SELECTION A LOGISTIC MODEL FOR GIRTEKA GROUP WITHIN THE NORWEGIAN MARKET

A Thesis

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by

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Abstract

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The thesis is focused on the establishment of market penetration strategy for Girteka Group in Norway. The aim of the thesis is to determine business logistics model for Norwegian market and provide guidelines for its implementation.

Objectives of the thesis. Four main objectives have been defined:

1. Analyze internal and external situation of Girteka Group, identify the weakness of current activities and opportunities in Norwegian market.
2. Analyze logistics outsourcing models and define their characteristics and adaptability.
3. Perform a qualitative research to gather logistics experts' insights and figure out preferences of seafood industry players.
4. Select logistics model on the basis of research findings and provide managerial solutions for Girteka Group on how to successfully develop selected model.

Research methods. Situational analysis is based on analysis of academic literature, analysis of internal company's data and secondary data. Qualitative empirical research was performed with logistics industry experts and seafood industry players. The tool of semi-structured interviews was applied.

Research results. The findings disclosed that the model to be selected for Girteka Group within Norwegian market is Third-Party Logistics model (3PL). Action plan for its implementation is introduced.

Keywords: logistics, Third-Party Logistics (3PL), relationship-based strategy, Norway.

Table of Contents

List of Figures

List of Tables

Introduction

Relevance of the topic

The rapid changes of the business are influenced by several factors such as globalisation, empowerment of consumers, technological improvement, consolidation within industries and changing government regulations that encourage organizations look for business optimization solutions to compete globally (Langley, Coyle, Gibson, Novack & Bardi, 2008, p. 8). One of the solutions to sustainable development is an establishment of outsourcing partnership with the client (Linder, Cole & Jacobson, 2002; Saglietto, 2013). There is a trend in logistics industry of Third-Party Logistics (3PL) and Fourth-Party Logistics (4PL)expansion: for instance, global revenues of 3PL services increased by 9,3% (2005-2012) (Stoughton, 2013). The mentioned models are based on relationship building within a supply chain and emphasizing an importance of collaboration between service providers and customers.

Girteka Group is one of the leading logistics service providers in Eastern Europe. In 1996, company's activities were started by entering Russian market, soon after success in the latter, a desire for new opportunities were addressed to expansion of transportation routes to Western Europe. In 2004, first cargo shipments to Scandinavian market were completed. As a result of being the last region entered, Scandinavian market is where the least expenditure and market coverage reached by Girteka.

Due to the recent sanction on goods to be imported and limitation on trucks crossing the border of Russia and the latter's unstable political and economic situation, new opportunities for business development were taken into consideration. By investing into new facilities and equipment, Girteka seeks to strengthen its competitive position in Norwegian market. Research shows that EU is the major trade partner for Norway capturing more than 75% of the latter total trade (European Commission, 2014).Therefore, logistics activities could be exercised not only locally but also internationally. The primary focus of Girteka is to strengthen market positioning inside the country while international aspect is considered as a secondary one. By analysing customers' needs when selecting logistics provider and considering capabilities and opportunities within a market, company will be able to select suitable logistics model for market penetration in Norway.

Research problem

What is the most suitable logistics model to implement in order to strengthen positions in Norwegian market?

Aim of thesis

To determine logistics business model that is the most applicable for Norwegian market considering current market situation, company's capabilities, industry experts' insights and customer preferences; to select the logistics model and provide guidelines for its implementation.

Objective of the thesis

1. Analyse internal and external situation of Girteka Group, identify the weakness of current activities and opportunities in Norwegian market.
2. Analyse logistics outsourcing models and define theircharacteristics and adaptability to the market.
3. Perform a qualitative research to gather logistics experts' insights and figure out preferences of seafood industry players.
4. Select logistics model on the basis of research findings and provide managerial solutions for Girteka Group on how to successfully develop selected model.

Research methods

Methods that are used in the thesis: situational analysis is based on analysis of academic literature, analysis of internal company's data and secondary data. Qualitative empirical research was performed with participation of logistics industry experts and seafood industry players. The tool of semi-structured interview was applied.

Practical value of the thesis

Girteka has recently acquired Norwegian based company and are looking for eligible and most effective strategy to strengthen competitive positioning in domestic market. Therefore, after managerial solutions are concluded, strategic guidelines for further market penetration will be presented to representatives of the company.

