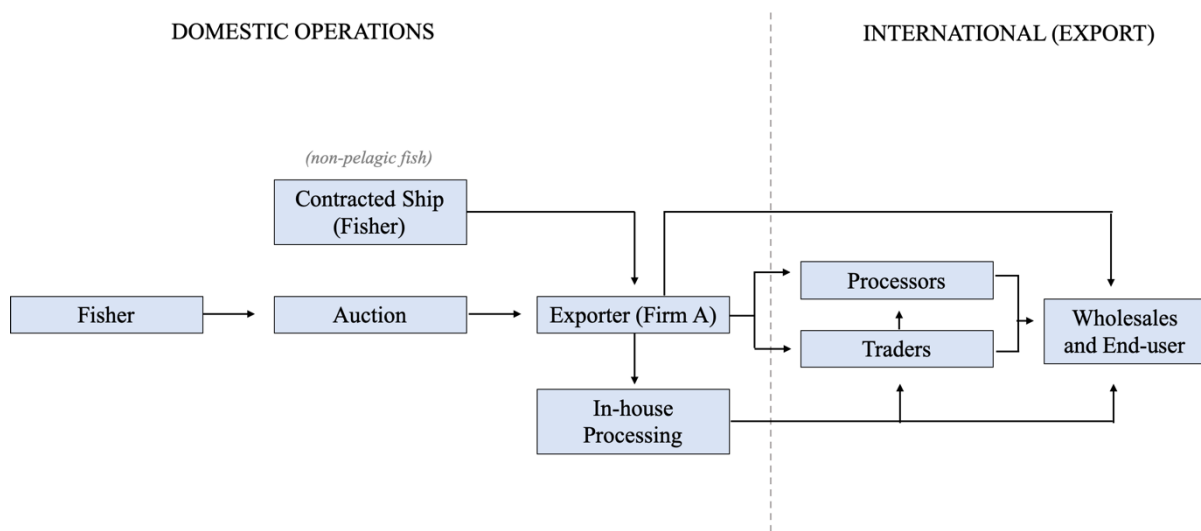


Figure 4.1 - The Supply Chain of Norwegian Exporter A (Firm A)

Figure 4.1 illustrates a typical exporter supply chain for Norwegian fisheries. The figure is modelled based on information provided by R1, explaining the supply chain of firm A. All Norwegian fisheries delving into the area of pelagic fish are under the legislations of “Norsk Sildesalgslag”, where all pelagic fish must be bought on a closed auction system (Abrahamsen & Håkansson, 2014). In this case, a variety of fish, which is not subject to the legislations of “Norsk Sildesalgslag”. Hence, there is a small degree of control over the catching-activity in firm A’s value chain. However, in most cases, fisheries bid on the closed auction in order to receive their fish. Once the fish is obtained, the Norwegian fishery either adds packaging and exports the raw fish or adds value to the fish through a processing plant. In both cases, regardless of being processed or not, the fish is exported directly to traders or wholesalers abroad. If the fish is not being processed in-house, the fish is sold to processors, traders or directly to wholesalers.

Of the three Norwegian fisheries involved in our research, both firms A and C have facilities for in-house processing. Firm B buys fish from the closed auctions and exports only raw or frozen fish, non-processed.

Evidently, it is apparent through the illustration (figure 4.1) that export-industry of fish resembles a simple commodity market with few stages, allowing for little differentiation. Hence, importers are mainly concerned with the price offered from the Norwegian fisheries.

4.2 - The Eastern European Fish Importing Firms

In our master thesis project, we included five different importers of Norwegian fish residing within the area considered as “Eastern-Europe”. As previously mentioned, we were able to interview two Lithuanian importers, one Polish importer, one Latvian importer and one Ukrainian importer. All these importers work mainly with Norwegian exporters but is also involved with other countries like Iceland and the Faroe Islands. In order to anonymize the respondents and firms, we provide limited information on the importers involved.

In dyad 1 (D1), Norwegian firm A works with a Polish trader, buying frozen pelagic fish and sells it to Polish processors. The business is family owned and considered as a small firm. Next, in dyad 2 (D2), Norwegian firm A works with a Latvian importer that has operated for a long time, but could be considered as a smaller importer, trading frozen fish mainly to the Baltic states and recently expanded their sales to all of Europe. In dyad 3 (D3), Norwegian firm A trades with a large Lithuanian importer of frozen and processed pelagic fish, dealing with both processing and trading of the imported fish. The firm operates globally. Moreover, in dyad 4 (D4), Norwegian firm B works with a medium-sized Lithuanian wholesaler of frozen fish, selling to countries within the EU. Finally, in dyad 5 (D5), Norwegian firm C works with a large Ukrainian importer of frozen fish.

4.2.1 - The Eastern European Market

Before explaining the situation in the Eastern-European fish market, it is important to note that there are differences between the countries considered as Eastern-European. For instance, one respondent notes that they do not do business with Ukraine because, in the opinion of the respondent, Ukraine’s way of doing business is characterized by corruption and being an unreliable long-term partner (R7). On the other hand, having a long-term cooperation with a Lithuanian importer did not present any of these problems for the exporter. Furthermore, none of the interviewed dyads express any problems with working with their partners due to the business culture in the respective countries (D1; D2; D3; D4; D5). As most of the involved countries are members of the European Union, apart from Ukraine, business is usually

streamlined through standardized international trade systems, like the INCOTERMS-system (ICC, 2020).

Moreover, the Eastern-European fish market is largely dominated by the trade of pelagic fish (R7), especially in the case of Poland, where there is a strong tradition of *herring* (Abrahamsen & Håkansson, 2014). Another reason for the popularity of pelagic fish in Eastern Europe is the price, as Pelagic fish often is the cheapest option (R7; Abrahamsen & Håkansson, 2014). Many of the involved firms on the Eastern European side reside in countries where customers are more price sensitive, such as Poland (Abrahamsen & Håkansson, 2014). Hence, pelagic fish is a more popular option for Eastern-European traders and processors due to the lower price (R7), making Norwegian fish perceived as expensive by Eastern Europeans (R8). The price of the Norwegian fish is further complicated by the Norwegian legislations on fisheries regarding pelagic fish and the auction-system supervised by "Norges Sildesalgslag" (Abrahamsen & Håkansson, 2014). Due to these restrictions, fisheries in Norway are unable to compete with other countries in price, as countries such as the Faroe Island and Iceland have integrated the catching of fish in their value chains, in turn lowering costs and enabling better prices. Hence, Norwegian exporters' main competitors are the Faroe Islands and Iceland, pricing their fish below Norwegian prices (R9). This could be crucial for the Norwegian fisheries, losing market share in Eastern Europe.

On the other hand, it seems that Norwegian suppliers of fish are important to Eastern-Europeans (R6), and in some cases the "country brand" of Norway provides a sense of quality and trustworthiness for the Eastern-European importers (R8). Furthermore, Eastern-European countries seem to appreciate informal activities and building personal relationships (R3). Moreover, one Norwegian supplier noted that the business culture in Eastern-Europe is quite unreliable (R3), where these informal interactions help in creating stable relationships with these customers (R3). This emphasizes the importance of the social aspect in developing business relations with Eastern-European customers, with R3 stating " *...you need informal interactions. Especially in these markets (Eastern-European markets), you need to build the relationship this way. They want that too* ".

In summary, this section has provided a brief and general explanation of our sample, as well as the context. It is apparent that Norwegian fish is popular among the chosen countries in our sample, and that pelagic fish is responsible for most of the export, due to a low price and

traditions. In the next section, we will present our findings and try to answer the research questions mentioned introductory.

5 - Analysis

This chapter explains the analysis of our gathered data throughout the interview process. The analysis will try to answer our two research questions stated introductory (1) “*How are dyadic relationships developed between Norwegian exporters and their Eastern European partners in the fishing industry?*” and (2) “*How does the social aspect affect these business relationships, from the Norwegian and the Eastern European view?*”. In order to answer these questions, the analysis section will be divided into two main chapters where findings regarding these questions will be presented. When referring to specific dyads and respondents, we will utilize the same name ID codes as presented in table 3.1. As previously mentioned, we identified several factors affecting the development of the relationships between the dyads, and through our analysis we evaluate these factors on a three-leveled scale: *strong, present and weak*. These will be further elaborated on in their respective sections.

5.1 - Development of Dyadic Relationships (The ARA-model)

This subchapter will try to answer the question first research question. Developing an understanding for how these relationships are formed and developed over time is key to gain a comprehensive understanding into how firms conduct business between Eastern Europe and Norway. Moreover, exploring the development of these dyads is a necessary step to our following research question regarding the social aspect. As evident through reading this master thesis, both research questions are strongly tied together.

In the analysis of research question one, we first identify what we will refer to as *affecting factors*. These factors were found to affect the development of business dyads on an inter-organizational level between dyads in our chosen context and are identified by our general findings from the ten interviews. Henceforth, the ARA-model provided by Håkansson & Snehota (1995) will be employed, dividing the *affecting factors* into three respective categories: *actor bonds, activity links, resource ties*, as shown in the table below (Table 5.1). A brief explanation of the factors identified are provided in the table below and will be further explained in the following section.

Table 5.1 - Affecting factors of the development of business relationships between Norwegian exporters and Eastern-European importers of fish

	INTER-ORGANIZATIONAL FACTORS AFFECTING DEVELOPMENT	BRIEF EXPLANATION OF THE IDENTIFIED FACTORS AND RESEARCHERS' EVALUATION OF ADEQUACY	DYAD ID
ACTOR BONDS	<i>Dependency & Interdependence</i>	<i>Strong</i> - Although considered as a simple commodity market, the fishing industry between Norwegian exporters and Eastern-European importers seem to have a varying degree of dependency, even some seeming to show characteristics of interdependence. Dependence can lead to partner preferences, interlocking the parties.	<i>D1, D2, D3, D5</i>
ACTIVITY LINKS	<i>Adaptations</i>	<i>Strong</i> - The three identified adaptations - <i>exclusivity in products, change of internal processes and joint problem-solving</i> - are all proof that a development in activity links have taken place within the business relationships. These work as lock-in effects in a simple industrial market.	<i>D1, D2, D3, D5</i>
	<i>Routinized Activities</i>	<i>Strong</i> - Routinized activities were found to be a key activity link that leads to an increase of certainty (cash-flow certainty).	<i>D1, D2, D3, D5</i>
RESOURCE TIES	<i>Intangible resources</i>	<i>Strong</i> - Intangible resources play a crucial role in the development of the relationship within a business dyad, whereas important and relevant information and knowledge is regularly shared between the involved parties. Two important elements of intangible resources were found: <i>sharing of market information & confirmation of market information</i> .	<i>D1, D2, D3, D5</i>
	<i>Tangible resources</i>	<i>Weak</i> - Tangible resources are hard to come across in the commodity market of trading fish. However, there seems to be a few examples of tangible resources being shared, such as the allocation of credit for customers, as well as the opportunity to buy more goods, when the relationship is developed.	<i>D2, D5</i>

5.1.1 - Actor Bonds

The affecting factor within actor bonds is identified as *dependency and interdependence*. Based on our collected data, dependency and interdependency cover the largest portion of our findings within actor bonds, and the factor is considered as having a *strong* effect on the development of the relationships. The key findings within this factor is explained in this section of the analysis.

