

# **Satisfaction in Buyer-Seller Relationships - Influence of Cultural Differences**

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## **Abstract**

This paper addresses the possible influence of cultural differences on satisfaction in cross-national buyer-seller relationships. Building and maintaining buyer-seller relationships have for long been acknowledged as beneficial for conducting international business. A prerequisite for the success of such business relationships is the satisfaction of the parties involved. However, in international business the involved parties are usually embedded in different cultures, which in turn may influence both expectations and behavior and thereby the satisfaction with business relationships. In spite of this knowledge, the potential impact of cultural differences on satisfaction in buyer-seller relationships has received little attention. Here we present a study on business relationships between Russian buyers and Norwegian sellers of seafood. A dyadic approach is used to cover both parties in the relationship, because they may perceive and emphasize aspects of their relationship differently. The findings reveal congruence between the partners in terms of antecedents important for achieving satisfaction. However, several differences are found regarding how to achieve various antecedents. There are also differences between how the Russian partners describe their own actions, and how the Norwegian partners perceive these actions. These differences are explained by cultural differences. Implications are highlighted.

**Keywords:** Buyer-seller relationships, cross-national business, satisfaction, cultural differences.

# 1. Introduction

This paper discusses whether cultural differences between buyer and seller may influence factors important for achieving satisfaction in cross-national business relationships – here illustrated by Russian and Norwegian actors in the seafood trade. Mutual satisfaction with the exchange is found to be a prerequisite for developing and maintaining beneficial, long-term relationships (Dwyer et al. 1987). Buyers and sellers who are satisfied with their respective trading partners are more likely to continue the relationship than those who are dissatisfied (Geyskens et al. 1999; Schmitz and Wagner 2007). The role of satisfaction in domestic buyer-seller relations has received much attention in past research. However, the literature addressing qualitative factors, like satisfaction in cross-national business relationships, is limited (Mehta et al. 2006; Skarmeas and Robson 2008; Athanasopoulou 2009). The lack of research on this issue in a cross-national context is surprising, especially when considering that firms to an increasing extent establish relationships and do business across borders (Johnston et al. 1999). Cultural background is known to influence peoples’ values, beliefs, norms and behaviour (Leung et al. 2005). Thus, cultural differences are found to be one of the main reasons for why cross-border trading can be challenging (Shoham and Albaum 1995; Stöttinger and Schlegelmilch 2000). Existing literature shows that the factors constituting beneficial relationships may vary across cultures. Leung et al. (2005) revealed that Chinese buyers and sellers emphasize “xinyong” (personal trust) at a personal level more than satisfaction at an organizational level, and that a Chinese buyer might sacrifice business profits to generate partnership relationships. In contrast, American buyer-seller relationships are found to have a strong focus on performance and profit (Cannon et al. 2010).

Cannon et al (2010) found that cultural characteristics like individualism/collectivism moderated the effect of trust and performance on long-term orientation by investigating buyer-supplier relationships in international markets in the USA, Mexico and Canada, respectively. Griffith et al. (2006) also provided evidence for cultural differences' influence on relationship resources (i.e. the relationship between trust and commitment), and knowledge resources (i.e. the relationship between commitment and information sharing) both cross-culturally and intra-culturally from the perspective of Japanese and U.S. firms (Griffith et al. 2006). Also, psychic distance, perceived differences between the operating environments of the exchange partners, is found to be negatively related to relationship quality (Skarmeas et al. 2008). Skarmeas and Robson (2008) also found that cultural sensitivity plays a significant role in building sound relationship quality.

However, except for Griffith et al. (2006), none of the above mentioned studies really investigated cross-national buyer-seller relationships, because they limited their research to include only one side of the exchange dyad. By only investigating relationships engaged in cross-national buyer-seller relationships from one side of the dyad one may miss that perceptions about the relationship may differ between the two parties involved (Griffith et al. 2006). These differences are essential for attaining knowledge about the cultural influence on what is seen as important for the achievement of satisfaction in cross-national buyer-supplier relationships (Karande et al. 2008; Ramaseshan et al. 2006). Further, these studies focused on levels of relationship quality factors or relationships between quality factors such as trust and commitment. No study so far has investigated in more detail what exactly is needed to achieve satisfactory relationships in cross-national buyer-seller dyads. Also, to the best of our knowledge, no research so far has addressed satisfaction in buyer-seller relationships between an eastern European country, like Russia, and a western European country. This is surprising

given the fact that Russia is increasingly becoming an important global business player (De Vries et al. 2008).

In the next sections we clarify central concepts and review relevant literature underlying our research. More precisely, we first address satisfaction in the context of buyer-seller relationships. Satisfaction is a complex phenomenon and several conceptualizations as well as explanations of what drives satisfaction have been offered. Thereafter, we address the concept of culture to enable the identification and clarification of cultural differences, i.e. the central explanatory factor in this research. Following a general discussion of the concept, we address specific characteristics of Russian and Norwegian cultures. This discussion helps to identify differences between the two cultures and interpret the findings reported in the empirical part of the paper. Based on our theoretical discussion, we develop and introduce a conceptual model of the issue under scrutiny. The purpose of an explicit theoretical perspective is manifold. It helps us to structure the problem and to select and interpret data needed to elucidate this problem. It also makes it easier for readers to assess and criticize our choices. It should, however, be noted that the purpose of an explicit perspective is not to dictate, but to guide and direct the actual research. After this we describe our research methodology, followed by a report of our findings. Finally, we discuss our findings, indicate implications and propose avenues for further research.

## **2. Satisfaction in Buyer-seller Relationships**

This section addresses the concept of relationship satisfaction, and some of the factors, or antecedents, which previous studies have found to be necessary for achieving satisfaction. Satisfaction has been found to be important for long-term orientation and success of buyer-

seller relationships in a number of inter-firm studies (Geyskens et al. 1999; Jap and Ganesan 2000; Rodrigues et al. 2006). The reasoning is that satisfied buyers and sellers will be less prone to exit a relationship (Hunt and Nevin 1974). According to Whipple et al. (2010:508), satisfaction is a critical piece of the relationship management puzzle. Satisfaction has been defined as an overall positive evaluation of the aspects of a firm's working relationship with another firm (Frazier et al. 1989; Gaski and Nevin 1985). The concept has also been defined as the positive affective state which is derived from the degree to which the expectations of the interacting parties in a working relationship are met (Anderson and Narus 1984). For relationships to succeed, Mehta et al. (2006) emphasized the need for perceptual congruence regarding trust, commitment and cooperation so that expectations on each side of the dyad are reasonably similar. They found that cultural differences affect trust, commitment, and cooperation – the greater the cultural differences between the buyers and the sellers - the lower the levels of trust, commitment, and cooperation (Mehta et al. 2006). The definition given by Anderson and Narus (1984) and the findings reported by Mehta et al. (2006) indicate the need for some level of congruence between the exchange partners in regard to which antecedents are important for achieving satisfaction in buyer-seller relationships.

### **3. Antecedents of Satisfaction**

A central theme in the relationship literature has been to study factors that are necessary for achieving satisfaction in buyer-seller relationships. Past research has addressed a great number of such factors, or antecedents, including information sharing, communication quality, and long-term orientation (Ellram 1995; Lages et al. 2005), degree of trust (Crosby et al. 1990; Geyskens et al. 1999; Hewett et al. 2002), symmetric power-dependence structures (Anderson and Weitz 1989; Kumar et al. 1995), appropriate exercise of power or influence

strategies (Lai 2007; Leonidou et al. 2008), degree of conflict, willingness to invest and expectations of continuity (Brown et al. 1995; Kumar et al. 1995; Skarmeas and Robson 2008), role performance (Hunt and Nevin 1974; Skarmeas and Robson 2008), and sense of commitment (Morgan and Hunt 1994). Just recently, the need of studying buyer-seller relationships in cross-national contexts has been acknowledged (Griffith et al. 2006; Mehta et al. 2006; Skarmeas and Robson 2008).