Logical sequence of the thesis

1. Situational analysis, which covers internal and external situation analysis of Girteka Group, identification of a research problem and analysis of academic literature.
2. Empirical research part, which contains the main objectives of the research, detailed description of research method and data collection method, data analysis and presentation of results.
3. Managerial solutions part, which involves selection of logistics model and recommendation on its implementation for Girteka Group in order to strengthen competitive position in Norwegian market.

Situational analysis

Internal analysis

This part of analysis aims to analyse internal environment of Girteka Group. Firstly, the general information about the company is provided. Secondly, its history and progressive expansion is described followed by the list of the services delivered by Girteka Group.

Business and company identification. Girteka Group is specialising on providing logistics service and cargo transportation by road within Europe and CIS countries. It was founded in 1996 by MindaugasRaila. Girteka Group is formed of over 50 different kinds of companies including commercial, transportation, logistics, auto services, real estate and holding companies. By emphasizing its four key values – reliability, co-operation, attainment of results, professionalism - Girteka has become one of the leading logistics operator in Eastern Europe completing more than 150 thousand full truck loads a year.

Company's history and expansion.Three employees and one truck were primarily capital of the company and the strategy was focused on transportation routes to Russia. Since its establishment, Girtekahas grown tremendously: in 1998, transportation routes were expanded to Western Europe; in 2000, brand new office was opened in Vilnius; in 2004 and 2007, logistics centres were built in Vilnius and Vievis respectively, and that broaden the range of services to be offered. With an opening of logistics centre in Orlaine (Latvia) in 2008, Girteka started its expansion abroad in terms of new capital and capacity. In 2012 an office was opened in Moscow and it lead to a start of cargo shipments inside the Russia. Recently, Girteka has acquired Norwegian logistics company Thermomax Trondheim AS with all its assets including office and fleet and now has a detachment in Scandinavia. Worth mentioning, that the latter has not started its activities in all capacity yet. Girteka Group network in details is provided in appendices section (see Appendix A).

18 years of working experience resulted in expansion all around the Europe and CIS countries. Currently, Girteka Group owns more than 2 700 new trucks and 2800 trailers, 200 000 square meters of total area of storage warehouses, a team of 6500 professionals (90% of them are truck drivers), completing more than 150 000 full truck loads (2013) a year and company is still progressively expanding. In 2013, turnover of Girteka was about € 400 million. Data of Girteka growth and forecasts for coming years in terms of full truck loads completed is presented in Appendix B.

Companies' services.Girteka Group is providing wide variety of services (see Figure 1). The major one is cargo transportation by road all around the Europe and CIS countries. Modern vehicles are transporting goods to United Kingdom, Ireland, Germany, Poland, Benelux countries, France, Italy, Spain, Portugal, Slovakia, Slovenia, Czech Republic, Hungary, Luxembourg, Romania, Greece and back. There were more than 87 460 full truck loads completed in 2013 inside the Europe. Also, transportation is rooted to the Nordic countries, Norway, Denmark, and Sweden that reached 24 000 full truck loads in 2013. In addition, cargo transportation to and from Russia, CIS countries constituted almost 43 thousand full truck loads in the same year.

The fallowing services are offered by Girteka logistics centres: excise goods service (quality check, labelling, storage, packaging, etc.), customs intermediary services, phytosanitary (plant health) and veterinary services. Four existing warehouses that are divided into four categories of ambient, reefer, customs/bonded and excised are equipped to arrange the following services: storage, consolidation, labelling or/and marking, document clearance, goods sorting.

Currently, Girteka provides complex Third-Party Logistics (3PL) service only to the companies that trade good within Baltic region.