Dependency and Interdependence

The first identified factor affecting the development of relationships in our chosen context is *dependency and interdependence*. Dependency seems to create a *lock-in effect* between the involved parties, and there are also differences in the balance of dependencies within the dyads. As will be apparent in this section, there are differing views on the matter from dyad to dyad. It is important to recall that actor bonds are concerned with inter-organizational relations, and not inter-personal relations (Bondeli, et al., 2018), which will be covered in chapter 5.2. Our data suggests that some exporters are more dependent on their importers (D3), some importers are dependent on their exporter (D1) and some achieving interdependence (D2; D5). In one case, we found no signs of dependence (D4).

First, in *dyad 1* (D1), although unbalanced in dependence, the stable and long relationship (R1; R2) along with the products offered have worked as lock-in factors in the dyad. The importer R2 explains how they have become dependent on R1 through their products, saying that “*Processors in Poland (...) don’t want to check what they get, for them it is very important to know how the fish can be skinned and how you can cut it. All this is very important to them*”. In this extract, R2 expresses that as a result of a long cooperation with firm A, R2’s customers (a third party) have become accustomed to technical data and packaging provided by firm A. R1 confirms this situation, describing a one-sided dependence in the case of R2. As such, the habituation of product offerings, combined with a long and stable relationship, has led to a strong one-sided dependence and partner preference for the importer (R2), affecting the actor bonds of the dyad.

As a contrast, *dyad 2* (D2) is quite interdependent, working as a lock-in effect for both parties. Both parties express that their partner firm is an important relationship (R3; R4). The relationship is relatively young, only working together for 3 years (R3). Interestingly, over

this short span of time, business has grown 400% (R3), and firm A has become R4's second largest supplier of fish (R4). As such, both parties expressed dependence to the partner firm, leading to an interdependent relationship in D2 with plans to increase dependence in the future (R4). As such, our findings suggest that the growth of business between the parties led to an increased interdependency, in which both have become preferred partners.

Opposite to D1, the dependency seems to be skewed towards the exporter (R5) in *dyad 3* (D3), rather than the importer (R6). R5 mentions that terminating the relationship with R6 would be hard as the importer would have to be replaced with many smaller importers. R5 also explains that the dependency is existent, but that R5 feels like R6 are reluctant of increasing their dependency. R6 confirms this, saying that they are not dependent on any of their suppliers. As such, our findings suggest that the size and ability of the importer (R6) to buy large shipments has led to a dependency on the exporter side (R5), making R6 a preferred partner to R5.

Finally, in *dyad 5* (D5), the involved parties seem to have very differing perspectives on dependency compared to the other dyads. When asking the exporter if they are dependent on R10, R9 implies that being dependent would not work. However, R10 expresses that they feel dependent on R9 as a supplier. Moreover, both actors share the same strategic approach of handling business relationships, focusing on long-term relations with strong ties and bonds (R9; R10). Thus, it seems like R9's statements are conflicting. However, our findings suggest that the dependency is skewed towards the importer (R10), though both inhabiting a preference for each other.

5.1.2 - Activity Links

The affecting factors within activity links are identified as *adaptations* and *routinized activities*. Based on our collected data, adaptations cover the largest portion of our findings within activity links, however, both factors are considered as having a strong effect on the development of relationships. The key findings within these factors are explained in this section of the analysis.

Adaptations

The first identified driver of the development of business relationships is the matter of *adaptations* in the involved parties' activity links. We were able to find three factors within the adaptations in activity links: (1) *exclusivity in products*, (2) *change of internal processes* and (3) *joint problem-solving*. Of these, *change of internal resources* and *joint problem-solving* were found to be strong adaptations, in turn leading to stronger activity links. *Exclusivity of products* were found to be present, though not considered a strong adaptation. Based on the accumulated findings in adaptations, the researchers' evaluation of adequacy found *adaptations* to be a strong influencing factor on the development of relationships.

Exclusivity in products

According to our data, exclusivity in products seems to be a *present* adaptation, affecting the development of relationships. Out of the five dyads, D2 and D5 have exclusive offerings. In D1, D3 and D4 we found no significant evidence of exclusivity in products taking place.

Within *dyad 2* (D2), there is evidence that exclusive offerings are taking place. Within the dyad, around 80% of goods exported are standardized and the rest are exclusive offers (R3). According to R3, exclusivity in offerings could provide new developments to the relationship. Moreover, exclusivity in products were noted as being beneficial for both parties in the dyad, as well as working as a *lock-in effect*, in turn increasing the dependence of the importer (R3). When explaining why exclusive products are important, R3 states that "...*they (R4) become dependent on us in a way*", later adding that "...*then, they (R4) want to return to us every year*". In this statement, it is apparent that R3 is aware that activity of offering exclusive products is an exploitable tool for developing the relationship with R4. Consequently, dyad 2 (D2) exemplifies exclusivity in products as an adaptation within activity links that aids the development of business relationships.

Finally, in *dyad 5* (D5) the exporter (R9) offers the importer (R10) a mix between standardized products and some exclusive products, noting that "*it could be both. Some (products) are standardized, and then we have some exclusive products that we produce for R10 based on our experience and knowledge*" (R9). It is also evident that these exclusive offerings are developed in cooperation with the importer (R10), as the two are working together to find new possibilities for the Ukrainian market (R9; R10). Moreover, due to the dyad's efforts of developing exclusive products, R10 has gained a "monopoly" of sorts in the

Ukrainian market. Thus, like dyad 2 (D2), the activity of offering of exclusive products seems to be an adaptation for both parties, leading to development of the relationship.

Adaptations of Internal Processes

Adaptations of the internal processes in a dyad seem to be a *strong* form of adaptation affecting the development of relationships in the fishing industry. One of the dyads display mutual adaptations (D5), some are skewed (D2; D3) or non-existent (D4; D1).

In *dyad 2* (D2), the relationship has developed into a more one-sided adaptation of internal processes in the perspective of importer (R4). R4 expresses that the relationship with firm A led to changes of their purchasing processes, as the importer learned how to grow their business, in turn leading to R4 importing more types of fish. R4 explains that the “...*purchasing process has changed. (...) We changed our vision about suppliers and purchasing*”. As such, D2 exemplifies a one-sided change in internal processes as a strong adaptation in activities.

Moreover, the importer-side (R6) of *dyad 3* (D3) has gone through adaptations of internal processes as a result of the relationship with their exporter (R5). Previously, the importer (R6) had a strong focus on being a producer of commodities but realized that a change was needed. Today, more processing takes place in Norway, performed by firm A (R5). Thus, the importer (R6) adapted their internal processes to the capabilities of their supplier (firm A). Moreover, there is some evidence of future adaptations on the exporter-side (R5). When talking about the possibilities of broadening their product offerings, R5 mentions a new project that they need the assistance of their importer to realize. By cooperating, firm A could develop new products if R6 were interested in buying this new product. If so, R5 confirms that there would be need for firm A to adapt their internal processes. Like D2, D3 also illustrates strong one-sided adaptations in internal processes, with future plans to make these adaptations more balanced.

Finally, *dyad 5* (D5) illustrates a case where adaptations are existent in both interacting parties of the relationship. The importer (R10) notes that the processes were adapted to fit Norwegian exporter (R9), as they “...*understand that the company (firm C) has different people and we can't have the same approaches as before*”. The exporter-side (R9) expresses that adaptations to internal processes have taken place, as they work closely to develop products together (R9). As such, D5 demonstrates the *adaptations of internal processes* as an important adaptation.

Joint Problem-Solving

Finally, another *strong* adaptation in the activity links between Norwegian exporters- and Eastern-European importers of fish is *joint problem-solving*. We choose to call this term *joint problem-solving* as it incorporates certain activities firms perform together to solve problems. Our findings suggest that four of the five dyads use their relationships to solve problems in cooperation (D1; D2; D3; D5). By solving problems in cooperation, the dyads achieve adaptations in activity links.

In *dyad 1* (D1) there are few examples of joint problem-solving. The importer (R2) explains that they occasionally get assistance from the exporter (firm A) to alter their packaging and cuts, enabling the importer to sell directly to restaurants and stores. Moreover, the dyad tests new products together, and “... *from time to time try to find something new that can support our cooperation*” (R2). Thus, D1 illustrates limited joint problem-solving, representing small adaptations in the dyad’s activities.

Similarly, *dyad 2* (D2) is working closely together to test new products that could fit the Latvian markets (R3). Accordingly, this requires a good relationship (R3). The exporter (R3) expresses that they are currently working on a few different projects where the importer (R4) is especially important to assess the market opportunities for new types of fish. Hence, testing products in cooperation is an important adaptation, strengthening the dyad’s activity links.

As previously mentioned, *dyad 3* (D3) implies plans to expand their product portfolio with a new facility, in which firm A needs assistance from two to three importers to buy this new fish (R5). One of these key importers would be R6, with R5 explaining that they could make it work with them, stating “...*It would in our perspective be a win-win (situation) because we are interested in someone that could buy a specialized product*”. Consequently, there is evidence of potential plans to use the relationship as a tool to cooperatively solve problems in D3.

In *dyad 5* (D5), joint problem-solving is evident. Like the previous dyads, the importer (R10) explains that they are working with firm C to test new products, which happened as the relationship of D5 developed. This is confirmed by R9. An interesting finding is that R9 mentions that they have done certain adaptations over time to achieve cost-savings, with R9 stating: “...*this way you can develop some kind of win-win situation, where you can do*

certain adaptations in the facility to save unnecessary costs". Hence, our findings suggest that D5 has strong adaptations in the activity of *joint problem-solving*, strengthening activity links.