In this study, we focus on a few antecedents believed to influence satisfaction in cross-national buyer-seller relationships. These are trust, communication/information-sharing, power-dependence symmetry, and commitment. We focus on these factors because of their demonstrated importance in past empirical research (Caniëls and Gelderman 2007; Geyskens et al. 1998; Rodriques et al. 2006; Whipple et al. 2010). Cross-national business relationships are associated with higher uncertainties than domestic relationships. The uncertainties may be related to differences in cultures, differences in legal systems, differences in financing and banking systems, or differences in infra-structure. In order to minimize the uncertainties, trust among the buyers and sellers is crucial for a successful relationship. Communication and exchange of information is important for building trust and reducing external uncertainties. The power-dependence distribution among exchange partners has also received attention in buyer-seller relationship research. The explanation is that no partner wants to feel total dependence on its counterpart, and that the superior partner may want to exploit his power advantage. Also, in order to achieve satisfaction and long-term relationships, the partner needs to feel that the counterpart is willing to commit to the relationship. By investigating these antecedents from both sides of the exchange dyad we can better understand the cultural influence on these antecedents in relation to achieving mutual satisfaction between buyer and seller representing different cultures. The antecedents are explained further in the following.

Trust in inter-firm relationships has been defined as the extent to which a firm believes that its exchange partner is honest (Geyskens et al. 1998). Further, trust is viewed as the belief that the partner will perform actions that will result in positive outcomes for the firm and not take unexpected actions that may result in negative outcomes (Anderson and Narus 1984). The concept of trust has been proposed to consist of two components, namely 1) credibility, which refers to the extent to which a channel partner believes the other member of the dyad has the expertise to perform a task effectively, and 2) benevolence, which refers to the extent to which a channel partner believes the opposite member in the dyad has intentions and motives beneficial to him (Ganesan 1994). Trust is generally found to be fragile, difficult to build and easy to squander (Heide and John 1992). High level of inter-organizational trust is found to mitigate opportunism (Pfeffer and Salancik 1978), foster cooperation (Morgan and Hunt 1994), reduce conflict and enhance channel member satisfaction (Anderson and Narus 1990), and increase commitment or intent to stay in the relationship (Anderson and Weitz 1989; Morgan and Hunt 1994). Trust is a critical component in building buyer-seller relationships. However, trust is maybe even more critical in cross-border relationships where the legal entities governed by one partner's state may not be valid for the other partner and trust is the only way to secure the business relationship (Rousseau and Sitkin 1998). Cultural background may, however, influence the involved parties' ability to trust and affect what is needed for building trustful relationships.

Communication focuses on the extent to which each party in the relationship is involved in joint participation through communication efforts (Whipple et al. 2010). Both communication depth (i.e. quality and participation) and information breadth (i.e. the extent of sharing) are found to be positively related to relationship satisfaction (Anderson and Weitz 1992; Dash et al. 2007; Monczka et al. 1998). Communication may enhance buyer-seller relationships by



providing an avenue through which the partners share goals, sort out their differences, and coordinate their efforts to achieve common goals (Whipple et al. 2010). Communication and information-sharing are also found to be important for trust development (Morgan and Hunt 1994). Communication improves trust by resolving disputes and misunderstandings and by aligning perceptions and expectations (Etgar 1979). Cultural differences may distort communication across cultures, even at the subconscious level (Mehta et al. 2006), and lead to misinterpretations and misunderstandings, thereby reducing satisfaction.

Mutual dependence and power are closely related concepts: the buyer's dependence on the seller is a source of power for the seller, and vice versa (Caniëls and Gelderman 2007). Power-dependence imbalance, or asymmetry, in buyer-seller relationships is defined as the difference between the partners' levels of dependence. Symmetrical interdependence exists when the parties are equally dependent on each other (Kumar et al. 1995). Symmetric power-dependence between buyers and sellers is found to promote greater satisfaction, while asymmetric power-distributions are found to be negatively related to satisfaction (Geyskens et al. 1999). Perceptions regarding power and dependence have already been acknowledged to differ across cultures in previous literature comparing Western cultures with Asian collectivistic cultures, such as China and Japan (Kim 2003; Ramaseshan et al. 2006). In these studies, a higher tolerance for power asymmetry was found in collectivistic countries. On the basis of these results, it is interesting to investigate Russian-Norwegian trade relationships, knowing that Russia scores significantly lower on the individualism index than Norway, and also scores much higher on the power distance index (Hofstede and Hofstede 2005).

In the context of relationships, commitment has been defined as the desire to maintain a relationship (Morgan and Hunt 1994), or a pledge of continuity between parties (Dwyer et al.

1987). According to Anderson and Weitz (1992), commitment is important for achieving mutual gain for both buyer and seller in a supply chain relationship. When trading partners are committed to each other, they are more willing to cooperate and comply with each other's requests (Morgan and Hunt 1994), be flexible, share information, and engage in joint problem solving (Noordewier et al. 1990). A strong sense of commitment is found to be positively related to buyer-seller satisfaction (Rodrigues et al. 2006).

#### **4. Culture and Buyer-seller Relationships**

Culture is a complex, multifaceted concept (Möller and Svahn 2004). The literature reports more than one hundred and fifty definitions of culture (Kluckhohn and Kroeberg 1952), indicating that there is no single, agreed-upon definition of the concept. In international business literature, the most widely used definition is: "the collective programming of the mind that distinguishes the member of one group or category of people from others" (Hofstede and Hofstede 2005: 4).

Cultural norms and beliefs are found to be powerful forces in shaping people's perceptions, predispositions, and behaviors (Markus and Kitayama 1991). Cultural differences between trading partners may result in misunderstandings due to lack of a shared frame of reference (Zhang et al. 2003), and in unresolved conflicts which can be damaging to relationships (Kaiser and Shaw 2004).

The influence of national culture on business activities has become increasingly acknowledged during the last three decades, largely as a result of the classical work of

Hofstede introducing the national culture dimensions (1980), but also as a result of the growing globalization of world trade (Leung et al. 2005).

Business relationships with Asian countries such as China and Japan have received increasing attention in the last decade among practitioners and academics alike. A clear understanding of the Chinese cultural variables “guanxi” (personal relationships), “xinyong” (personal trust), and “renqing” (repaying of favors and showing empathy to partner involved in their business network) and the Japanese “keiretsu” (close business linkages) have been presented as important constructs for understanding and being able to conduct business in these countries (Leung et al. 2004; Wang et al. 2008; Czinkota and Kotabe 2000).

Conflicts are often found to arise when people from different cultures interact in business. Common distinctions in cross-cultural business behavior have been between deal-focused versus relationship-focused, informal versus formal, rigid-time oriented versus fluid-time oriented, or expressive versus reserved cultures (Gesteland 2002). Interactions between people representing different cultures have often led to conflicts because of misunderstandings and misconceptions about each other. People from informal, egalitarian cultures may offend high-status persons from hierarchical cultures by being too informal. People from cultures having a relaxed relation to time and scheduling may be perceived as lazy, undisciplined and even rude by more rigid-time oriented cultures. While the more fluid-time oriented cultures may perceive the rigid-time oriented people as arrogant martinets enslaved by arbitrary deadlines (Gesteland 2002). How people representing different cultures communicate, by either being expressive or more reserved, may also be a source for a major communication gap. For example, in Turkey one is expected to interrupt each other when speaking, this only shows engagement. In other countries, however, interruption is perceived

to be very rude. In Japanese culture, the listening partner is expected to make sounds indicating that he or she is listening to what the other party is saying. Silence is perceived as a total lack of interest. Given the powerful influence of culture on all aspects of human behavior, it is reasonable to assume that cultural differences between business partners may also influence important antecedents to satisfaction in cross-border business relationships.

## **5. Characteristics of Russian and Norwegian Culture**

This section reports some key characteristics of Russian and Norwegian culture. Since the dissolution of the Soviet Union in 1991, Russia has become a key player in the global energy market, and its potential as a burgeoning market for consumer and industrial goods and services has made the country increasingly important for Western companies (Puffer and McCarthy 2007). For Norway, and for the Norwegian seafood industry in particular, the Russian market has been, and still is, very important. Russia is Norway's largest export market for seafood. Despite the attractiveness of this "newly" opened market, the stories of relationship dissolution stemming from a lack of understanding of Russian business culture are abundant (Barnes et al. 1997; Peng 1995).

Russian attitudes and motivation for behavior have been shaped by a set of economic, political, and social circumstances that give Russia a unique character (Puffer 1993). Attitudes and behaviors inherited from the Soviet period are still prevalent in today's Russia.