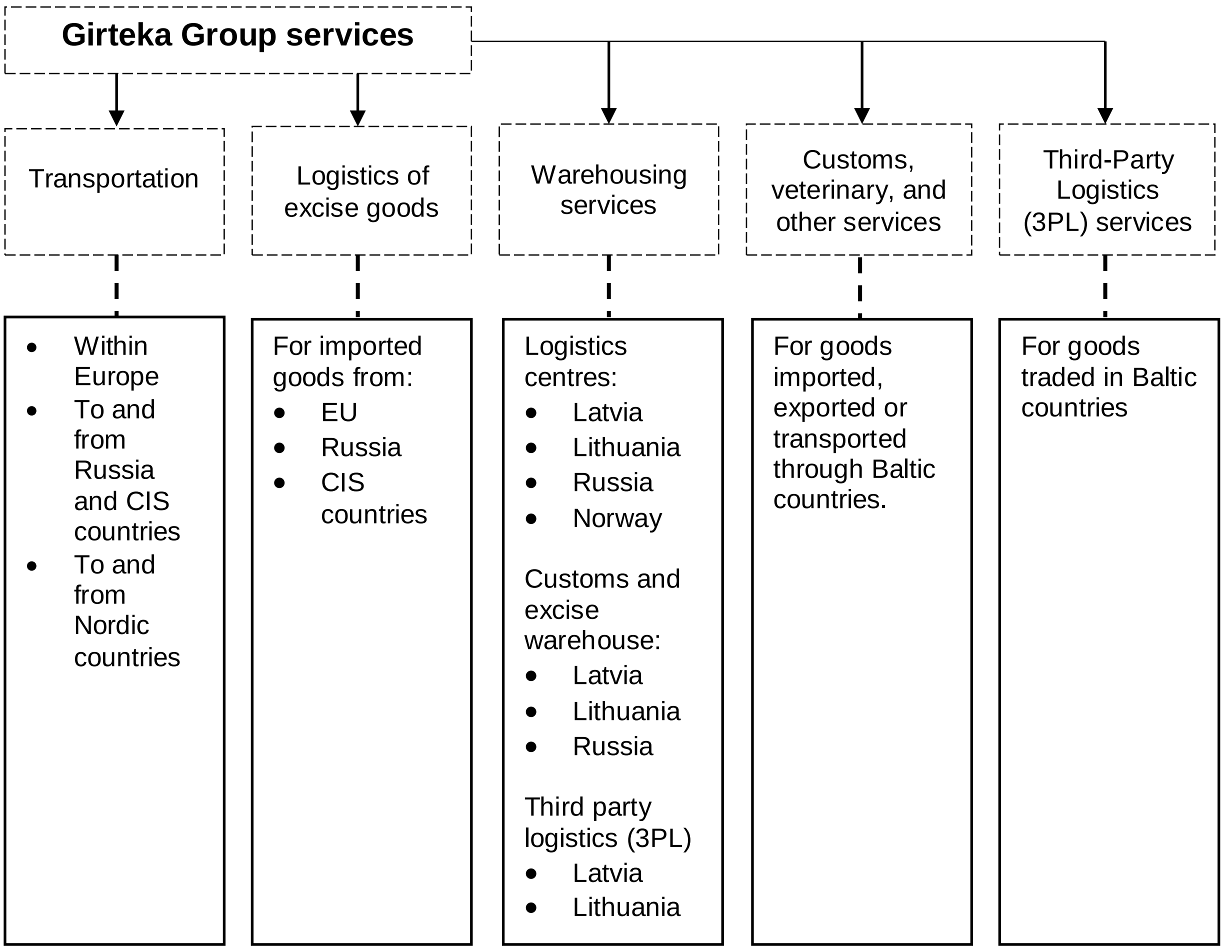

*Figure 1.*Girteka Group services.Compiled by author.

Analysis of foreign market entry modes. The selection of business entry mode is one of the most significant decisions regarding expansion an international company has to make (Osland, Taylor & Zou, 2001; Blomstermo, Sharma& Sallis, 2006). After all environmental factors are considered and potential market is selected, the company choose one of the following types of entry modes: exporting, contractual arrangement (licensing or franchising), foreign direct investment (FDI) that includes mergers&acquisitions, joint ventures, alliance or greenfield investments (Johnson, Scholes, Whittington, 2008). Classification of entry modes is exhibited in Figure 2.