Routinized Activities

The second identified factor *strongly* affecting activity links between Norwegian exporters and Eastern European importers is the matter of *routinized activities*. The most prominent routinized activities seem to be *off-season planning* and *frequent business communication*, which will be explained below. Another interesting finding is that *routinized activities* can lead to *certainty*. Our findings suggest that most of the dyads have strengthened their activity links and certainty through *routinization of activities* (D1; D2; D3; D5).

In *dyad 1* (D1), routinization of business communication allows for more certainty and stronger activity links among the involved parties. The importer (R2) explains that contracts between the parties are used to plan future shipments. The exporter (R1) notes that frequent business communication improves certainty; *"It is very important to be in contact with customers frequently. Especially if customers have outstanding receivables, it is important to know if they're still alive and if they have activity. If there is no activity, you can't expect to get your receivables paid, and usually we're talking large sums of money"*. Therefore, frequent business communication can counteract large losses. Our findings suggest that frequent business communication has become routinized in D1, leading to stronger activity links and cash-flow certainty.

Similarly, in *dyad 2* (D2), contractual-based trade is routinized. The exporter (R3) explains that *"...normally, we start the year with them having a contract based on 6-7 months. So, if they (R4) say that they have a long-term contract with a customer with 200 tons of herring, we often do the contract in January"*. In this extract, R3 explains that D2 performs routinized *off-season planning*. Hence, performing contractual-based trade seem to be routinized, in turn strengthening activity links. By planning, the parties also gain *cash-flow certainty* (R3).

Much like D1 and D2, reduction of uncertainty and strengthening of activity links as a result of routinized activities, are also mentioned within *dyad 3* (D3). The exporter (R5) is aware of the importance of planning next season before it begins (R5). R5 also emphasizes that this provides predictability in their cash-flow, as they have the products ready as agreed

beforehand. Thus, our findings suggest that the off-season planning in D3 is a routinized activity, leading to stronger activity links and uncertainty reduction.

Finally, in *dyad 5* (D5), much like in the other dyads, off-season planning seems to be an important routinized activity. The importer (R10) expresses that they provide the exporter with their needs before the season starts, making it possible for the exporter (R9) to fulfill the orders. The exporter confirms this, explaining that they sort out planned shipments before the season starts. As such, D5 has routinized and planned their shipment schedule in the off-season, leading to stronger activity links and improves *cash-flow certainty*.

5.1.3 - Resource Ties

The affecting factors within resource ties are identified as *intangible resources* and *tangible resources*. Based on our collected data, intangible resources cover the largest portion of our findings within resource ties. Tangible resources are limited. Consequently, tangible resources - like monetary investments - seem to be out of the question in this context. However, increased credit is found to be relevant for mutual growth within the dyads.

Intangible Resources

Firstly, our findings suggest that the first identified factor affecting resource ties is *intangible resources*. The most observed intangible resources in the fishing industry concern the *exchange of relevant market information and knowledge*. Moreover, this information seems crucial for the development of each independent business, and for the dyadic relationship between exporter and importer. The respondents emphasized two connecting factors regarding the *exchange of market information and knowledge* within the dyads; (1) *access to relevant market information* and (2) *confirmation of the information shared*. Access to relevant market information is considered as a *strong* factor, whereas *confirmation of the information shared* is considered as *present*. However, the accumulated results from both factors into intangible resources are evaluated by the researchers to be *strong*.

Access to Relevant Market Information

Our findings suggest that four dyads (D1; D2; D3; D5) express a high level of information sharing within their relationships, whereas this is absent in *dyad 4* (D4). The respondents explain different types of *relevant market information* to gain from the business relationships.

For instance, market information about competitors, and market-and product positioning are some of our findings represented below. One of the main benefits of information sharing is the ability to grow the business, -both mutual and independent growth.

The respondents of *dyad 1* (D1) express that relevant market information is crucial in the way of forecasting what to expect in the future (R1; R2). For instance, the importer (R2) implies that there is continuous communication about the development of the market. Moreover, the exporter explains that they talk about the current situation as well as expectations of trade in the future (R1). In this case, R1 also highlights the current situation of Covid-19 to emphasize the importance of sharing market information in order to coordinate future trade. The exporter adds that information about competitors in Norway can be acquired through the relationship, which seems relevant for forecasting of the market *“We gain knowledge about what our competitors in Norway offer. Based on this, we get information about market prices and our competitors’ price levels. This is important information for us”* (R1). Consequently, our findings suggest that the sharing of relevant market information is a key intangible resource for both parties in D1.

Similarly, *dyad 2* (D2) illustrates a situation where market information is used as an intangible resource to expand business operations. In the case of D2, the importer (R4) explains that the exporter (firm A) has assisted in providing relevant market information when R4 wanted to expand the operations to new countries, in which firm A had substantial experience. Moreover, R3 describes the importer as an open customer who is a willing participant in sharing relevant information across markets. The exporter (R3) adds that *“...this is my way of working in all markets, -in the way of building a relation with one customer that gives you the most information you can get from that market”*. Thus, the data suggest that relevant market information has played a significant role for the importer (R4) and exporter (R3) in D2, representing an intangible resource.

In *dyad 3* (D3), both parties seem to agree that they receive relevant information through the relationship. Examples are found to be information on *market situation, volume situations, quotas, prices and future opportunities* (R5; R6). Furthermore, the importer (R6) states that mutual exchange of knowledge invites both parties to acquire information about supply and demand in the markets, stating that *“R5 gets to know from my side, and the other way around. R5 knows about the demand, and I know about the supply”*. Finally, the exporter (R5) notes

that the relationship with R6 can disclose situations in the Eastern European markets that have not been discovered by firm A before. As such, our discoveries demonstrate many functions for relevant market information in D3, emphasizing the importance of sharing intangible resources.

In *dyad 5* (D5), the exporter (R9) explains that information received from the dyadic relationship is crucial because; «*it is very important that we have a great long-term forecasting of the market*». Moreover, R9 emphasizes that exchange of business-related information is dependent on direct contact between the seller and buyer. R10 agrees with these statements, claiming that exchanged information within the dyad is important for the operation of the importer's company (Firm C). Finally, R9 also claims that their business operations are dependent on market information for future positioning matters. Consequently, the findings suggest that the parties in D5 gain access to relevant market information (intangible resources), functioning as a tool for forecasting, positioning and improved operations.

Confirmation of the shared information

Our data imply that another *present* factor affecting the sharing of intangible resources is the *confirmation of the information being shared*. According to our findings, shared information can be revealed as true or false, of which the latter can perform as devastating for business operations. One way to discover false information is by asking other market participants or your partners' colleagues to confirm or deny the information shared from business relationships. We were able to identify evidence for this in D1, D2 and D5.

The exporter (R1) of *dyad 1* (D1) explains that involving a wide range of people can help separate true and false information acquired in the market. As such, R1 implies that one should take information acquired from other parties in a dyad "with a grain of salt", and search for confirmation by other actors in said dyad or network.

R3 from *dyad 2* (D2) explains that the credibility of the information is more likely to increase if other market participants are able to confirm the information shared; "*If you can base the information you get from six to seven customers in the same market, it will be easy to evaluate if the information you get is true*". Like D1, our data suggest that involving more actors may increase the credibility of the intangible resources being shared.

The Norwegian exporter (R5) of dyad 3 (D3) supports the aforementioned statements and emphasizes that confirmation from other actors within the market strengthens the trustworthiness of the shared information *“They are one of many actors that are important for us, and the combined communication we have with the large actors in the market makes it possible for us to position ourselves. That is, if the information we get from this company is equal to the information we get from two other actors, we will feel even safer to believe that the information is correct.”* (R5). Hence, similarly to D1 and D2, the data from D5 also suggest that combining the information makes the information more trustworthy, improving the quality of the intangible resources.

Tangible resources

The data collection shows limited findings related to the adaptations of tangible resources within the dyads. The partners are continuously discussing market price, whereas money is, obviously, the most exchanged tangible resource. However, R1 (D1) explains that the discussion about price is not always necessary to negotiate because of small variations within the market price. In this case, R1 states that *«It’s a very small difference between the customers. Especially if you look at one importer, the market prices are very flat. The possibilities are too tight to accomplish large differences between prices”*. Moreover, prices are mostly determined by the demand and supply within the market, which makes it hard to negotiate by the importer and exporter.

Another tangible resource found in two dyads (D2; D5) is the matter of *credit* earned through the dyadic relationship. In dyad 2 (D2), the exporter (R3) explains that their stable relationship makes it possible for the importer (R4) to earn credit through the trading *“Because the relation with R4 is so good, I have slowly increased the credit when looking at a certain volume. It started at zero and now we are up against several million NOK or something”* (R3). Furthermore, R3 emphasizes that increased credit is based on other crucial factors within the relationship, such as trust. This will be discussed in the next chapter. Moreover, the exporter (R9) of dyad 5 (D5) also states that credit access is built on trust *“It starts with cash for delivering goods. Then, we get to know each other, and the relationship starts to grow. With this you start giving them credit with the same terms as Europe”*. Finally, R9 explains that higher credit is a result of a developed relationship that is worth trusting.

5.2 - The Social Aspect of ARA

Our second research question - “*How does the social aspect affect the development of the dyadic relationships between Norwegian exporters and Eastern European importers of fish?*” - is built on the social aspect of the ARA-model. As such, we are analyzing factors found in the connection between a seller and buyer which are affecting the social aspect of a dyadic relationship. Our findings are based on theoretical concepts provided by Bondeli et al. (2018), hence, we are presenting several factors affecting *social connections*, *social practices* and *social capital*. Table 5.2 presents these factors found within each component of the social aspect.