Experience from the Soviet period, when neighbors and even relatives revealed sensitive information about each other to the State, made Russians both suspicious and distrustful (Hallén and Johanson 2004). People in the Soviet Union were further strongly influenced by propaganda about the sovereignty of the Soviet state, and at the same time bombarded with

negative information about foreigners, particularly Westerners with their “gniloi” capitalism (“rotten capitalism”) (Barnes et al. 1997). This attitude in many cases still prevails, and is likely to influence trust and what is needed to build trustful relationships with Russians. In contrast, Norwegians have a very different historical background and have had little reason to distrust either their government or other people. Norwegians are often regarded as being too trustful and even naïve by the international business community (Ryen 2002).

The Russian distrust against not only each other, but also towards the Soviet system, necessitated the creation of informal, personal networks for the exchange of personal favors to protect individual or group interests (Butler and Purchase 2004; Ledeneva 1998). “Blat” is the Russian term for this informal exchange of favors, which is found to be highly relevant in Russia even today (Butler and Purchase 2004). Russians’ tendency to distrust individuals, groups and organizations (McCarthy and Puffer 2002), together with the Russian cultural tradition of reliance on personal networks of trusted friends and colleagues to get things done (Peng 2001) may influence how foreign business partners must behave to be able to do business with Russians. The “blat” tradition has made the Russian business culture much more relationship-focused than in Western countries. This implies that before doing business, it is necessary to develop close, personal relationships with business partners. This contrasts considerably with Norwegian culture, where people are found to be much straighter to the point, expecting business and not personal relationships to be the focal point. This difference can be compared with one of the significant distinctions in cross-national business behavior, namely the differences related to being deal-focused or relationship-focused (Gesteland 2002). Deal-focused people are fundamentally task-oriented while relationship-focused people are more people-oriented (Gesteland 2002:16). Conflicts are often found in interactions between these two orientations because relationship-focused people may perceive

deal-focused people as pushy and aggressive, and in return the deal-focused people may perceive the relationship-focused as being dilatory and vague (Gesteland 2002:16). It is reasonable to believe the differences in focus may also influence who the partners trust, and what is needed to build trust in buyer-seller relationships. Further, cultural differences may influence how the partners are willing to commit to each other.

The Russian cultural tradition of mistrust and reliance on close, personal relationships may also affect communication and willingness to share information. Russians are found to have a culturally ingrained resistance to share information (McCarthy and Puffer 2002). Russians may therefore withhold information that is required for ensuring successful relationships (McCarthy and Puffer 2002), and being in the so-called "in-group" is highly important. Westerners, including Norwegians, are found to be much more willing to share information with their business partners (Snavey et al. 1998).

Moreover, the Russians' pride from the time when the Soviet Union was a superpower (Barnes et al. 1997) may influence their sense of power and dependence. The collectivistic Soviet Union was for long a closed society, and did not take part in the global economy. The country aimed at being self-sufficient, and did not want to rely on other countries. This attitude seems to still prevail in Russia. For example, in the seafood industry the government is working hard to reduce import dependence, and thus increase the landings of Russian fish to Russian harbors for domestic consumption. Norway has, on the other hand, because of its relatively small size, traditionally been much more dependent on trading with other countries. The power-dependence issue may also be influenced by the Russian hierarchical, and high power-distance structure (Elenkov 1998). Power distance refers to the extent to which less powerful members of institutions and organizations within a country expect and accept that

power is distributed unequally (Hofstede and Hofstede 2005). Norway, on the other hand, has significantly less power distance (Hofstede and Hofstede 2005) and a much flatter and more democratic structure in both society at large and in business life. Russians are used to strong leadership, both with regard to company management and national leadership. Russians are also not used to employee involvement, expression of disagreement, and willingness or ability of management to listen to subordinates (De Vries et al. 2008), all of which are taken more or less for granted in Norway. It seems reasonable to assume that the Russian autocratic management style may influence how Russian buyers regard their business partners, perhaps especially when the partner comes from a small country like Norway. The degree of power distance may also influence the willingness to share information among the partners.

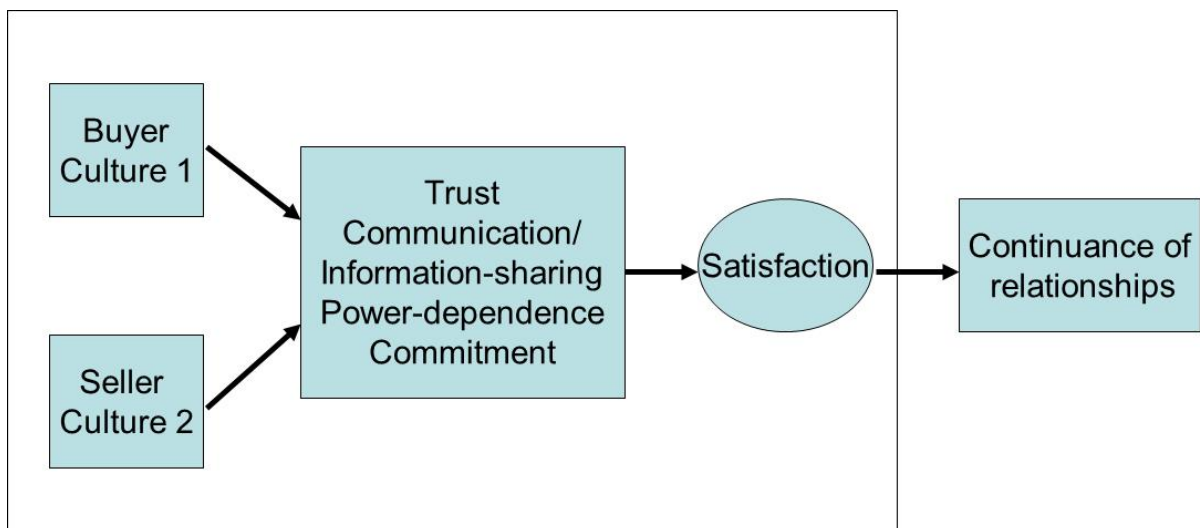
Additionally, Russians have experienced numerous sudden, dramatic changes. Their history, with rapid and dramatic economic and political changes, might still influence Russians' willingness to commit to long-term obligations. This historical experience may also be a reasonable explanation for Russians' high level of uncertainty avoidance (Elenkov 1998). A country's level of uncertainty avoidance indicates to what extent people feel threatened by ambiguous or unknown situations (Hofstede and Hofstede 2005). In Norway, the level of uncertainty avoidance is much lower than in Russia (Hofstede and Hofstede 2005), which may be due to the fact that Norway's political and economic conditions have been stable for quite a number of years. Different levels of uncertainty avoidance may influence how the partners deal with uncertainty and what they do to reduce uncertainty. This may also influence the willingness to commit to future obligations. The differences between Russians and Norwegians referred to above are, in a simplified manner, presented in Table 1 below.

**Table 1** A simplified overview of characteristic differences between Russia and Norway

<b>Russians</b>	<b>Norwegians</b>
Suspicious	Naïve
Distrustful	Trustful
Need personal networks and exchange of favors (“blat”) to manage in business	Networks are necessary, but to a lesser extent
Personal oriented	Business oriented
Informal commitment	Formal commitment
Collectivistic	Individualistic
Withhold information	Share information
High uncertainty avoidance	Moderate uncertainty avoidance
Hierarchical structures	Flatter, democratic structures
High power distance	Low power distance

## 6. Conceptual Model

Based on our discussion above, we have developed the following conceptual model to explain the research problem under scrutiny. The purpose of the model is not to dictate, but rather to guide and direct our research, including the collection and interpretation of data.



**Figure 1** Conceptual model



Figure 1 is to be read as follows. When buyer and seller represent different cultures, their cultural background may influence the antecedents needed to achieve satisfaction in buyer-seller relationships. This research investigates how cultural differences influence some of the antecedents found to be important for satisfaction in prior literature addressing satisfaction in buyer-seller relationships, namely trust, communication/information-sharing, power-dependence, and commitment. The reason for the focus on satisfaction is that buyer-seller satisfaction is found to be a prerequisite for the continuance of business relationships – which in turn is found to be more beneficial than to constantly establish new ones (Grönroos 1990). It is important to mention that continuance of a relationship may be influenced by more than satisfaction with the antecedents investigated in this research; for example factors such as financial or long-term payoffs, availability of alternatives, and switching costs (Cannon and Perreault 1999).