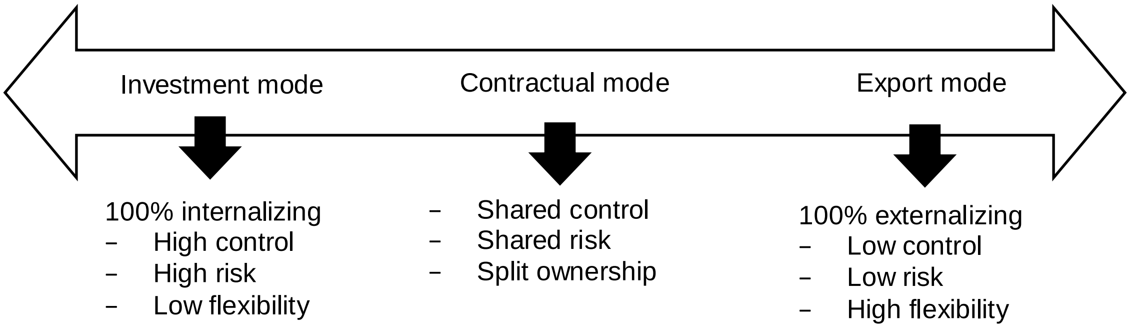

*Figure 2.*Classification of market entry modes. Compiled by author.Based on "Global Marketing– A Decision-oriented Approach", by S. Hollensen, 2007, p. 292.

Determination of the mode to be selected depends of three factors: resource commitment, amount of control and technology risk (Osland et al. 2001; Li, Jin, Li, Liu & Skitmore, 2013). The quantity of resources required considering both tangible and intangible assets varies within an entry mode: the minimum amount is required for exporting, slightly more for contractual agreements, which mostly includes training costs, considerable costs in joint ventures and finally FDI requires the largest-scale of investment in capital and human resources (Osland et al., 2001). The degree of control, which is considered as crucial factor when going international by Blomstermo et al (2006), alters from one entry mode to another. Licensee or franchisee has low control in decision making process while subsidiary exercise the greatest control, thus the latter is the most appealing mode to many companies (Li et al., 2013). The last but not the least relevant factor is technology risk. It defines the risk of unintentional losses of comparative advantages of technology or management model when entering new market. The riskiest modes are contractual ones, and the lowest risk of dissemination is for wholly owned subsidiary (Li et al., 2013). The way of entry of Girteka to Norwegian market is acquisition mode, revealing moderate to high degree of control, high resource commitment, and moderate risk of dissemination. In 2013, Girteka Group has acquired Norwegian based company Thermomax Trondheim AS and, currently, owns 60% shares of the latter. The company enriched its operating capacity by33 employees, 54 trucks, commercial office and warehouse.

External analysis

Overview of logistics and seafood industries.EU and Norway are closely tided in terms of business activities. EU is a major Norway's trade partner, contributing 75% of the latter total trade, while Norway is 5th trade partner with 4.1% share of EU total trade (European Commission, 2014).The real GDP in EU grew by more than 10 percent since notable decline 2009 and it is forecasted to keep increasing by up to 2% a year (2015-2018)(Euromonitor International, 2015). As a consequence, the rise of trading rate of EU almost reached the level set before the crisis, the forecasts are also promising – increase by 3-6% a year (2014-2015) (Euromonitor International, 2015).

Logistics industry is experiencing development period after long lasting recession. During 2013, there were more than €17 billion invested in European logistics and industrial property (Knight Frank, 2014) that emphasizes great interest in logistics industry as a whole.

EU is the largest consumption market for fishery products, representing € 52,2 billion (2011) and contributing 24% of world exchange in terms of value (European Commission, 2014, p.1). In 2012, consumption in EU of fishery products reached the highest level since 2007 (European Commission, 2014, p. 2) and it is projected to keep increasing for approximately3-4% a year in coming three years after 2% of decline in 2015% (Euromonitor International, 2014). In 2013, 5% of total exports from Norway to EU were fishery products (European Commission, 2014). In Norway, the production of seafood goods is forecasted to be increasing also

(Euromonitor International, 2015).All of the data provided reveals that both supply and demands of seafood products is growing, therefore prompting growing trading rates between Norway and EU.

As a result of strong business relations between EU and Norway, favourable conditions for logistics services development are indicated: growing GDP and rising consumption would result in increase in trading volumes and thus boost the demand of logistics and transportation utilities.

Macro environmental analysis. In the report, analysis of macro environment of the Girteka Group is based on PESTEL framework and analysis of major risks of internationalisation.

PESTEL analysis.The PESTEL framework consists of political, economic, socio-cultural, technological, environmental, and legal factors that are relevant to the company. Following analysis exhibits trends and its scope of impact on Girteka operations in Norwegian market.