Table 5.2 - Social factors affecting inter-personal relations within the dyads

	SOCIAL FACTORS AFFECTING INTER-PERSONAL RELATIONS	BRIEF EXPLANATION OF THE IDENTIFIED FACTORS AND RESEARCHERS’ EVALUATION OF ADEQUACY	DYAD ID
SOCIAL CONNECTIONS	<i>Informal interactions</i>	<i>Strong</i> - The respondents express how their interactions are performed within their dyad. The analysis suggests five identified factors that influence these interactions; <i>treatment of each other, replacement of new partner, duration of the relationship, informal communication, and common interests.</i>	<i>D1, D2, D3, D5</i>
	<i>Mutual trust</i>	<i>Strong</i> –The respondents emphasized <i>experiences</i> and <i>expectations</i> as the most frequent factors when expressing what their trust is based on. They further explained several factors affecting their trust within the dyadic relationship, and <i>mutual trust</i> were found in every dyad.	<i>D1, D2, D3, D5</i>
SOCIAL PRACTICES	<i>Informal activities</i>	<i>Strong</i> – The respondents express how many times they arrange physical meetings through the year. Furthermore, what -if there is any- social activities they perform when meeting in person. They also express how these activities affect the inter-personal relationship.	<i>D1, D2, D3, D5</i>
	<i>Maintenance of inter-personal relations</i>	<i>Strong</i> - Two out of five dyads explain that they put a lot of personal efforts into the maintenance of their personal relationship. The respondents express <i>frequent communication</i> and <i>personality factor</i> as strong driver for maintenance of inter-personal relations.	<i>D1, D2</i>

SOCIAL CAPITAL	<i>Partner expectations</i>	<i>Weak</i> – The respondents were asked to explain their personal expectations to partners; hence, development of social relations is recognized as the most frequent answer. However, our data collection shows mostly information about inter-organizational expectations rather than inter-personal, hence expectations is rated as <i>weak</i> .	<i>D1, D2, D3, D4, D5</i>
	<i>Shared resources</i>	<i>Present</i> – According to shared resources, the respondents expressed their willingness of sharing everything they know about the market and/or other actors, or if they are careful not sharing to much information. According to favors and flexibility, only dyad 2 (D2) performs inter-personal performances. Further, some respondents expressed limited information regarding shared resources, whereas the overall connection between shared resources and social capital is perceived as <i>present</i> .	<i>D1, D2, D3, D4</i>
	<i>Perceived importance of social capital</i>	<i>Strong</i> – As an additional factor, the respondents were able to express their own opinion regarding the importance of social components within their business relationship. The most frequent answer is that social components are crucial for long-term cooperation and relation growth.	<i>D1, D2, D3, D5</i>

5.2.1 - Social Connections

According to the social aspect of ARA, we were able to identify two factors affecting social connections: *informal interactions* and *mutual trust*. Our findings suggest these factors as strong drivers for social connections, hence building inter-personal relations within a dyad.

Informal interactions

The first social factor influencing social connections is *informal interactions*, which consists of *perceived treatment of each other, replacement of an existing partner, informal communication, duration of the relationship* and *common interests*. These drivers influence the frequency and development of social connections between the parties of the dyad.

Furthermore, four out of five dyads (D1; D2; D3; D5) express a strong involvement of informal interactions, however, not every dyad includes all the drivers mentioned above.

Dyad 4 (D4) stands out from the other dyads because of absent informal interactions.

Regarding replacement of an existing partner entering the dyad, the respondents within *dyad 4*

and *dyad 5* (D4; D5) have remained unchanged throughout the duration of the relationship. Further, the dyads expressing informal interactions are creating inter-personal relationships in order to affect inter-organizational functions (ARA), which will be discussed in the next chapter.

First, the respondents of *dyad 1* (D1) have interacted for about 10 years. The relationship started when both the sales- and purchasing representatives were changed at the same time, going from a few trades a year to becoming strategic partners (R1; R2). Furthermore, built on their long-term cooperation and frequent communication, both respondents characterize their relation as a friendship (R1; R2). This informal communication is expressed to be a strong driver for social connections, and thus has been crucial for becoming strategic partners. R2 describes a typical conversation with R1: *“When we’re talking, we never only discuss business. We ask each other about the weather, and our holiday plans. Especially now with the corona virus in Norway and Poland there are different things to discuss. Not only formal things”*. In the case of D1, informal conversations are connected to maintenance of social connections, and supports formal business conversations.

Second, the relationship of *dyad 2* (D2) started about 3 years ago when R3 took over the position as a sales representative. After the takeover, R3 states that the relation has developed by *“...400% and is now our largest customer in this market”*. From the buyers’ side, R3 is fighting to become their largest exporter firm, showing the effect a new partner has on the development of a dyadic relation. Further, both respondents define their interaction as informal business relationships, hence R4 emphasizes the importance of separating personal - and business-related conversations: *“When it’s business it’s business. Personal relationship is going down. In doing business it is very important to keep it this way, but when we are meeting informally, he’s like a friend to me”*. R3 explains that every conversation includes both informal and formal topics (R3), of which a balance seems important for creating a social environment within their dyad. Concerning the perceived treatment of each other, R3 states the social component, *honesty*, as a strongly affecting driver for the overall relationship: *“We treat each other fair, open and honest. The most important thing for me is being honest. If you hide something... Then the relationship is over”*. Both respondents emphasize their common interests having a positive impact on their informal interactions and that they are working on finding new common interests (R4). In summary, the respondents of D2 express a

conscious maintenance of their informal interactions, which seems to have a strong impact on their social connection.

The relationship between R5 and R6 (D3) started when R5 entered the dyad, and they have been in direct contact for about 1,5 years. After the takeover, they have achieved relational growth within the dyad due to increasing interactions between the parties (R6).

Communication is stated to be informal (R5; R6), with the importer explaining “*It’s informal for sure. We have jokes. It’s a nice and good communication. I’m not afraid to call or write to her. It’s a friendly communication*”. Based on these statements, their informal communication is expressed as a strong driver for social connections, and it seems to have created a sense of safety within the dyad, in turn improving the relationship. Even though they have quite a common understanding of the communication, it seems to be some contradictory perceptions of their common interests. Moreover, R5 describes the interests as limited due to cultural differences, such as living in different countries and speaking different languages. However, R6 further notes that they have a lot of common interests. Based on these contradictory perceptions, common interests seem to have a lower impact on social connections within D3.

The firms within *dyad 4* (D4) have been in contact for over 21 years, however, this specific buyer-seller relationship has been going on for 1 year. The Norwegian exporter (R7) is unsure how to characterize the communication and believes it is somewhere between formal and informal. Due to their short-term cooperation and the absence of informal interactions, the results indicate no influencing factors on social connection within dyad 4 (D4).

Finally, the parties of *dyad 5* (D5) met at a fish exposition in Brussels and have been interacting for about 9-10 years. The parties explain that their social relationship is built on informal communication (R9; R10). Moreover, the importer (R9) describes the communication as informal and formal: “*When we talk, we talk about interests and family, but when we’re having business meetings it’s hard to find time for that. But when we met, or talk on the phone, we talk about personal things and interests*”. R9 adds that informal conversations support formal business interactions in a positive manner (R9), making informal communication a strong driver for social connections within *dyad 5* (D5). Regarding common interests, R10 implies some limitations due to cultural differences, and the component seems to have a low impact on social connections between R9 and R10.

Mutual trust

The second factor affecting social connections is *mutual trust*. We were able to find several drivers affecting the trust: *expectations and experiences, social relations and commitment, honesty, and behavior*. These drivers seem to have strong, mostly positive, effects on social connections between the parties involved. Furthermore, the respondents (D1; D2; D3; D5) express their trust to be based on expectations and commitment, and all respondents believe that the trust is mutual within their dyad. On the other hand, the respondents within *dyad 4* (D4) is excluded from this section because they express a low consciousness regarding what their trust is based on.

First, the respondents of *dyad 1* (D1) states their trust to be built on previous experiences and future expectations within the dyadic relationship (R1; R2). The meaning behind *experiences* is explained as “*doing what’s promised*”, and the exporter further expresses *honesty* as a strong driver for building trust to your partner (R1). Furthermore, *honesty* is related to expectations in the way of being honest when problems arise. In the case of acting dishonestly, the effect on trust-building often leads to negative outcomes. In fact, it could destroy the social connection (R1). Mutual commitment through a long-term cooperation is also mentioned as a driver for trust within this relationship (R1; R2), with R2 stating that “*...trust is also based on long cooperation, and we have solved so many problems together. You start trusting people through doing business together*”. Finally, R1 expresses that mutual trust is strongly affecting social connections, and when the trust is absent, there will be no relationship to maintain.

Next, according to the exporter of *dyad 2* (D2), a social relationship is crucial when building mutual trust. Both respondents emphasize that trust is based on previous experiences and future expectations, with R3 adding “*Activity and actions lead to trust. When you’re saying one thing, and doing something else, it’s bad. If you do something as promised, then I will increase my favors. That can be more credit or keep some information just between R4 and me*”. Based on this statement, accomplishment of expectations increases future performance of favors, which in turn increases social interactions based on that underlying trust. After the takeover, R3 explains that the trust has increased from 20% to 90%. In accordance with the experienced relational growth, mutual trust seems to be a strong driver for social connections. In addition, the mentioned factors influencing the trust serve benefits for the parties involved, which may create a lock-in effect in order to keep the promises made.

Similarly, mutual trust is found within *dyad 3* (D3) as well. R5 emphasizes the development of long-term relationships as a strong driver for increasing mutual trust and avoiding risk when entering a new relationship: *“It’s very difficult to know if you can trust them when you’re starting a new relationship, and it leads to higher risk. You have to have a certain degree of certainty, and that the agreement is being fulfilled”*. R5 and R6 both explain that trust is based on experiences and expectations, where R6 states that experiences are built on problems they have solved together in the past, and expectations are related to the accomplishment of agreements (R6). Moreover, R5 adds that *“Looking at how they act, and how they behave when we’re meeting in person is important when building trust. It’s mainly about doing what we agreed and being honest when problems arise”*. With this statement, the Norwegian seller emphasizes *behavior* and *honesty* as additional drivers for trust building within *dyad 3* (D3). *Behavior* is a personality factor which tends to influence cultural difficulties between the parties, hence it is a strong factor for building trust.

Finally, the respondents of *dyad 5* (D5) are both relying their trust on experiences and expectations (R9; R10). Regarding experiences, R9 states that *“What’s said must be done. If the trust is abused, there will be no relationship”*. In other words, trust is a strong driver in preserving the relationship within *dyad 5* (D5) as well. According to R9 and R10, another factor related to mutual trust is commitment, which in turn affects the risk of financial loss (R9). In this case, trust and expectations tend to create a lock-in effect of commitment that may result in financial losses or benefits. Furthermore, these financial losses may arouse a fear of greater financial declines, which in turn may result in a decrease of commitment and social connection within the *dyad* (R9). In order to avoid negative effects between inter-personal and inter-organizational factors, R9 states *“...therefore, you can’t commit yourself too much to the customer, which makes you sit with the loss if things happen”*. Moreover, there should be a balance of commitment involved to avoid risk within the relationship.