Cultural differences influence both our thinking and behavior and are therefore also assumed to influence the antecedents necessary to achieve satisfaction. Also, cultural differences may influence how the parties conceive the different antecedents and how these are attained, i.e. is open communication perceived the same in Russian and Norwegian cultures? Are the ways to develop trust the same in both countries? We argue that a lack of congruence between buyers and sellers from different cultures regarding the antecedents important for achieving satisfaction, and how these antecedents are achieved, may lead to dissatisfaction and thereby unwillingness to continue the relationship. We investigate both sides of the exchange dyad to be able to attain information about both sides' perceptions and reveal differences and similarities among the partners. The focus of this research is marked with dashed lines.

## 7. Method

In order to examine whether cultural differences influence satisfaction, or more precisely the key antecedents of satisfaction, in cross-cultural buyer-seller relationships, a qualitative, explorative approach was found to be appropriate. Past research on this specific topic is limited, and in cases where relatively little is known about the matter to be investigated, exploratory research is recommended (Churchill 1992). The context selected for this research is relationships between Norwegian and Russian seafood companies.

To capture the possible influence of cultural differences on satisfaction in business relationships where two parties are involved, a dyadic approach was found to be most appropriate. This approach enables us to attain insight about both sides' perceptions regarding the important antecedents for achieving satisfaction and reveals whether there is congruence between the two parties or not. Additionally, a dyadic approach may reveal differences between what one part reports about itself and the other part's description of its partner.

A two-stage research approach was used. First, an interview guide was developed based on previous literature addressing satisfaction in buyer-seller relationships and the researchers' previous research on the seafood sector and the Russian market. Specific questions regarding cultural differences were added. A pre-study interview of four Norwegian companies exporting to Russia was conducted to learn more about the terms of trade of seafood to this particular market. General, broad questions were used in the pre-study, e.g. "What is important for you to be satisfied with a business relationship?" and "What is important to you when selecting a new business partner?" Trust, communication issues, power/dependence issues, and commitment were the antecedents most often mentioned and emphasized by the respondents. Other factors such as being solvent and being able to sell or buy enough volumes

were also emphasized by several of the respondents, but are not further elaborated on in this research.

After having conducted the pre-study, the interview guide was moderated and made slightly more specific, but still included open questions. We then carried out in-depth interviews with an additional four Norwegian companies exporting to Russia. In-depth interviews allow for insights into the respondents' own interpretations of their environment and may enhance the researcher's possibility for understanding underlying or latent constructs (Miles and Huberman 1994). The sample selected represented both the red fish and pelagic sector. We then carried out six interviews with Russian buyers, representing five Russian import companies. The interviews of the Russian companies were conducted at a Food Exhibition in Moscow where customers of the Norwegian companies were contacted. All the informants were the person, or one of the persons, responsible for export to or import from the respective countries. This varied among the companies from being managing director, sales director or import or export manager. The interviews were conducted in a semi-structured manner given our exploratory intention, but allowing the freedom to explore in greater depth certain aspects of the interview. A semi-structured in-depth approach allows for discussion and follow-up questions. Questions regarding the satisfaction of the respective Russian and Norwegian partners were asked in a general manner, like "If you think about your most important Norwegian supplier/Russian buyer, do you feel that your expectations are fulfilled?" We did not want to ask about one partner in specific, to prevent informants from being less open in fear of disclosing data to the opposite partner. The Russian companies were chosen with help from Norwegian respondents. See Appendix 1 for key characteristics of the firms.

The Norwegian interview guide was first translated into Russian and then back-translated into Norwegian by a second translator to help secure the validity of the questions (Geisinger 1994). For the translations, we used two native Russian speakers who speak fluent Norwegian. The few deviations found were resolved through discussion. The Russian interviews were conducted with a native Russian-speaking interpreter and the first author, who also speaks Russian. The interviews were conducted very much as conversations, with emphasis on letting the respondents play the active role and the interviewer following up with probing questions to get a deeper understanding. The interviews typically lasted about 1 – 1½ hour, and were recorded, and later transcribed. The transcriptions were then carefully analyzed to identify possible cultural differences between the exchange partners. Excerpts from the interviews are reported to allow the readers to assess our interpretations and conclusions (Kirk and Miller 1986).

## **8. Results**

Following an overview of the results and the differences found between Russian buyers and Norwegian sellers in regard to the antecedents, we will present in more detail each of the antecedents and illustrate the differences using quotes from the informants.

At first glance the findings indicate that in spite of the large cultural differences between Russia and Norway, there is in large part congruence between the partners with regard to which antecedents they perceive as important in order to achieve satisfaction. Both sides of the exchange dyad emphasize the importance of trust, communication, power equality, and commitment. Also, the partners generally seem to be satisfied with each other. However, after closer investigation we find several differences with regard to the different antecedents. We

find differences in how trust is developed, how communication is executed, how power and dependence are distributed and how the partners are willing to commit to each other. We also find some discrepancies regarding what the Russian partners say they emphasize and how they behave in the relationship versus how the Norwegian partners perceive them. The differences are presented in Table 2 below and later described in more detail for each of the antecedents.

**Table 2** Overview of the findings: what Russian and Norwegian partners state themselves and how they are perceived by their exchange partners

<b>Antecedents to satisfaction</b>	<b>Russian buyers</b>	<b>Norwegian sellers' perceptions about the Russian buyers</b>	<b>Norwegian sellers</b>	<b>Russian buyers' perceptions about Norwegian sellers</b>
<b>Trust</b>	Personal trust	Personal trust Mix business and pleasure Need to be friends	Company trust Not used to mix business and pleasure	Transaction oriented
<b>Communication/ Information-sharing</b>	Frequent communication Talk about everything Open	Personal relationships Withhold information Close	Frequent communication Share information	
<b>Power-dependence</b>	Power advantage because of import restriction on salmon Depend on marked situation	Russian power advantage because of import situation and amount of available raw material Personal relationships	Power disadvantage because of export restrictions on salmon Buyers' marked for pelagic fish because of available raw material	Power disadvantage because of special import situation
<b>Commitment</b>	Contracts mandatory Long-term oriented	Intentional contracts – no binding value Short-term oriented Personal relationships	Wants more written, binding agreements and more long-term deals	

Table 2 gives an overview of the findings regarding some of the differences found between the Russian buyers and the Norwegian sellers. We see that for all the investigated antecedents the Russian buyers seem to have a much stronger personal focus than the Norwegian sellers. To build trust, the Russian partners emphasize the need to get to know the sellers personally. The Norwegian sellers are on the other hand more interested in getting more company information from the Russian buyers to build trust. However, it seems that you have to have built close, personal relationships with the Russian partners before you are able to receive any company information from them. Also, the special import restrictions on red fish from Norway, and the situation of a buyer's market in the pelagic sector, seem to make personal relationships with the Russian buyers utmost important for the Norwegian sellers to be able to export to the Russian market. Further, the ways of committing to future trade also seem to be highly related to personal relationships.

The table also illustrates some differences that were revealed about how the partners themselves perceive the relationships and how they are perceived by their partners on the other side of the exchange dyad. Discrepancies are especially found related to what Russian buyers' tell about the relationships with their Norwegian partners and how they are perceived by their Norwegian partners. As we can see in Table 2, when it comes to information sharing, which both partners indicate as an important antecedent for achieving satisfaction, the Russian partners tell that they emphasize openness, and that they talk about everything with their Norwegian partners. The Norwegian sellers, however, indicate that they hardly receive any information from their Russian partners. The Norwegian sellers tell that they are used to revealing company information to their business partners, but almost never get this kind of information back from the Russians. With regard to commitment, the Russian buyers tell they emphasize contracts as being important. The Norwegian sellers, however, perceive that the

contracts with their Russian partners have no real value as they are mandatory for the Russian buyers to receive import licenses, and only indicate an intention to buy without any binding value. Further the Norwegian sellers perceive Russian buyers as short-term oriented and not willing to commit to any long-term deals. The Russian buyers themselves, however, report that they prefer to have long-term relationships with their Norwegian partners and that a long-term approach is very important. The differences shown in Table 2 are described in more detail for each antecedent below.

## 8.1 Trust

Both the Russian buyers and the Norwegian sellers emphasized the importance of trust in buyer-seller relationships. “Trust is of utmost importance” was a common quote among both the Russian and the Norwegian partners. The importance of keeping promises and being reliable was also commonly mentioned. Typically, respondents expressed that: “in order to maintain good relations, our partners have to be trustworthy and open.” One also got the impression that the partners did trust each other. “We do trust our Russian partners” Norwegian sellers expressed. All but one Russian buyer expressed trust in the Norwegian partners.