*Political factor.*Norway is constitutional monarchy strongly based on democracy principle: executive power belongs to the King’s council; legislative power is exercised by both government and the Storting, which is formed of multiple parties. Norway is demonstrating stable political and legal system year by year. Based on corruption perception index, which measures the perceived corruption rate of country’s public sector, Norway is 5th out of 177 countries listed (Transparency International, 2013). The latter data shows high level of transparency, stability and favourable business environment in Norway. Corporate tax rate in Norway is equal to 27% (KPMG, 2014)which is considerably higher than EU average. Worth mentioning that corporate tax decreased by 1% in 2014, after years of stagnation.

Since the acquisition of company Thermomax Trondheim AS, Girteka is directly influenced by all the regulations made by local government. Any straighten policies regarding trading, for instance the ones encouraging producing inside rather than importing or quotes on quantity traded, would decrease the number of transaction completed. Increase in corporate tax rate, which is already higher than EU average, would decrease the profit and slowdown company's expansion in the market. Nevertheless, Girteka found Norway attractive marketplace to invest indue to its friendly business environment and stability.

*Economic factor.*GDP growth rate and trade rate is directly related (Gnoufougou, 2013). Norway is 4th richest country in the World. The GDP is calculated to be more than 3 trillion NOK (€360 billion) and is forecasted to grow at the rate of 2.2 - 2.5% a year (2015-2018) (Euromonitor International, 2015). In addition, total consumer expenditure is estimated to rise at 2.8% on average until 2030 (Euromonitor International, 2014). Economic recession in 2008, which decreased trading rates significantly all around the World, had the same impact on EU and Norway trading. However, markets are recovering - EU and Norway trading volumes increased by 24% (2009-2013) and even outperformed situation before crisis (European Commission, 2014). One more key element considering economic situation is fuel prices. Rising fuel prices create significant costs logistics companies have to face. Every kilometre driven is a cost for a company.

Growing economy results in greater trading rates, therefore, greater amounts of goods being transported. By taking current economic situation into account Girteka invested into fleet expansion and more than doubled the number of trucks for Scandinavian market since 2011 (around 250 trucks in 2011, 540 trucks in 2014).Followed by common trend of economic recovery, Girteka's transportation volumes to and from Norway increased 11 times (2009-2013).Even though fuels prices are currently decreasing, it is forecasted that expenditure on the latter will be incremented (Euromonitor International, 2015). In order to solve the issues regarding expenditure on fuel, Girteka logistics has started to implement cost saving methods, such as automatic route planner, which would automatically find the nearest truck to the loading place and thus decrease "empty kilometres" being driven.

*Socio-Cultural factor.*Scandinavian people, especially Norwegian, are known for its high living standards, norms and ethics. Trust, quality and guarantees, professionalism, honesty and straightforward communication, time management are the features highly valued by citizens and businesses. According to Statistics Norway, the population of Norway's is more 5.1 million people and by 2020 the number is forecasted to reach 5.5 million (Euromonitor International, 2014).

Girteka emphasizes its key values of being reliable, high quality service provider and environmental friendly by investing into new business optimization methods. Growing population would bring the benefit of growing consumption rates that would result in greater variety of products demanded and therefore acceleration in trading and logistics facilitation usage.

*Technological factor.*Business optimization with a help of IT development is one of core trends in logistics business operations. Implementation of supply chain technology applications such as Transportation Management System (TMS), Collaborative Planning, Forecasting and Replenishment (CPFR), Customer Relationship Management (CRM), Advanced Planning and Scheduling (APS) are becoming more generic feature rather than differentiator (Closs et al., 2007).

The latter trend has a significant effect on Girteka operations and main activities inside and outside the company. An implementation of GPS tracking system allows transport managers to follow trucks online without contacting drivers directly. As it was mentioned before, automatic route planner is being developed that will take a role of current transport managers for monitoring, planning and supervising a portage. In addition, Lean management model is being implemented in all Girteka Group starting with warehousing activities, finishing with commercial activities in order to minimize the waste and reach business optimization. Innovations and continues improvements of internet network make the communication more effective and efficient since phone and emails are the main communication tools. There is necessity to keep up with the trends in order not to lose competitiveness.

*Environmental factor.*Environment issues have become a key concern in nowadays society. The Government of Norway is taking a leading role to implement and develop cooperation concerning environmental issues, encourage funding and sustainable usage of natural resources (Norwegian Ministry of Foreign Affairs, 2006). A decade ago, the concept of “green logistics” was introduced revealing the importance of environment commitment by recycling materials, reducing consumption, saving energy, etc. (Rodrigue, Slack & Comtois, 2011). One more significant criterion isclimate and geographical stance of a country. Weather conditions are extremely complicated during winter time in Norway when additional safety measures need to be taken to avoid accidents.