5.2.2 - Social practices

According to our findings, two strong affecting factors for social practices were identified: *Informal activities* and *maintenance of inter-personal relations*. Informal activities are often performed when the parties arrange physical meetings and performs social activities beyond business related practices. The second factor, maintenance of inter-personal relations, includes the respondent's personal efforts in maintaining and developing the relationship.

Informal activities

The first factor of social practices is informal activities performed to achieve relational growth and greater performances. Moreover, our findings suggest that physical meetings are a frequent informal activity affecting social practices. The respondents within four out of five dyads (D1; D2; D3; D5) arrange physical meetings and informal activities several times a year. However, the exporter and importer of dyad 4 (D4) have never met in person, hence the exclusion of D4 in this section. Regarding online communication, every dyad usually communicates through the seasons, or when there is available fish to buy or sell.

The exporter and importer of *dyad 1* (D1) arrange physical meetings 1-2 times a year, otherwise, they communicate through phone and email. When talking about physical meeting, R1 explains that *“It’s mostly at fish expositions you meet your customers, or in the cities where they live. It’s time consuming, but I have visited their office”*. In addition, physical meetings are expressed to have a strong impact on further online-communication and determination of agreements (R1). Furthermore, the respondents explain that informal activities besides business meetings strengthen the development of social relations and future performance within the dyad (R1; R2).

The parties of *dyad 2* (D2) are speaking on the phone every weekday and arrange physical meetings 3-4 times a year (R3; R4). The relationship includes informal activities and special treatment related to the increasing development of the social relationship and performance the past year (R3). R3 adds that *“...when R3 is visiting our company, we start with a meeting at my office, then it’s dinner and “bar to bar”. Always. But this is something I only do with this partner. Not with everyone”*. The importer adds that their common pleasure of drinking is a common informal activity within the dyad: *“We like to drink. After business meetings we’re going to a restaurant and then to a bar”*. Interestingly, to emphasize the strong connection between the development of social relationship and informal activities within *dyad 2* (D2), R3 is invited to R4’s wedding, without a business-related intention behind it (R4).

Like the previous dyads (D1; D2), the respondents of *dyad 3* (D3) also arrange physical meetings 2-3 times a year. In addition, they are mostly communicating through the seasons when there is available fish to negotiate. When they are meeting in person, the informal activities are quite limited to eating lunch together (R5), and they are usually meeting at

business places (R6). However, R5 states that physical meetings have a positive impact on their communication efficiency.

The exporter and importer of *dyad 5* (D5) arrange physical meetings 1-2 times a year, of which their usual meeting places are at fish expositions or in Norway. R9 emphasizes the importance of physical meetings, stating “*It’s very important because we get to observe how people behave*”. As such, *behavior* indicates how to cooperate and interact together, which is a strong driver for their performance, in turn building knowledge together (R9). In addition, informal activities support social practices in getting to know each other on a personal level (R10).

Maintenance of inter-personal relations

The second factor of social practices is maintenance of the relationship, where the respondents explain personal effort in both maintaining and developing the business within their dyads. Our findings indicate some variations of performed efforts within the dyads, however, *frequent communication and the arrangement of physical meetings* are expressed to be strong drivers for maintenance of inter-personal relations. Three dyads reflect no willingness (D4) or limited explanation (D3; D5) regarding their personal efforts put into the maintenance of its relationship, however, the remaining dyads (D1; D2) explain their efforts below.

First, regarding personal efforts in the development of *dyad 1* (D1), the exporter states frequent communication as one factor: “*If I haven’t talked to the buyer for a while, then I’m calling to get an update... It also includes asking about personal stuff*” (R1). Furthermore, planning and execution of physical meetings is expressed as a strong driver for maintenance of the relationship (R1). Physical meetings strongly affect the development of a long-term cooperation (R2).

Second, the only thing the Norwegian exporter (D2) emphasizes when talking about maintenance of the relationship is *honesty* and *kindness*, which usually has a strong impact on the cooperation between the parties involved (R3). R4 explains that relational growth is important due to future performances: “*If the relationship with R3 was bad, then the work would not be good*”. That is, every party should focus on developing the social relations to create a good cooperation (R4).

5.2.3 - Social capital

The identified factors of social capital are *expectations* and *shared resources*. In addition, *perceived importance of social relations* is the respondent's personal opinion regarding the importance of social components within their dyadic relationship.

Partner expectations

The first factor of social capital is *expectations*. Unfortunately, the connection seems to be *weak* as the respondents were more focused on expectations related to business rather than their partner. However, future development of social relations is the most frequent driver for expectations expressed by the respondents.

Within *dyad 1* (D1) the expectations are related to the development of a long-term relationship in order to strengthen the cooperation between the parties involved (R2). The importer of *dyad 2* (D2) is expecting to develop the private side of the relationship, such as common interests, and become even better friends in the future (R4). Regarding partner expectations, the importer (R6) within *dyad 3* (D3) states “*I usually expect to get correct information...and a nice person to talk with*”. Moreover, sharing correct information to partners is strongly related to social capital within a dyadic relationship. Within *dyad 4* (D4) the exporter (R7) expresses *mutual respect* as the most important factor when talking about expectations to its partner. Finally, the Norwegian exporter (R9) of *dyad 5* (D5) expects its partner to behave and fulfill promises. Moreover, this will help the relationship grow (R9) and create mutual benefits for both of the parties involved (R10).

Shared resources

The second factor of social capital is about willingness to share knowledge about the market and/or other actors (competitors). The respondents of the dyads (D1; D2; D3; D5) are willing to share knowledge, however, some are careful not oversharing in order to protect their business and reputation. Within *dyad 1* and *dyad 2* (D1; D2), our findings suggest that *shared resources* is a *strong* affecting factor for social capital, however, the respondents of *dyad 3* (D3) express a *present* connection. Unfortunately, the respondents of *dyad 5* (D5) shared limited information regarding this factor and is therefore excluded from this section. Also, the exporter and importer of *dyad 4* (D4) indicate a contradictory understanding of the information shared between them. Regarding favors and flexibility within the relations, most

of the respondents performs business related favors, except from *dyad 2* (D2), which is the only dyad performing personal favors. In this case, our findings suggest a *weak* connection between inter-personal related favors and social capital. Summarizing, our discoveries demonstrate the overall connection between shared resources and social capital as *present*.

First, the seller (R1) within *dyad 1* (D1) expresses that honesty is important, however noting that one should be careful not sharing everything one know (R1). Further, a relation opens for the opportunity to become a market participant, which in turn is crucial in gaining access to resources and attract new customers (R1). This statement expresses the access to resources as a strong driver for social capital within the dyad. The exporter also states that without a relationship, you will not be a “player in the game” anymore, hence making it difficult to gain access to valuable resources (R1).

Next, according to willingness of sharing knowledge and information with its partner, the Norwegian exporter of *dyad 2* (D2) is more or less an open book (R3). The importer supports this and explains “*If my partner has questions about something I know, I will help. For example, R3 can ask questions about a company in our region when evaluating to start trading with them or not. I will tell if the company is good or bad. I can also say that R3 should work with me, then I sell to them*”. That is, their intention behind information sharing is not only regarding their own relational growth within the dyad, but they are also willing to help each other to create new relationships with other actors. Consequently, our analysis suggests a causality within dyad 2 (D2) where information sharing tends to strongly affect the creation of social capital between the parties. The respondents are also performing inter-personal favors beyond the business constraints, which seems to have a positive impact on their social relation. According to these favors, R3 explains “*yesterday, for instance, R4 called me and said that his customer, that I don’t know, hadn’t paid for the delivery. Then I called the customer and told him to pay. That’s favors I can perform*”.

Moreover, respondent R5 (D3) is reluctant to sharing too much information with partners. Further, the exporter (R5) states “*I will rather give advice and my own opinion about the market. If you have a product that you need to sell, it’s maybe not the best way telling straight that you’re struggling to sell it*”. In this case, the radiate of confidence is essential when attracting new customers and sustain a good reputation (R5). On the other hand, the importer (R6) emphasizes that being an open book is crucial in order to obtain valuable information

and evaluate if it is true or false. Consequently, both respondents are willing to share some degree of market information to their partners, hence, obtain social capital.

The respondents of *dyad 4* (D4) express contradictory perceptions of the knowledge sharing within the relationship. R7 states that *“I’m willing to share knowledge with R8, however, I don’t get a lot in return. I get information via online market reports”*. Remarkably, the importer (R8) expresses a willingness to share information about the market. These findings suggest a weak connection between resource sharing and social capital within D4.

Perceived importance of social relations

As a summary of the social aspect, the respondents describe their perceived importance of social relations within their dyadic relationship. Four out of five dyads (D1; D2; D3; D5) express several affecting factors of social relations that are strongly affecting their interactions. The respondents of *dyad 4* (D4) express limited involvement of social components and are therefore excluded from this section.

First, regarding perceived importance of social relations, the importer (R1) of *dyad 1* (D1) states that *«It’s much easier to maintain the contact if the relationship is uncomplicated. That’s why the social component, and the contact you have with your partner, it’s very important.»* Moreover, a good relation creates confidence between the parties involved, which is crucial for supporting each other when problems arise (R1). The importer (R2) explains that the social component is an important factor of maintaining the close cooperation and achieve rational growth, as well as enjoying going to work every day (R2).

Moreover, the exporter of *dyad 2* (D2) states that social relations are important in order to create a long-term cooperation and to obtain mutual trust within the dyad (R3). Further, R3 emphasizes that long-term cooperation is a proportional factor with being confident with its partner, which is strongly related to rational growth (R3). R4 states that the social component is the most important factor within this specific relationship, hence it will enable them to achieve great success in the future (R4).

Further, R5 (D3) states its perceived importance of social relations as an important driver for problem solving. In addition, the exporter explains that *“...if a customer has 3-4 potential suppliers, then he maybe chooses the one he has the best relationship with”*. That is, social

components within relations can be used as competitive advantages, hence the possibility of creating mutual benefits arise (R5). Furthermore, these findings suggest a strong connection between social relations and gaining access to valuable resources.