However, what is needed to build trust and the way to build trust seemed to differ between Norwegian sellers and Russian buyers. The Russian buyers seem to base their trust on people in the company, and not on the company itself. Their prime interest was to find out whether persons they intend to deal with were trustworthy or not, or as expressed by one of the Russian buyers; “we need to know that the seller is honest and keeps his word.” Another Russian buyer expressed disappointment with one specific sales person's change of job after a

Norwegian company merger: “I really liked to work with xxx. We knew each other well and liked each other. He, however, was transferred to another sales department after the merger.”

The Russian emphasis on personal trust was also expressed by a Norwegian seller as follows: “You can come to a business meeting with Russians with empty hands. All you need to bring is yourself.” He further expressed:

“Being a person the Russian buyers can trust is of utmost importance. If you in a business meeting agree to something and later when you come home, receive a contra message from your boss, and then have to tell the Russian partner that this particular matter can not be carried out this way after all – then you really have lost face. It is different from the Western culture, where it is implied that every deal has to first be approved by your boss. Russians do not care about that. It is what you say and promise that matters. If you turn out to be a person without the freedom to act, they will probably seek to find another person who has this freedom.”

The personal trust building was further emphasized by a Norwegian seller, explaining the following turbulence after a change of director in their company:

“The director of our company quit and was replaced by someone else. For us, this was not dramatic, and business went on as usual. However, our Russian partners took this change very seriously and were very concerned with the consequences this would have for our company and for the future of our trade relationship. We had to spend a lot of time and resources to calm them down and ensure them that that the change of director had no impact on our company and that it involved no conflicts or changes, and that the business with them would continue as before.”



The Norwegian sellers, on the other side, indicated that they were to a larger extent used to basing their trust on the companies and not the persons in the company. For the Norwegian side the development of trust is highly related to communication and information-sharing. As one Norwegian seller expressed it:

“We are used to starting business meetings with new potential clients with a presentation of our company and company figures about number of employees, production volumes, and so on, and we expect, of course, to receive similar information from our counterparts. But from Russians we never receive this kind of information back.”

Instead of exchanging company information, the Russian buyers want to build close relationships with the seller to find out whether he is trustworthy or not. Russian buyers want to spend time with the seller, take him or her to dinner, drink vodka, and establish personal relationships, before discussing any business. The Norwegian sellers stressed the need of becoming friends with the Russian partners in order to do business. One Norwegian seller expressed the difference between Norway and Russia the following way: “In the West one can fight about business and still be friends. There is a clear distinction between work and personal issues. In Russia, however, business is personal. You have to be a friend. If you are a friend you do business, if you are not – you will not.” Another Norwegian seller said: “When I meet with my Russian partners, we hug.” For the Norwegian seller this was a very unnatural thing to do with his business partners; “I would not do this with business partners from any other country, but with Russians one hugs.”

The Norwegians seemed to focus, to a much higher degree, on doing business right away, and tended not to mix business with pleasure in the same manner as the Russians do. Russian buyers to a much higher degree mix business with pleasure, and spend much more of their “spare” time building personal relationships with their exchange partners. One Russian buyer expressed it as follows: “The Norwegians go home from work at 4 pm and turn off their mobile phones, so if any problems occur, it is impossible to reach them. It is probably good for family life, but not for business. We have our mobile phones with us and are ready to work out any complications at any time.” The Norwegian sellers had a similar view about this difference. One Norwegian seller expressed:

“We Norwegians go to work at 08.00 and leave at 16.00. When we come home we often switch to our social circle, we leave work and co-workers to spend time with friends and family. In Russia it is not like that at all. They mix spare-time and work-time. They spend so much time at work that they have to. They leave work maybe at 19.00. Not very family-friendly, but it is definitely a large cultural difference.”

A Russian respondent expressed further that: “When people are new, the process of becoming acquainted takes time, but when people have been trading with Russians for some time, the salesperson's reputation usually precedes that person, so you know whether you can trust them or not.”

Even if the partners seemed to have different ways of building trust, the partners had congruent perceptions about what the other partner wanted and emphasized.

## 8.2 Communication

Our findings indicated that communication between Russian buyers and Norwegian sellers mainly involved transaction-specific topics, such as information about prices, volumes, and

delivery terms. Some personal issues, like the well-being of the family, might also be discussed if time allows. However, when it comes to information-sharing there seems to be a significant difference between what the Russian buyers claimed to emphasize, and the way they are perceived by their Norwegian sellers. According to Russian buyers themselves, open and frequent communication is important. One Russian buyer expressed it as follows: “We speak frequently by phone, e-mail and personal meetings and we meet 3-4 times a year. We talk about everything.” Another Russian buyer expressed “It is difficult to say what we talk about – it’s about everything. We talk about strategic questions, about cooperation, and so on, but also about other things like your victory in the Eurovision Song Contest.” Yet another Russian buyer said: “Openness is very important to maintain good relationships.”

Norwegian sellers had a quite opposite perception about the Russians’ communication and information-sharing. One Norwegian seller expressed it as follows: “There is little exchange of information. The Russian keep information close to their heart – and they hide rather than reveal information.” Another Norwegian seller expressed the perceived Russian lack of information sharing as follows:

“In business meetings with Russians, the Russian partner can sit and reveal no information about their company or about the market situation. One large Russian customer of our company usually starts business meetings by drawing up a large circle and then draws up a line indicating their market share today, and then draws up a new line indicating how big they want their market share to grow this year, then sits down and says nothing further.” Yet another Norwegian seller expressed: “We do not receive any information from the Russian companies. I guess it is a cultural thing.”

Further, finding information about Russian companies from other sources was also expressed to be difficult. One Norwegian seller expressed: “It is impossible to find reliable information about the Russian companies in the same way as we are used to for Norwegian companies. Due to the double or triple bookkeeping in Russian companies, it is useless to seek company information on the internet. We would like to get more information about the Russian companies, but never do.” Another Norwegian seller said that it had become a bit easier now attaining information about Russian companies: “Today there are companies that help insurance companies like GIEK<sup>1</sup> to collect information about Russian companies. How they manage to find information I do not know because no information is public – but I guess they have their ways.”

According to the Norwegian sellers, the Russian partners did not, on the other hand, show much interest in getting company information from their Norwegian partners either. A Norwegian seller explained that when they in the early stages of their business relationships started business meetings with Russian buyers, using power-point to present company figures was common. However, they soon found out that this was highly uninteresting for the Russian buyers: “The Russian partners looked quite uninterested and started talking about the weather instead.” Another Norwegian seller told that one time he held a presentation about his company in a Russian business meeting, because his boss was attending the meeting and expected him to do this. He saw that after a couple of slides the Russian partners would pick up their phones and started doing totally different things and not paying attention at all. “Then I said, if you hang on for just 5 more slides about the company, I will have 10 more slides about my family.” The Russian partners laughed and did not leave the room – which, according to the Norwegian seller, Russian partners typically did. The Russian partners can in

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<sup>1</sup> GIEK is the central governmental agency responsible for furnishing guarantees and insurance of export credits.

the middle of a business meeting just suddenly leave the room, or they can suddenly start talking on the phone with others.

### 8.3 Power-dependence

Regarding questions related to the power and dependence distribution between Russian buyers and Norwegian sellers, the respondents on both sides of the exchange dyad at first answered that the distribution of power is symmetric, that both partners set the premises for the relationship, and that both partners were dependent on each other. Also, both partners emphasized the importance of equality for a relationship to function.

The Russian partners expressed that none of the parties had more power than the other, and that both parties were equally dependent on each other. As one Russian buyer expressed; “the power is divided 50/50 between us and the Norwegian partner.” Another Russian buyer even said the power distribution was divided 60/40 in favor of the Norwegian partner, because “we need to buy fish.” The Norwegian sellers were at first also reluctant to say anything else than that the power relations between them and the Russian partners were evenly distributed. One Norwegian seller expressed: “The power relation is equally distributed, it has to be. Or it does not have to be, but it is healthy. If one partner has too much power, it makes no good relationship. I feel we have a good relationship.” However, when probing deeper into this issue, both the Russian and the Norwegian partners admitted that the Russians had a power advantage over the Norwegians because of the special import restrictions on red fish (salmon and trout). The Norwegian sellers also felt that the Russian buyers had a power advantage in the pelagic industry because of the large Norwegian quotas resulting in an abundance of raw

material, making it possible for the Russian buyers to choose between different sellers and to negotiate on prices.