Environmental management systems have become as important as any other business optimization system thus commitment proving standards, such as ISO14000, are beneficial to be implemented. Girteka has started emphasizing its green operating approach by validating ISO14001:2004standard, using biodiesel powered Scandinavian fleet, adapting green facility policies, exploiting Euro 5 and Euro 6 trucks, etc.

*Legal factor.*Norway has signed (1996) European Economic Area (EEA) agreement that defines the main economic and trade aspects. Norway is not part of EU Customs Union and all the goods transported have to be declared at the border with EU by presenting export declaration and certificate of origin while importing. In addition, CMR – document that outlines the main legal issues regarding cargo transportation by road, have to be carried.

Agricultural goods and fishery are excluded from EEA agreement; trade conditions are defined in bilateral agreement (2012) instead. There is an aim to liberalise trade between EU and Norway for the mentioned products. One of the main reasonsconsidering a low agricultural goods trading isan extensive protection from foreign competition (Euromonitor International, 2014). High duty prices of importing goods to Norway exists due to country‘s goal to expand domestic agriculture industry. Any liberalisation regarding trading is favourable to a degree of rise of international transportation for Girteka. On another hand, regulations on trading and development agricultural industry would be beneficial for demand of domestic logistics services.

In 2011, a new regulation was implemented stating that the driver cannot complete more than three cabotage operations (cargo transportation between two points within a country with vehicles that is registered abroad) in a row within seven days after international transportation was completed (Jensen, n.d.). In order to follow the rules two options were possible either implementation of precise planning system or entrance to Norwegian market. Both options were taken by Girteka.

Internationalisation risk. Girteka Group operations are directed related to foreign markets, in this particular case, Norwegian market. In terms of international business risks, Girteka Group is affected downward, as its commercial units, the main revenue generators, are affected first. Potential risks include:

*Commercial risk.*The greatest commercial risk is undoubtedly competition. Competition in logistics market is very intense, major competitors (most of them are the global players) have built strong brand recognition and gained sufficient market share. Girteka faces strong competition towards both direct and indirect competitors (the ones who transport goods with planes, ships or trains and also provides wider variety of logistics services). What is more, market research is essential in order not to face the failure. For instance, Norway is the biggest exporter of fishery products (over 1.2 million tonnes (2012-2013)) to EU (Statistics Norway, 2015), thus wide ranging refrigerators and particular conditions while transporting, as well as other relevant logistics serviceshave to be offered for clients in order to take an order. In addition, based on Logistics Performance Index (LPI) Norway is 7th best logistics service provider in the World, while Lithuania is positioned as 46th(The World Bank, 2014). It shows that logistics industry is at very high level in Norway and Girteka needs to catch up with the standards.

*Cross-cultural risk.*Different working cultures are the key concern. Lithuanian working style is not always appreciated by Scandinavian due to its slightly lower or just different standards and requirements. For instance, environmental commitment is highly spread around Norway’s culture (biodiesel, recycling, energy saving equipment, etc). Companies ask for its clients certificates that prove eco-friendliness or quality standards. Whether, in Lithuania this trend only accelerates. In addition, language differences disrupt clear and effective communication between the parties. Before acquisition was completed, none of native Lithuanians employees were speaking Norwegian, only English, Russia, French, Italian, Spanish.

*Country risk.*As it was mention before, Norway belongs to top five least corrupted countries in the World, meaning save and business friendly environment. Worth mentioning, that during election of 2013, 8 years lasting left-wing cadence was discontinued by conservatives. The new parliament is focused on social welfare, decrease in taxation, diversification of economy, market liberalization, free public healthcare and education, anti-immigration policies

(Bevanger, 2013). Despite government's expansive role that discourages competition and foreign investment, high level of business freedom and innovativeness maintains Norway position among the most attractive countries for investment (Euromonitor International, 2014).