The exporter within *dyad 5* (D5) states that R10 is an important partner and emphasizes the social aspect as a strong component for future development and growth within the dyad (R9).

6 - Discussion

In this chapter, we discuss our findings from chapter 5. The structure of the chapter will be structured according to the research questions. This discussion will be fundamental for a new proposed framework, combining the inter-organizational- and inter-personal aspects in dyadic relationships, presented in subchapter 6.3. Finally, this revised model is an attempt to combine the inter-personal and inter-organizational theory presented in our theoretical framework to extend the *Stages of Development model* (Håkansson & Ford, 2016).

6.1 - Development of Dyadic Relationships (The ARA-model)

In this section, we will discuss the first research question: “*How are relationships developed between Norwegian exporters and Eastern European importers of fish?*”. First, we discuss the identified affecting factors. Thereafter, the dyads can be inserted into the Stages of Development model (Håkansson & Ford, 2016), illustrated in table 6.1 in order to assess how the dyadic relationships are developed.

Identified Affecting Factors

According to Håkansson & Snehota (1995), all firms are surrounded by interdependencies affecting the development of the relationships (Håkansson & Snehota, 1995). In our findings, we identified *dependency & interdependency* as strong affecting factors for the development of a dyadic business relationship, as well as interlocking the parties. This corresponds with previous research. An interesting finding, however, is that the dependency does not need to be mutual in order to develop the relationship.

Moreover, Mattsson (1989) found that adaptations are prerequisites of the development of a dyadic relationship. Mutual adaptations also bind the firms together (Håkansson & Snehota, 1995). In the analysis, we found that *adaptations* strongly affect the development of the dyads, as well as inter-locking the parties in the dyad, which is consistent with previous research. Interestingly, we identified the three most common types of adaptations in our chosen context; *exclusivity in products, change of internal processes* and *joint problem-solving*, adding to the current understanding of the Norwegian and Eastern European fishing industry.

Next, *routinization* may lead to an institutionalization of a business relationship (Håkansson & Snehota, 1995), hence developing the relationship. Our findings suggest that *routinization of activities* is a strong affecting factor for the development of relationships, which corresponds with previous research. An interesting finding is that *routinization of activities* leads to improved certainty (especially cash-flow certainty) between the dyads.

Finally, *tangible and intangible resources* are exemplified as important resource ties (Håkansson & Snehota, 1995). In our analysis, *tangible resources* were found to be close to absent, which could be consistent to the classification of the fishing industry as a simple commodity market and the few possibilities to develop a stronger relationship (Håkansson & Ford, 2016). However, *intangible resources* were found to be a strong resource tie, affecting the development of dyadic relationships, which corresponds to previous research. Additionally, we identified two common applications of intangible resources in the Norwegian and Eastern European fishing industry: *access to market information* and *confirmation of market information*.

Stages of Development

In this section, we insert the five dyads into the *Stages of Development model*. The criteria for judging these dyads are discussed in this section, and the framework includes the ARA-model and a few inter-personal factors (Håkansson & Ford, 2016). The reasoning for the insertion of the dyads into the different development stages is given in table 6.1. As evident in table 6.1, the dyads exhibit different levels of development, however, the majority of the dyads are highly developed.

Table 6.1 - Stages of Development in the Five Dyads (Håkansson & Ford, 2016)

Dyad	(1) Simple Exchange Episode	(2) Evolving Exchange Episode	(3) Offering-oriented Relationship	(4) Long-term Oriented Institutionalized Relationship	(5) Close-cooperation Institutionalized Relationship
Dyad 1 (D1)			Few adaptations, but performs joint-problem solving, relationship leaves traces in offerings		
Dyad 2 (D2)					(1) Deploys multiple resources, activities and actors, (2) exclusive offerings, cooperative product development and learning through information sharing, (3) mutual commitment, trust and cooperative intent, (4) balanced adaptations
Dyad 3 (D3)				(1) Interlocking through <i>dependency/interdependence and adaptations</i> , (2) ties, bonds and links are strong which... (3) leaves traces in the dyad's resource constellation, activity structure and organizational structure	
Dyad 4 (D4)	Few ARA-components, No changes in internal processes				
Dyad 5 (D5)				(1) Interlocking through <i>dependency/interdependence and adaptations</i> , (2) ties, bonds and links are strong which... (3) leaves traces in the dyad's resource constellation, activity structure and organizational structure	

First, *simple exchange episodes* are short-term focused single transactions, leaving no traces in the firms' resources, but can take place in an organized system (Håkansson & Ford, 2016). In our case, *dyad 4 (D4)* is considered a *simple exchange relationship* (table 6.1).

Next, *offering-oriented relationships* reveals adaptations and leave clear traces in the features of the offerings (Williamson, 1979). *Dyad 1 (D1)* could thus be considered an *offering-oriented relationship* (table 6.1).

Long-term oriented institutionalized relationships are characterized by: (1) *interlocking of the parties*, (2) *the existence of ARA* and (3) *clear traces in the firm's activity patterns, resource constellations and organizational structure* (Håkansson & Ford, 2016). First, interlocking factors were identified in *dependency and interdependence* in actor bonds, as well as

interlocking in *adaptations* in activity links. *Second*, by using the ARA-model as a base for the conducted analysis, the *identified affecting factors* enable us to assess the existence of the dyads' ARA-elements. *Third*, according to Håkansson & Snehota (1995, p.42), “*The activity links, resource ties and actor bonds in a relationship between two companies affect the activity structures, the collections of resources and the organizational structures of the companies involved*”. Consequently, *routinized activities* and *adaptations* within activity links leave traces in the activity patterns, *intangible resources* and *tangible resources* within resource ties leave traces in the dyad's resource constellations and *dependency and interdependence* leave traces in the dyad's organizational structure. In our analysis, *dyad 3* (D3) and *dyad 5* (D5) were found to fit these criteria (table 6.1).

Finally, *close cooperation institutionalized relationships* are characterized by: (1) *deployment of multiple resources, activities and key actors*, (2) *tailored solutions, mutual development of physical resources and training of human resources*, (3) *mutual commitment, trust and cooperative intent* (Håkansson & Ford, 2016). Moreover, (4) *the adaptations must be balanced*, whereas the previous four interaction types allowed for one-sided adaptations (Håkansson & Ford, 2016). These requirements are very similar to our identified affecting factors in the analysis. As such, our findings suggest that *dyad 2* (D2) is considered a *close cooperation institutionalized relationship* (table 6.1). The relationship could also be considered as a quasi-organization, as the parties can produce something as a dyad, in which they would be unable to do in isolation (Håkansson & Snehota, 1995).

In summary, the dyads exhibit different levels of development. However, it seems that most relationships are on average highly developed. Previous research on dyads in the fishing industry in different contexts have found examples of all five stages, however, the majority was classified as less developed (Cantillon, 2010; Haugnes, 2010; Abrahamsen, 2009). As such, our chosen context seems to be slightly more developed than that of the previous works.

6.2 - Social components placed in ARA

In this section, we are discussing the second research question – “*How does the social aspect affect the development of the dyadic relationships between Norwegian exporters and Eastern European importers of fish?*”. Moreover, the identified social components are placed into the ARA-model in order to discuss how the development of each dyad is affected when

combining inter-personal and inter-organizational factors. Table 6.2 presents a revised illustration of the development stages, including a description of each dyad. Finally, a simplified and revised illustration of the development stages, considering both inter-personal and inter-organizational aspects, is presented in a revised framework in figure 6.1.

Table 6.2 - Inter-organizational and Inter-personal Stages of Development in the Five Dyads (Håkansson & Ford, 2016)

Dyad	(1) Simple Exchange Episode	(2) Evolving Exchange Episode	(3) Offering-oriented Relationship	(4) Long-term Oriented Institutionalized RELATIONSHIP	(5) Close-cooperation Institutionalized Relationship
Dyad 1 (D1)				(1) A high involvement of social components developed through a long-term cooperation and mutual trust, (2) not oversharing market information, (3) one-sided dependency.	
Dyad 2 (D2)					(1) A high and conscious involvement of social components, (2) interdependency, (3) activity adaptations, (4) favors performed beyond business constraints, (5) special treatments.
Dyad 3 (D3)				(1)A high involvement of social components to create mutual benefits and simplify problem solving, (2) one-sided dependency creates lock-in effect, (3) not oversharing market information.	
Dyad 4 (D4)	The limited involvement of social components is not affecting the business performance				
Dyad 5 (D5)				(1)A high involvement of social components, (2) one-sided dependency, (3) balance of commitment, (4) not oversharing market information, (5) earn credit through the stable relationship.	

Simple Exchange Episodes

First, as concluded in the previous section (6.1), *simple exchange episodes* include limited involvement of actor bonds, activity links and resource ties. Moreover, our study suggests similar treatment of social components affecting the interactions between the parties involved.

In other words, social components were mentioned but not exercised consciously by the parties.

Evolving Exchange Episodes - Social Connections Placed in Actor bonds

According to Håkansson & Ford (2016), *evolving exchange episodes* usually include the development of social sentiments & inter-personnel connections. These characteristics are similar to social connections mentioned by Bondeli et al. (2018); hence, our research suggests that *social connections* begin to develop when the relationship is characterized as an *evolving exchange episode* (illustrated in figure 6.1). In this case, *social connections are placed in actor bonds* (Bondeli, et al., 2018), in which our findings identify *informal interactions* and *mutual factors* as affecting factors of *dependency* and *interdependency*. Further, informal interactions include *informal communication*, hence Håkansson & Snehota (1995) state that *communication* is essential for the creation of actor bonds within new relationships, thus becoming institutionalized and creating interdependencies between the parties. In our study, a balance of formal and informal conversations is expressed as crucial for relational growth. Furthermore, our study identifies *honesty* and *safety* as two social factors affected by the implementation of informal communication within a dyad. In addition, *common interests* seem to influence the development of social relations, however, in dyadic relationships between East-European and Norwegian partners, cultural differences are expressed as a barrier for common interests. Consequently, our study suggests that partners with common interests earn benefits from it.