As of 01 January 2006, Russia introduced an import ban on farmed Norwegian salmon, which de facto included all types of salmon and trout from Norway. The Russian Federal Veterinary and Phytosanitary Service (VPSS) claimed they had discovered high levels of cadmium and lead in farmed Atlantic salmon and rainbow trout from Norway. According to the VPSS, the detected levels of cadmium and lead were way above the safety levels, while the Norwegian Food Safety Authority found the levels of cadmium and lead to be well within safe limits.

Only a limited number of Norwegian red fish exporters have after this ban received an approval for export of salmon and trout to Russia. On the Russian side, a few importers were granted control of all red fish imports, including the right to state which Norwegian sellers should be allowed to export red fish to Russia (Elvestad and Nilssen In review). During the fall of 2007, the VPSS gave notice of similar restrictions against pelagic producers, though to date these have not been fully executed. However, the pelagic producers have to live with the concern that similar restrictions will apply to them.

The following quote by a Russian importer of salmon reflects the power situation in the salmon sector; “We have very good connections with the Russian control authorities, and if we want them to find too high levels of bacteria in Norwegian salmon to be able to withdraw a Norwegian company’s export approval, they will.” Another Russian importer expressed it like this: “Questions about power – these are very serious questions and I am afraid I can not tell you much about it. But as I have already mentioned, we are one of the largest importers in Russia, so we of course have the power to influence the situation.” But he continues by adding: “This is not a struggle. We try to do business in a friendly manner. We try to make

things work.” Another Russian buyer said: “Yes, we have the power to get a Norwegian company’s license withdrawn, but we do not wish to use this power.”

Norwegian sellers told that they in price negotiations with the Russian buyers had been met with the argument: “Remember, we can easily get your export approval withdrawn.” The Norwegian sellers also claimed that the Russians had “shown muscles” before, and knew that companies had been temporarily banned because some powerful Russian buyer had been dissatisfied with their way of doing business.” One Norwegian partner also claimed that Russian buyers have more power because the Russian importers speak with each other, and are in online contact with each other all the time. “They work and act as a cartel, and a cartel has much more power than the open market,” he said. These findings indicate that there is a power-dependence asymmetry between the Russian and Norwegian partners. Regarding the Norwegian export of salmon, the power asymmetry is related mainly to the special Russian import situation. For the pelagic sector, an asymmetry seemed to be related to the Norwegian business structure and available amount of raw material.

According to the pelagic companies on the Norwegian side, the Russian partners were seen to have a power-dependence advantage because of the existence of too many Norwegian companies trying to export the same pelagic products to Russian companies. This, in combination with an abundance of available pelagic raw material, enabled the Russian partners to a much higher degree to choose who they wanted to trade with and gave them a significant advantage in price negotiations. A Norwegian seller expressed it as follows: “The structure in the Norwegian pelagic sector is destructive. We are destroying for ourselves. Having fewer, larger companies would have made us much stronger.” A Russian buyer expressed it as follows: “Sometimes we have power, sometimes we don’t. If all the Norwegian

sellers have very much fish which they have to sell, then we have power, but if there is a lack of fish, the Norwegian partners have the power.” None of the Russian pelagic importers mentioned anything about a buyer's market giving them a power advantage in today's situation.

#### 8.4 Commitment

When it comes to commitment, both the Norwegian sellers and the Russian buyers underlined the importance of having long-term relationships with their partners. One Russian buyer expressed it as follows: “We always search for companies which we can trust, and which we can establish long-term relations with.” An interesting finding here, however, is that even if the Russian buyers expressed clearly that long-term relationships were important for them, the Norwegian sellers find the Russian buyers to be short-term oriented and unwilling to commit to any long-term deals. One Norwegian seller said: “Russians and Eastern Europeans in general are short-term oriented. It is a cultural thing. In these countries, changes have happened very fast and have made people insecure. Many have lost money and they are afraid to lose their money too, so they secure themselves by making short term profits. Another Norwegian seller said: “The Russians will not make any price deals because they always believe that the prices will go down.” Yet another Norwegian seller said: “The Russians think from today till tomorrow. They do not care about two months in advance because of the uncertainties in Russia. They want to make money here and now. Well, of course they want to make money later also, but they are afraid.”

A contract with the Norwegian sellers is mandatory to enable Russian buyers to receive an import license. These contracts, however, only indicate an intention to trade with the partner



and specify some of the terms prevailing, if a transaction takes place. Given the mandatory aspect of using a contract, all the Russian buyers expressed that use of contracts is important. The Norwegian sellers also expressed that having contracts is important for them usually, but that the contracts with the Russian buyers only showed an intention to buy, and had little real value. One Norwegian seller expressed: “We have the contracts lying in the drawer somewhere, but have never used them.” Another Norwegian seller expressed it as follows; “Given the lack of a good institutional system in Russia, I really do not think that a contract is worth much in practice. But having a contract or not seems not the issue when trading with Russian partners, their personal pride is much more important.”

Norwegian sellers expressed that they would prefer stronger obligations with their Russian buyers, being able to secure future volumes and prices. The Russian buyers seemed to be unwilling to commit formally with written contracts, specifying volumes and prices, because of the risk of future market uncertainty. A Russian buyer expressed: “If you have a good relationship, oral agreements are sufficient.”

For the sake of business, having close relationships with their partners seemed to be more important for the Russian buyer than having formal contracts. A Russian buyer expressed it the following way: “A word means just as much as having a contract when you have had a long-term relationship with your partner.” This is also expressed by the Norwegian sellers when they emphasize the need for being friends with their Russian partners to be able to do business. One Norwegian seller expressed: “If you are a friend you do business, if you are not, you will not do business - real simple really.”

The value of building close relationships was expressed as being important not only with the Russian buyers, but also with other important persons with some kind of decision power in the Russian system. Having the right connections in order to do business in Russia was explained by a Norwegian seller the following way: “An important factor for us is to establish relationships with Russian buyers with good contacts in the rest of the value chain, and also with the authorities. We have clients with contacts all the way to the Duma in Moscow. That can be of good help.” Another Norwegian seller expressed the value of having the right contacts in the Russian system as follows: “We have managed to get contacts in the Russian Veterinary Service or, more specifically, with the person that makes the decisions about import approvals. This is the same person that a handful of importers speak to if they want to withdraw a Norwegian import approval. Such contacts can be very, very important. This gives no guarantees, but is nevertheless important.” Another Norwegian seller expressed it the following way: “You need to have someone who can lobby for you. The Russian side has the power to approve production companies – it is therefore important to establish oneself in business with the Russian buyers who have the power to get production companies approved.”

## **9. Discussion**

The reported findings deserve some further comments. To summarize our findings, we found that there is seemingly congruence between the Russian partners and the Norwegian sellers in that trust, communication, power/dependence and commitment are important antecedents for achieving satisfaction. However, the findings revealed that there are several differences when we probed further into the antecedents. Trust, for the Russian buyers, is personally related, while the Norwegian sellers have a stronger company focus. When it comes to

communication and information-sharing, even though both partners expressed that these are important aspects of a relationship, findings revealed that the partners share different information. Symmetric power-dependence distribution was also found to be important for both sides of the exchange dyad, however, the real situation shows a quite asymmetric power-dependence distribution, in favor of the Russian buyers. For the last antecedent, commitment, similar importance of contracts and long-term relationships was also expressed. An interesting finding here is that the Norwegian sellers found the Russian buyers to act in an opposite manner. They perceived the Russian buyers to be short-term oriented and unwilling to commit to any future deals with formal, written contracts, besides the mandatory, intentional contracts, which the Norwegian sellers perceived to have no real value. These differences and discrepancies will be further discussed below in relation to the cultural differences between Norway and Russia.

For the trust issue, the Russian reliance on personal trust can be explained by the historical background with the so called “blat” system. In Russia, people have had to struggle against the system and the government to be able to survive and succeed in business. The experiences of coping with the rather adverse system have taught Russians to use other ways and channels to succeed. Building close, personal relationships and using personal, informal networks have therefore been, and still are the way to get around in the Russian system (Butler and Purchase 2004; Peng 2001; Raiser 1999). In transactions, Russians have a tendency to distrust individuals, groups, and organizations that fall outside their sphere of personal relationships (McCarthy and Puffer 2002). The tradition of “blat”, or the reliance on and importance of personal contacts to build trustful relationships, is in accordance with the findings of this research. A key factor for managing business relationships with Russian partners seems to be the building of close, personal networks – this was apparent for all the antecedents

investigated in this research. The establishment of such networks was found important for building trust, receiving information, dealing with the asymmetric power-dependence distribution, and as a way of achieving commitment. The Russian reliance on personal networks and strong focus on personal trust have great resemblance to the Chinese terms “guanxi” (personal relationships) and “xinyong (personal trust) which are found to be of utmost importance if intending to do business in China (Wang et al. 2008). Further, the findings indicated not only the need for building close personal contacts with people in the Russian buying companies, but also with people in other organizations with decision power like the Veterinary Service – or preferably with people all the way into the Russian Duma.