*Currency (financial risk).*Since 1992, the national currency of Norway, krone is let to fleet freely in the market. Its value compared to other currencies varies depending on oil prices and interest rates year by year. The higher the interest rate or/and the higher the oil price the higher value krone gains. As a fact, it is considered as one of the safest, sometime the safest currency in the world, thus it is very attractive for investors. However, economists have doubts about continues stability of krone since Norway might soon feel the lack of financial infrastructure (Smith, 2009). In the other hand, there is a negative side of strong currency in terms of trade. Strong currency means high product prices for international consumers and thus decrease in demand of foreign goods - decline in exports. What is more, based on recent assessments, increase in domestic consumption is expected as a result of households' income rise, which is predicted to be higher than increase in inflation(Coface, 2014; Trading Economics, 2014).From the beginning of 2015, the national currency of Lithuania has been changed to euro. Most likely, it would be more beneficial for collaborating with Norway due to the entrance of stronger currency in the market.

Market segmentation and customer analysis. The segmentation of Girteka Group customer is based on purchasing criteria. Five different segment groups are described clearly in terms of technical specifications or services demanded and representative industries (see Table 1).According to internal company's data, segment A and segment B are the largest in terms of profit generation. This research will be focused on A, D and E segments as a consequence of focus on seafood industry.

Table 1

Market segmentation by Girteka Group

Segment	Characteristics
Segment A Transportation with temperature	The largest segment in terms of full truck loads completed. Special conditions of transportations is demanded including the following: refrigerator trailer maintaining the temperature range of -25°C - +25°C, cargo weight of up to 23 tones, loading from the back of a trailer, additional bracers for safety, strict transit time, GPS tracking and thermograph data provision. Main industries: food and seafood, medicaments, beverages.
Segment B Transportation without temperature	No special condition demanded. Cargo is transported either with refrigerator trailer (the temperature regime is turned off, cargo weight of up to 23 tones, loading from the back of a trailer, additional safety equipment) or with toutliners (cargo weight of up to 24 tones, loading from the back or the side of a trailer). Main industries: consumer retail, household material, automotive & industrial.
Segment C Transportation of dangerous goods	The smallest segment in terms of full truck loads completed. Special conditions for explosive, toxic, radioactive and other dangerous cargo transportation. ADR (the European Agreement concerning the International Carriage of Dangerous Goods by Road) licence. Main industries: industrial, chemical, agriculture
Segment D Warehousing of goods	Consolidation, redistribution, security provision, handling, collection of cargos, maintenance of different temperatures according to customer requests. Industries: all
Segment E Customs, veterinary and other intermediary services	Intermediate service for transported cargos through Baltic countries: administration of trading transactions; preparation of customs documents and representation of economic entities responsible for declaration of goods and other relevant procedures; issue of licences, certificates or permits from official authorities; execution of export operations for subsidies products and duty determents; Veterinary and phytosanitary services; administration and negotiation with institutions regarding taxes, complains; consultancy on customs procedure; etc. Industries: all.

*Note:*Compiled by author.

Competitor analysis. Logistics industry in Norway is filled with various size market players (there are more than 120 logistics companies registered as AS (Company List, 2014); worth mentioning that part of logistics services are executed by foreign companies), thus the market is considered mature and highly competitive. In terms of exports of seafood products from Norway, Girteka has a market share of almost 13% while the market share of the market leader is more than 22% (Girteka Group, 2014), however logistics activities domestically are underdeveloped and cannot be measured.

Logistics industry combines variety of services being offered: to begin with, simple freight transportation by road, air, rail or ocean, continuing with warehousing and intermediaries services, and concluding with consulting and other value-added operations. Leading logistics companies in terms of cargo transportation by road completed inside the Norway with additional service provision will be taken into consideration as direct competitors for Girteka's activities. Companies that are serving only one or few of mentioned utilities are considered as indirect competitors. Three biggest logistic companies in Norway in terms of revenues generated in 2012 (Lund, 2013) are described(see Table 2):

Table 2

Competitors' analysis

Company	Turnover	Market entry	Characteristics
Schenker AS	3.8 billion NOK (€0,45 billion) (2012)	• Part of a group that was founded in Germany • Was acquired in 1992, founded in 1872 (142 years)	• Market leader • Global chain (130 countries) • Wide range of services (land, air, ocean freight, logistics services) • Domestic and international transportation • Full and part truck loading • 3PL,4PL provider • Special products (fairs, sport events, etc.) • Advanced IT system • Strong environmental position (core strategy to 2020) • Quality proving certificates
Kuehne+ Nagel logistics AS	3.2 billion NOK (€0.38 billion) (2012)	• Part of a group that was founded in Germany • Established in 1990, In 2009, Kuehne + Nagel acquired J Martens Holding A/S	• Top 3 European overland provider • Number 1 global lead logistics provider and number 2 contract logistics provider • Global chain (100 countries) • Wide range of service (air, ocean, road freight, logistics service) • Domestic and international service • Full and part truck loading • 3PL, 4PL provider • CSR and quality proving certificates