Moreover, the second identified factor of informal interactions is *mutual trust*, which is associated with the decrease of relationship uncertainty (Håkansson & Snehota, 1995). An interesting finding of our study is that mutual trust and inter-personal interactions tend to create a lock-in effect of the relationship, thus it becomes difficult to break the relationship because of personal relations. Håkansson & Snehota (1995) suggests that mutual expectations are linked to mutual trust between the parties involved. In our study, experiences and expectations are expressed as fundamental factors for trust-building. Furthermore, *long-term cooperation*, *honesty*, *behavior* and *actions* are identified inter-personal factors affecting trust.

Mutual trust is connected to *commitment*, which is another factor leading to a decrease of uncertainty within the atmosphere surrounding a relationship (Håkansson & Snehota, 1995).

According to Håkansson & Snehota (1995), there should be a balance of commitment (closeness) in order to avoid risk. Our findings suggest this balance as crucial for decreasing financial losses. Further, *interdependency* and *dependency* create limitations and opportunities for one or both parties involved, which in turn affect the relationship development (Håkansson & Snehota, 1994). Our discoveries demonstrate that informal interactions and mutual trust is beneficial for both inter-organizational and inter-personal interactions, hence creating lock-in effect of dependency and avoid risks of entering new relations. Furthermore, interdependency is found to create inter-personal favors beyond business constraints in order to expand individual -and relational growth. In our study, four dyads include components of *social connections*, however, they reach higher stages of development, including both social practices and social capital.

Offering Oriented Relationships – Social Practices Placed in Activity Links

Offering oriented relationships is the third development stage in table 6.2, which expresses a further development of inter-personal contact (Håkansson & Ford, 2016). According to our findings, social practices appear in this stage (illustrated in *figure 6.2*). Moreover, social practices are a result of institutionalized social connections (Bondeli, et al., 2018), hence, activity links emerge after a series of exchange episodes have taken place within the relationship, and activities become adapted between the parties (Håkansson & Snehota, 1995). In our study, factors of social practices are identified as *informal activities* and *maintenance of inter-personal relations*, which supports *adaptations* and *routinized activities* (actor links).

According to *informal activities*, the factor *physical meetings* is expressed to have a positive impact on business performances in several ways. *First*, physical meetings tend to increase the certainty within a relationship. *Second*, our findings suggest that physical meetings simplify online-communication and obtain routinized activities between the partners. *Third*, these meetings indicate how a person behaves, hence, how to interact and perform business together. Furthermore, our study suggests that informal activities besides business meetings can strengthen the impression of how people act and behave, which may result in stronger activity links. *Fourth*, physical meetings often influence the development of stable relations and close cooperation. Our discoveries demonstrate these relationships having a higher probability of producing or offering exclusive products, which leads to activity adaptations within the dyad. According to Peng (2008), linked activities may lead to uniqueness and

capabilities, which creates competitive advantages. Since the fishing industry is characterized as a basic commodity market, our findings suggest limited adaptations and joint problem solving as of today.

The second identified factor of informal activities is *maintenance of inter-personal relations*. In this case, *frequent communication* is the most expressed factor, which seem important for obtaining routinized activities and create certainty within the relationship. Like the previous development stage, none of the dyads are found to be identified as *offering oriented relationships*. Table 6.2 shows an interesting finding where dyad 1 (D1) has reached a higher development stage (stage 4) as a result of the inclusion of the social connections, social practices and social capital. Accordingly, the parties have developed inter-personal interactions through a long-term cooperation, frequent informal communication and mutual trust, hence, gained access to more valuable resources. In this case, our findings suggest that the combination of inter-organizational and inter-personal factors have resulted in relational growth.

Long-Term Oriented Institutionalized Relationships – Social Capital Placed in Resource Ties

Long-term oriented institutionalized relationships include stronger actor bonds, activity links and resource ties (Håkansson & Ford, 2016). Accordingly, social connections and social practices are the foundations in building social capital, which allows for a broader access to resources within the dyadic relationship (Bondeli, et al., 2018). Our identified factors of social capital are *expectations of partners* and *shared resources*. In addition, *perceived importance of social relations* emphasizes the importance of social components within a dyadic relationship.

Furthermore, resource ties specify *tangible resources*, which includes product-specific resource adaptations, and *intangible resources*, which are non-physical resources (Håkansson & Snehota, 1995). Our study suggests a limitation of tangible resources due to the basic commodity fishing industry. However, it is found that stable relationships including a high degree of mutual trust may offer *earned credit* as a tangible resource. According to intangible resources, our findings emphasize *access to market information* as the most frequent resource within the relationships. Market information seems crucial in forecasting future product positions, expansions to new markets, and improvement of operations. Furthermore, the

credibility of information shared is likely to increase if other market participants can confirm facts, hence becoming a valuable addition to the resource ties within a relationship. However, in order to obtain resources, the parties must be *willing* to share information. Håkansson & Snehota (1995) suggest that a result of exploiting and communicating resources, the combination of resources allows for deeper, broader and unique resources. In this case, the parties must be willing to share information in order to obtain resources, which is expressed of either being an “*open book*” or being aware of not sharing too much information. Our findings show some contradictory understanding of how much the parties are willing to share information within their dyad, however, every respondent expresses some level of willingness, as long as their business stays unharmed.

Partner expectations is another identified factor within social capital. Furthermore, our findings suggest *expectations* as a weak affecting driver for social capital, however, *expectations* of obtaining correct information affect the resource ties within a dyadic relationship.

Finally, *perceived importance of social relations* is an additional factor emphasizing the importance of social capital within a dyadic relationship. In this case, the respondents express how inter-personal factors affect inter-organizational relations based on their own opinion. Moreover, our discoveries demonstrate that social components of relations are crucial for development and maintenance of long-term cooperation. Hence create mutual trust in order to achieve improved business performance and relational growth. Furthermore, it is found that social components seem important for achieving competitive advantages and earn mutual benefits.

Close-Cooperation Institutionalized Relationships

Finally, *close-cooperation institutionalized relationships* are the highest development stage presented in *table 6.2*. According to Håkansson & Snehota (1995), relationships with strong resource ties is other tool for management in the process of transforming tacit knowledge across the firm, improving organizational learning and learning from the counterpart. Our findings suggest that personal favors performed beyond business constraints strengthen the opportunity of gaining access to valuable resources through the relationship. These resources

are shared with an intention of developing each independent company, as well as achieving relational growth. It is also found that social components are consciously performed in order to develop the social relationship, which includes special treatment and strong cooperative intent. An interesting finding is that relational growth is not necessary depending on long-term cooperation, but rather on the effort put into the development of inter-personal relations in order to improve the business performance.

Due to the context of Norwegian sellers and their East European partners, our interview guide contains questions related to formal -and informal institutions. However, our collected data materials present a limitation of this topic, hence, our results are not fully discussed in relation to the context. Consequently, it would be inaccurate to make a conclusion based on the comparison of only five dyads.

6.2.1 - Revised framework

Using the aforementioned criterion of the *interaction type model* (Håkansson & Ford, 2016), our findings regarding the social aspect of business relationships in the fishing industry suggests a conceptualization and extension of the *interaction type model*, in which we will summarize the development of the included dyads, considering both the inter-organizational and inter-personal aspect (table 6.2).

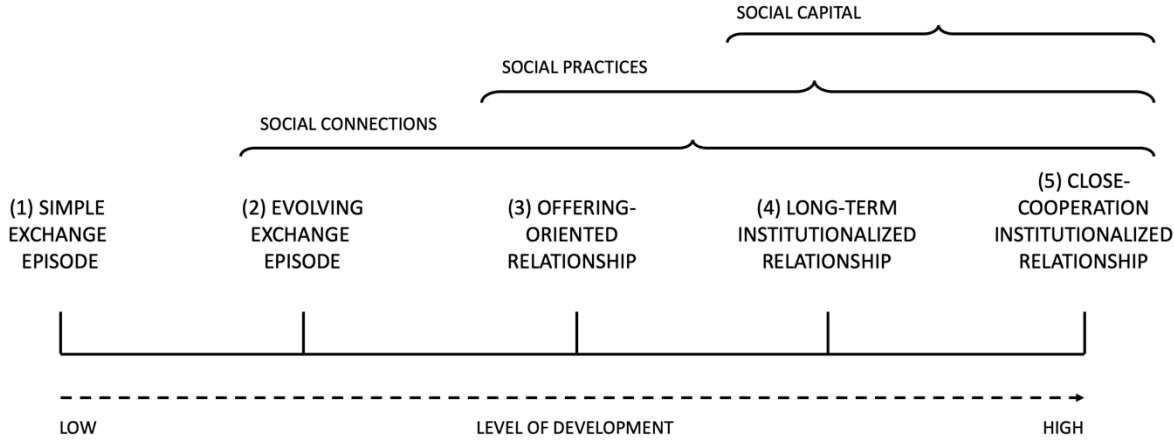


Figure 6.1 - Revised Framework: Inter-organizational & Inter-personal Interaction Types

7 - Conclusion

In this chapter, we will conclude the findings from the analysis in chapter 5 and the discussion in chapter 6. Based on these findings, we answer the two research questions stated introductory.

7.1 - Conclusion to the Research Questions

The purpose of this study was to *investigate the characteristics that explain how Norwegian exporters and Eastern European importers of fish develop dyadic relationships, and how the social aspect affects this development*. From the purpose, two research questions were stated:

1. *How are dyadic relationships developed between Norwegian exporters and Eastern European importers of fish?*
2. *How does the social aspect affect the development of the dyadic relationships between Norwegian exporters and Eastern European importers of fish?*

Development of Dyadic Relationships

From the analysis in table 5.1, five common inter-organizational factors affecting the development of relationships in the fishing industry between Norwegian exporters and Eastern European importers were found to be; (1) *dependency and interdependence*, (2) *adaptations*, (3) *routinized activities*, (4) *intangible resources* and (5) *tangible resources*. All these factors were evaluated on a scale from having a *weak*, *present* or *strong* effect on the development of the relationship, of which all factors were found to be strong, apart from *tangible resources* being labeled as weak.

According to our findings, all affecting factors are consistent with previous IMP research. However, several interesting conclusions can be deduced from within the affecting factors. First, dependency does not need to be mutual for the relationship to develop. Moreover, *exclusivity in products*, *change of internal processes* and *joint problem-solving* were found to be the most prominent adaptations within the chosen context. Next, the *routinization of activities* is a relational tool for improving cash-flow certainty for both interacting parties, emphasizing the link between relationships and financials. Finally, relationships provide

access to market information, which can be confirmed or invalidated by the involvement of external actors in the firm's network.