As for communication and information-sharing, we found it interesting that the Norwegian sellers perceived the Russian buyers quite differently from how the Russian sellers perceived themselves. This is an example of how misunderstandings and misconceptions in cross-national business relationships can occur. The Russian buyers themselves emphasized the importance of openness and information-sharing to achieve satisfaction, and further indicated that they talked about everything with their Norwegian partners. The Norwegian partners on the other hand found the Russian partners to be closed, and to hide rather than share information. This can be explained in two different ways. First, previous studies about Russia often mention that Russian people keep information close to their heart, and that they, because of their experiences in the Soviet era with bugging and squealing, have had to learn to be careful about giving away information (Johanson et al. 2000). Further, knowledge has by Russian employees been perceived as a source of personal power and status and to symbolise their importance to the organisation – they therefore withhold information for the sake of maintaining individual power and status (Engelhard and Nägele 2003). Westerners, such as Norwegians, find it a common practice to share information, e.g. financial data, as a part of

the building of trust and mutual commitment in a buyer-seller relationship (Snavely et al. 1998). A second explanation can be that Russians' openness is related to different aspects than Norwegians' openness. Norwegians perceive openness and information-sharing to be related to receiving information about the company and market situation in Russia. Russians, on the other hand, have a much stronger personal focus in their way of doing business, and therefore show a stronger willingness to share personal information than the Norwegians, who have a stronger transactional focus. So when the Russian buyers express to be open and to talk about everything, they emphasize a different type of information than the Norwegians do. This may further indicate a misconception in regard to what the Norwegian sellers describe as unwillingness to share information, or withholding of information. This can also be explained by the Russians' lack of understanding that receiving information about the company is important. Since their focus is to become acquainted with the person they intend to do business with, their focus is the person and not the company. This is also illustrated by the lack of interest in the company presentations traditionally used by Norwegian sellers in business meetings.

Issues related to commitment also indicated some sort of misconception between the Russian buyers and the Norwegian sellers. The Russian buyers said they emphasized long-term relationships and that contracts are important. The Norwegian sellers, on the other hand, perceived the Russian buyers to be short-term oriented and to have contracts only for the sake of receiving import licenses, and not for the sake of committing to the relationship. These discrepancies can also be related to cultural differences - people from different cultures may assign different meanings to various concepts. What is regarded as long term for the Russian buyers may be short term from a Norwegian point of view. The discrepancy can also be related to differences in how the partners in different cultures find it natural to commit to

long-term relationships. Previous literature has addressed the Russian motivation for short-term material goals. Russians tend to think more about short-term profits and show reluctance to committing to future obligations in a market situation that can so easily change (Camiah and Hollinshead 2003; Elenkov 1998). The Western perception of Russians' buyers being short-term oriented may, however, be a misperception because of the Russian buyers' different way of committing to their business partners. The findings in this research indicate that Norwegians, when thinking about committing to long-term relationships, emphasize the importance of contracts, specifying future volumes and prices. The Russian buyers, as we have revealed for all of our investigated antecedents, focus on the building of personal relationships with their partner. So when the Russian buyers express an emphasis on long-term relationships, they think about building long-term, personal relationships with their partners. The Russian buyers may think that if you have a good, personal relationship, which has lasted for several years, the formal, written contracts are redundant, and not the main thing. Russian history with its sudden, dramatic changes and lack of governmental security may of course have an impact on the Russians' unwillingness to make detailed, written contracts. So what the Norwegian sellers perceive as short-term orientation does not necessarily mean the Russian buyers actually are short-term oriented. The Russian buyers may just feel that it is more natural to secure long-term commitment by using time and effort to build close, personal relationships with their business partners.

Also, the power-dependence situation was perceived a bit differently by the Russian and Norwegian partners. Even if the representatives from both the Russian and Norwegian red fish companies admitted the existence of a power-dependence asymmetry related to the Russian import restrictions, the Russian side indicated that they would not use this power advantage. The Norwegian side, however, stated that the Russian power advantage had been

used against them, and against other Norwegian companies. This has also been confirmed by the Norwegian Veterinary Service. As for companies in the pelagic sector, only the Norwegian partners addressed a power asymmetry in favor of the Russian partners, while Russian partners referred to the market situation, where the availability of raw material influences the power-dependence situation both ways. These differences related to perception of power can also be culturally related. Russia has a much larger power distance than Norway and very hierarchical structures both in business and society in general (Engelhard and Nägele 2003; Hofstede and Hofstede 2005). This may influence how the Russians perceive their own power advantage and how they act towards their Norwegian partners – without actually paying that much attention to the imbalance. Norwegians, representing a small country, with long democratic traditions and high dependence on the Russian market for export of seafood, are probably more sensitive about the power-dependence issue than their Russian partners.

Either way, the findings of our research indicate that in spite of the differences with regard to ways of developing trust, what information the partners share and prefer to receive, power-dependence perceptions, and ways of committing and thinking long-term – both the Russian and Norwegian partners expressed being reasonably satisfied. These are contradictory findings to previous research on buyer-seller satisfaction and the role of trust, communication/information-sharing, power-dependence, and commitment for achieving satisfaction in buyer-seller relationships (Caniëls and Gelderman 2007; Geyskens et al. 1998; Kumar et al. 1995; Rodriques et al. 2006; Whipple et al. 2010). It seems that in spite of a lack of congruence in regard to the meaning of certain aspects of the investigated antecedents to satisfaction, the buyers and sellers in this cross-cultural context make the relationships work fine. This can be explained by a focus on the goal - goal congruence – and not necessarily on the road to get there. The Russian buyers want to buy fish, either for own production or for

further sale, and need to make a certain profit to be willing to stay in business. The Norwegian sellers, on the other hand, want to sell fish, and as long as they are making money, they maybe pay less attention to the lack of congruence in terms of thinking long-term or short-term, or to whose side the power is on. An important aspect is that the relationships investigated in this research have been functioning for many years, indicating that the partners have learned to handle the cross-cultural differences. They have therefore set the focus on the goal, buying or selling with maximum profits, and paying less attention to the cultural hazards along the way. The differences and lack of congruence related to the antecedents in this research may be a more complicating factor for new actors wanting to get into cross-national business.

## **10. Conclusions and implications**

The purpose of this research has been to explore whether culture influences satisfaction in cross-national buyer-seller relationships. Our exploratory study revealed a seeming congruence between the Russian buyers and the Norwegian sellers regarding which antecedents are important to satisfaction. Exploring deeper into the meanings of the different antecedents and how the partners perceive each other with regard to the investigated antecedents, several differences and misconceptions were revealed. Russians and Norwegians seem to emphasize different matters in order to build trust. Where the Russian buyers emphasize personal trust, the Norwegian sellers emphasize company trust. Where the Norwegian sellers emphasize company information, the Russians are more interested in personal information. The power-dependence distribution seems to be a larger issue for the Norwegian sellers than for the Russian buyers – quite obvious since the power advantage is on the Russian side and thereby affects the Norwegian sellers more than the Russian buyers.



And for the last antecedent, commitment, it seems like the Russian partners commit to long-term relationships by building close, personal relationships with their partners, while the Norwegian sellers perceive Russians as short-term oriented and unwilling to commit to long-term deals, since they are not willing to sign formal, written contracts involving future prices and volumes.

The findings also show that in spite of a lack of congruence between the Russian and Norwegian partners related to certain aspects of the investigated antecedents, the partners express satisfaction with the relationships. This may indicate that other aspects of the relationships make the effort worth while, and that goal congruence is more important than the differences experienced on the road to achieving the goal – namely buying and selling fish and making a certain profit to enable the continuation of business.