Of the five included dyads, the majority exhibits characteristics of highly developed dyadic relationships, as seen in table 6.1. However, the findings suggest a diverse focus on relationship development, as one dyad inhabits few ties, bonds and links. These results vary slightly with previous research in other contexts. As such, a conclusion can be drawn that dyadic relationships between Norwegian exporters and Eastern European importers of fish are on average highly developed business relationships.

How the social aspect affects the development of the dyadic relationships

Based on our data collection, we were able to find *seven* inter-personal factors affecting the development of dyadic relationship: (1) *informal interactions* and (2) *mutual trust*, (3) *informal practices* and (4) *maintenance of inter-personal relations*, (5) *expectations*, (6) *shared resources*, and (7) *perceived importance of social relations*. The revised framework (*figure 6.1*) adapted from Håkansson & Ford (2016) illustrates the implementation of social connections, social practices and social capital into the development stages of dyadic relationships.

In the context of Norwegian exporters and East-European importers, our findings suggest that dyadic relationships with a limited focus on actor bonds, activity links and resource ties (ARA) are also ignoring the effects of inter-personal factors. Consequently, the relationship is characterized as *simple exchange episodes* (stage 1 in table 6.2), with an absent intention of achieving relational growth.

Further, relationships with a high focus on development and improving business performance express inter-personal factors as crucial for their common achievements. *Table 6.2* presents a summary of each dyad's involvement of social factors related to their stage of development. An interesting finding regarding the combination of ARA and social factors is that relationships that experiences an absence of inter-organizational factors can still achieve relational growth by including social components. According to this, *experiences* and

expectations is found to be the most frequent factor in building trust, hence, social connections is essential for social practices and social capital.

Due to our context, another interesting finding is that long-term cooperation is not necessarily the only strategy to achieve relational growth. In fact, the intention of supporting inter-organizational performances with a high involvement of social components is proven to efficiently improve business performances. In this case, the *willingness* of performing favors beyond business constraints is found as necessary in obtaining the efficiency of relational growth. As a result, interdependency tends to create a lock-in effect between the parties, which complicates the process of replacing its partner.

Further, social relationships are found to be dependent on each individuals' efforts in maintaining and developing the social components of its dyadic relationship. Moreover, frequent communication (including both formal and informal conversations) and physical meetings are essential tools for building trust and obtain social capital through institutionalized relationships. Consequently, personal efforts put into the maintenance and development of social components may affect the business performance and result in a development of the dyadic business relationship.

To conclude, in dyadic business relationships between Norwegian fish exporters and Eastern European importers, it is not necessarily destructive for business operations when social components are not in focus. However, the social aspects seem to support the inter-organizational level of relationships, as well as being beneficial in achieving relationship development.

7.2 - Managerial Implications

Managing business relationships is very relevant for the fishing industry in Norway. One might think that there is little adaptations and development potential available to actors within the fishing industry, however, our study suggests the contrary. Not only is it possible, but in many ways, it is a requirement to be a “player in the game”. Exporters and importers within the fishing industry should be aware of the potential of *exploiting the benefits* a stable and developed business relationship might bring to regular operations. In our study, we also identified several managerial implications:

First, we identified a series of factors that promote the inter-organizational and inter-personal development of business dyads within the fishing industry. These affecting factors could be used as a tool by Norwegian/Eastern European fishing industry management in their efforts to improve their dyadic relationships.

Second, our revised framework, along with the revised characteristics identified through our findings further highlight what to improve in order to reach more developed dyadic relationships. It is important to note that limiting the development of relationships could also be a conscious strategic effort from each firm, exemplified in D5 where the exporter notes that being too committed could be dangerous. As such, the development of a relationship could be a balancing act of improving cooperation and avoiding strong interdependencies.

Finally, throughout our master thesis the *social aspect* plays a substantial role in the development of dyadic business relationships in the Norwegian fish-exporting and Eastern European fish-importing businesses. The managers' awareness and conscious exploitations of this concept is key in reaching a close-cooperation institutionalized relationship.

7.3 - Limitations and Recommendations for Further Research

As with any research project, our master thesis has its sets of limitations. These limitations are noted in this section, serving as recommendations to future research suggestions to better the understanding of the topic researched.

First, the lack of data regarding institutional factors included in our interview guide (see appendix 1 and 2) left us unable to compare and analyze the links between development of relationships and country-specific institutions. Allocating more focus on this topic would allow for a better understanding of cultural and institutional differences. Thus, for example, exploring the institutional differences among Eastern European importers and Western European importers would be a good contribution to the field of IMP research.

Similarly, our study places theoretical concepts of ARA and social capital into the reality of dyadic relationships within the fishing industry. One side of the research's context is East-European countries, and due to the time limitations of the master thesis, we were only able to study a few of these countries. For future research, it would be interesting to include a wider

aspect of countries within Eastern-Europe, in which the results may be relevant for a wider extent of actors.

Another limitation is the fact that third parties are excluded from this study. Due to the industry and their supply chain, transportation is one example of a third actor affecting the relationships. In this case, it is conceivable that social components, such as mutual trust, may affect how the actors handle problems related to transportations. However, we decided to exclude these third parties in order to stay within the time constraints of the master thesis and to focus on the core of interactions between seller-buyer relationships. As such, looking into how the social aspect affects the development of business networks consisting of three or more actors could uncover a deeper understanding of IMP-research within the fishing industry.

Finally, though not a limitation, our suggested revised framework of how social components affect inter-organizational relations can be used for further research. The core of the framework can also be adapted and justified to other industries including dyadic relationships between two interacting parties. It is important to note that the social components may need to be replaced by other components related to the new context and industry.

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Appendix

Appendix 1 - Interview Guide used for Norwegian Exporter (Translated to English)

Interview Guide - Norwegian Exporters of Fish

The numeric questions are main questions, and questions with letters are follow-up questions. We look at every relationship in isolation.

Firm ID:

Customer country:

Date:

Duration:

Background

1. When was the firm founded?
2. What is your position?
3. What products do you offer?
4. What countries are your most important customers?
5. Explain briefly what your supply chain looks like.

Actor bonds

1. How long have you done trade with your partner?
2. How did the relationship start?
3. How often do you trade?
4. How easy is it for you to change your partner?
 - a. How dependent are you on your partner?
 - b. How committed are you to each other?

Activity links

1. What trade activities do you have with your partner?
 - a. What are your most important activities?
 - b. Are you offered any specialized solutions, or only standardized?
 - i. Has this changed over time?
 - ii. Have you changed any internal processes due to this relationship?
2. What does a typical trade look like between you and your partner?
3. What do you do to ensure an effective interaction between your firms?

Resource ties

1. What kinds of resources do you get access to through the relationship?
 - a. Are these tangible or intangible?
2. Have you invested anything in your partner's business?
 - a. What about the other way around?
3. Have you gained any relevant knowledge from the relationship?
4. What have you done to adapt your resources to your partner's firm?

Interviewers: Emphasize that we are talking about inter-personal factors.

Social connections

1. How many are you in contact with in your partners firm?
2. How did you get to know your business partners?
 - a. How long have you been in contact?
3. How well do you know this person?
4. How do you treat each other?
 - a. Would you characterize this communication as informal or formal?
5. How much do you have in common?
6. How often do you perform favors for each other?
7. Do you trust this person?
 - a. What is your trust based on?
 - b. How mutual is this trust?

Social practices

1. How often do you meet?
 - a. How often do you communicate?
 - b. Where do you meet?
 - c. What do you discuss through the different meetings/conversations?
2. What other activities do you do together?
 - a. Are these formal/informal?
3. What do you do to maintain this relationship?
 - a. How much effort do you put into the development of this relationship?

Social capital

1. What expectations do you have for your business partner?
2. How much are you willing to stand up for your partner?
3. What resources are you willing to share with your partner?
4. How important to you is the social relation in the relationship?

Institutions

1. Are there any problems related to your trust regarding the political situation in your partners country?
 - a. Are there any specific events that has affected your trust to your partner?

Finally - How would you describe your cooperation? Cooperative or competitive?

Is there anything you want to point out that could be relevant to our study?

Is it okay if we keep in touch if any questions should emerge later?

Appendix 2 - Interview Guide Used for Eastern European Importers

Interview Guide - Norwegian Exporters of Fish

The numeric questions are main questions, and questions with letters are follow-up questions. We look at every relationship in isolation.

Firm ID:

Customer country:

Date:

Duration:

Background

1. What is your position?

Actor bonds

1. How long have you done trade with your partner?
2. How did the relationship start?
3. How often do you trade?
4. How easy is it for you to change your partner?
 - a. How dependent are you on your partner?
 - b. How committed are you to each other?

Activity links

1. What trade activities do you have with your partner?
 - a. What are your most important activities?
 - b. Are you offered any specialized solutions, or only standardized?
 - i. Has this changed over time?
 - ii. Have you changed any internal processes due to this relationship?
2. What does a typical trade look like between you and your partner?
3. What do you do to ensure an effective interaction between your firms?

Resource ties

1. What kinds of resources do you get access to through the relationship?
 - a. Are these tangible or intangible?
2. Have you invested anything in your partners business?
 - a. What about the other way around?
3. Have you gained any relevant knowledge from the relationship?

4. What have you done to adapt your resources to your partners firm?

Interviewers: Emphasize that we are talking about inter-personal factors.

Social connections

1. How many are you in contact with in your partners firm?
2. How did you get to know your business partners?
 - a. How long have you been in contact?
3. How well do you know this person?
4. How do you treat each other?
 - a. Would you characterize this communication as informal or formal?
5. How much do you have in common?
6. How often do you perform favors for each other?
7. Do you trust this person?
 - a. What is your trust based on?
 - b. How mutual is this trust?

Social practices

1. How often do you meet?
 - a. How often do you communicate?
 - b. Where do you meet?
 - c. What do you discuss through the different meetings/conversations?
2. What other activities do you do together?
 - a. Are these formal/informal?
3. What do you do to maintain this relationship?
 - a. How much effort do you put into the development of this relationship?

Social capital

1. What expectations do you have for your business partner?
2. How much are you willing to stand up for your partner?
3. What resources are you willing to share with your partner?
4. How important to you is the social relation in the relationship?

Finally - How would you describe your cooperation? Cooperative or competitive?

Is there anything you want to point out that could be relevant to our study?

Is it okay if we keep in touch if any questions should emerge later?