The observation that the partners express satisfaction in spite of lack of congruence related to many aspects of the relationships may be explained by the longevity of the relationships, as all of our investigated relationships have been working for many years - indicating that the partners have learned to handle the cultural differences. The one Russian buyer indicating less satisfaction with the Norwegian sellers had only been working with Norwegian companies for two years. The other persons interviewed had been working with export/import to/from the respective countries from six to eighteen years.

### 10.1 Theoretical implications

This research contributes to the extant theory about satisfaction in cross-cultural buyer-seller relationships. Empirical studies dealing with satisfaction in buyer-seller relationships have

mainly focused on domestic relationships. Also, most of the research addressing buyer-seller relationships has been conducted in the West, in the USA in particular, raising concerns of external validity (Dash et al. 2006). Eastern European countries, like Russia, have become increasingly important to international trade, implying that knowledge about business relationships with these countries is of utmost importance.

The antecedents to satisfaction used in domestic studies seem to be valid also in a cross-national context. However, the interpretation of the specific antecedents seems to vary across cultural contexts. Further, the research shows that business relationships may continue in spite of the differences in cultural background because the partners learn to live with the differences in order to achieve their goals.

Two interesting differences were revealed with regard to perceptions of cultural differences and presence of conflict. The Russian buyers expressed that Norwegians and Russians are very similar, and that there were no conflicts in the relationships with Norwegian sellers. The Norwegian sellers, on the other hand, emphasized that there were great cultural differences, and that there were often conflicts. These differences may be explained in at least two ways. First, they can be related to the coping with cultural differences, where maybe one partner is adapting to the other partners' way of doing business to the extent that his partner finds the cultures to be similar and the relationships to be without conflict. Or it could be that the partners, representing different cultural backgrounds, perceive these concepts differently.

## 10.2 Practical implications

The main practical implication of this research is for business managers to pay attention to possible influences of cultural differences in cross-national business. As shown in this research, cultural differences can easily lead to misconceptions about each others' intentions and behaviors.

Implications specific for this context show the necessity of establishing and maintaining close, personal relationships with Russian business partners. This necessity was emphasized for all the investigated antecedents for satisfaction in this study. The building of close relationships seems to somehow weigh up for the lack of congruence related to how antecedents were achieved or executed, and the lack of power-dependence symmetry. As for doing business with Norwegians, the results reveal that Norwegian sellers are much more transaction focused, and show a very strict distinction between working time and leisure time - prioritizing family life before business. People from some cultures may find it peculiar that Norwegian sellers leave work at 16.00 to pick up children from school and kindergarten and to be with their families instead of being available at work.

Foremost, our findings are important for new actors wanting to engage in cross-national business relationships. Business actors having engaged in international business for many years have learned to handle the possible cultural differences – maybe often the hard way. New entrants must always be prepared to deal with a new cultural context. Programs developed to train salespeople about different cultures should be mandatory before entering new markets. When buyers or sellers have different cultural values and related expectations, the buyer and/or the seller should be ready to adapt strategies to appropriately account for these differences (Cannon et al. 2010).

### 10.3 Research limitations and future research

The number of companies included in the study could have been increased, but we found that when new cases were added, little new information was revealed, indicating saturation (Eisenhardt 1989). Further, this research only involved buyers and sellers in the seafood industry. However, we argue that the findings revealed in this research are not industry specific, and have value for business managers conducting cross-national business across industries. Since our focus has been on national cultural differences there is little reason to believe that the cultural aspects discussed in relation to trust, communication/information-sharing and power-dependence are just valid for buyer-seller relationships involved in the seafood industry. Also, this study only focused on business relationships between Russia and Norway, which limits the ability to generalize the results. However, the results are valuable for all other countries aiming at doing business with these two specific countries. Also, as the main implication of this research implies – it is important for business managers to pay attention to the possible influences of cultural differences in all cross-national business.

Further research could, however, investigate buyer-seller satisfaction in several cross-cultural settings, across industries to increase the general validity of the results. Future research should also explore in more detail how parties involved in cross-cultural buyer-seller relationships cope with cultural differences. Given the assumption that buyers and sellers in cross-national relationships over time learn to cope with cultural differences, it would be interesting to investigate relationships in different phases of business development to explore the influence of culture over time.

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## Appendix 1

**Table 3** Norwegian companies, exporting seafood to Russia

Company name	Industry	Production/sales volume (1000 tons)	Export share to Russia (% of tot prod)	Company experience with Russian export (years)	Personal experience with Russian export (years)
Company 1	Salmon	100	10	18 (1992)	12
Company 2	Salmon/trout	20-30	50	8 (2002)	8
Company 3	Salmon/trout exporter	20-30	?	9 (2001)	9
Company 4	Pelagic	100	30-35	15 (1995/6)	15
Company 5	Pelagic	480	15	21 (1989)	21
Company 6	Salmon	200	10	?*	9
Company 7	Pelagic	62	25	11 (1999)	2
Company 8	Pelagic	55	45-50	15 (1995)	15

\* Unknown because of a merger of three different companies into one in 2007

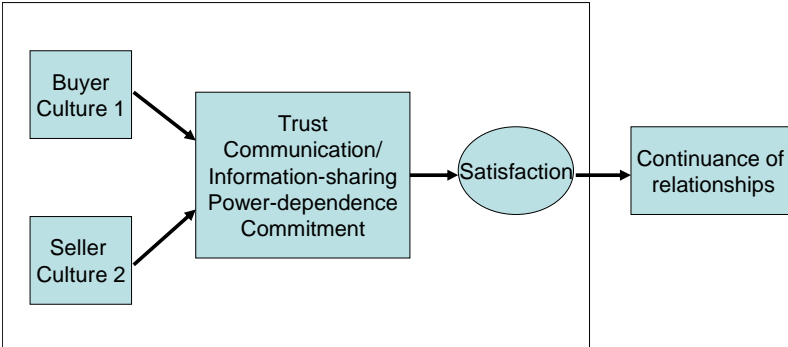
**Table 4** Russian companies, importing seafood from Norway

Company name	Industry	Production/Sales volume (value) (1000 tons)	Import share from Norway (% of tot import)	Company experience with Norwegian import (years)	Personal experience with Norwegian import (years)
Company 1	Pelagic wholesaler	?* (40 mill USD)	60	4 (2006)	5-6
Company 2	Pelagic wholesaler	?*(1 mill USD)	15	7 (2003)	7
Company 3 (resp pelagic)	Pelagic and salmon wholesaler	70	70	14 (1996)	?
Company 3 (resp salmon)	Pelagic and salmon wholesaler	70	70 (30 % of tot. salmon import)	14 (1996)	2
Company 4	Trader	3	50	8 (2002)	8
Company 5	Trader	?* (40 mill USD)	100	12 (1998)	?

\* The respondents did not know the production / sales volume, and this information was not accessible on the internet

**Table 1** A simplified overview of characteristic differences between Russia and Norway

<b>Russians</b>	<b>Norwegians</b>
Suspicious	Naïve
Distrustful	Trustful
Need personal networks and exchange of favors (“blat”) to manage in business	Networks are necessary, but to a lesser extent
Personal oriented	Business oriented
Informal commitment	Formal commitment
Collectivistic	Individualistic
Withhold information	Share information
High power distance	Low power distance
Hierarchical structures	Flatter, democratic structures
High uncertainty avoidance	Moderate uncertainty avoidance



**Figure 1** Conceptual model

**Table 2** Overview of the findings: what Russian and Norwegian partners state themselves and how they are perceived by their exchange partners

<b>Antecedents to satisfaction</b>	<b>Russian buyers</b>	<b>Norwegian sellers' perceptions about the Russian buyers</b>	<b>Norwegian sellers</b>	<b>Russian buyers' perceptions about Norwegian sellers</b>
<b>Trust</b>	Personal trust	Personal trust Mix business and pleasure Need to be friends	Company trust Not used to mix business and pleasure	Transaction oriented
<b>Communication/ Information-sharing</b>	Frequent communication Talk about everything Open	Personal relationships Withhold information Close	Frequent communication Share information	
<b>Power-dependence</b>	Power advantage because of import restriction on salmon Depend on marked situation	Russian power advantage because of import situation and amount of available raw material Personal relationships	Power disadvantage because of export restrictions on salmon Buyers' marked for pelagic fish because of available raw material	Power disadvantage because of special import situation
<b>Commitment</b>	Contracts mandatory  Long-term oriented	Intentional contracts – no binding value Short-term oriented Personal relationships	Wants more written, binding agreements and more long-term deals	