DSV Road AS	1.2 billion NOK (€0.14 billion) (2012)	• Founded in Denmark • 1989 acquires two Norwegian companies	• Global chain (70 countries) • Wide range of service (air, road, ocean freight, logistics service) • Domestic and international service • Full and part truck loading • 3PL provider

Note: From Schenker AS, Kuehne+Nagel logistics AS, DSV Road AS official web pages.

The common feature among three major market players are that they perform wide scope of activities globally, only the number of countries differs. Also, all the mentioned provide all three types of transportation methods by air, by road and sea and additional logistics services. All of the companies provide 3PL service. Both Schenker AS and Kuehne+Nagel logistics AS have implemented Fourth-Party Logistics model, providing consultancy and operation management services additionally.

The trend of environment commitment, or so called green logistics, has a remarkable influence on all of the companies, since reduction of CO2 emission became the goal for any of business optimization system (from electromobility adjustments to sustainable facility building and usage). The strategy of Schenker AS is to become eco pioneer by 2020.

Worth mentioning, the professional customer service and customisation is highlighted by all the players. Schenker AS has a competitive advantage to an extent of meeting customer preferences because there is wider range of products (special products included) in offer and relatively large teamof 2500 professionals are working to fulfil customer needs.

Well established and concentrated business strategy for Girteka Group is essential to overcome advanced services and wide range of facilities offered by major industry players.

SWOT Analysis. Moving further, the SWOT analysis is performed to define company-specific strengths, weakness, opportunities and threats considering Norwegian market and seafood industry.

Table 3

SWOT Analysis of Girteka Group

Strengths	Weaknesses
• Employees professionalism and experience • Innovative culture • Large fleet of refrigerators for temperature goods handling • Constant company growth • Local office	• Weak brand awareness • Low market share • New local office is not efficient yet • Supply chain planning (unplanned delays, etc.) • Low adaptability to local climate • Relatively low environmental commitment
Opportunities	**Threats**
• Broaden service range • Greater revenue margin from logistics utilities • Business optimization (cost saving solutions) • Increase in disposable income of EU and Norway residents • Rise in GDP and trading rates of EU and Norway • Expansion of seafood industry • Free trading of agriculture goods with EU	• Failure of a new office • Stricken regulations and policies regarding trading and internal production • Cultural differences • Rise of oil prices • Mature market – intensive competition

Note. Compiled by author.

The main strengths of Girteka Group are experience and professionalism of a company. Girteka has been organizing cargo transportation to and from Norway for more than a decade; however logistics related utilities are underdeveloped in this market. What is more, Girteka is a rapid growing company in terms of full truck loads completed every year, number of vehicles, employees and geographical coverage. It indicates great capability and potential to serve customer needs within different regions. By implementing new security and business optimization methods (e.g. Lean method),Girteka emphasizes its openness for innovation that is appreciated by Norwegians. Taking seafood industry into consideration, Girteka has one of the biggest fleet of refrigerator trucks in Europe which is needed for any type of fishery good to be carried. One more key strength is that by owning a local office, some of regulations could be overcome, e.g. cabotage requirements.

The major weakness of Girteka Group is low brand awareness and recognition, therefore low market share. The new detachment is operating but not in full capacity yet. Business process management is one more weakness of the company because of unplanned delays leading to profit loss and reputation damage to the company. Norway is concentrated on environmental issue solving while Girteka Group is just starting to adapt to current trend.

There are many opportunities Girteka Group has in Norwegian market. If influenced by positive changes of GDP and trading of EU and Norway separately, the volumes of transportation and logistics services supposed to increase resulting in greater returns and capital for further development. In addition warehousing, labelling, custom intermediary and other logistics services were not exercised in Norway until now, therefore knowledge and expertise building is essential.

There are several external conditions that might create difficulties operating in Norway. As it was mentioned in PESTEL analysis, the state has extensive power and interest in business activities and protection of local providers. Any regulations on trading would have direct impact to the company. Cultural differences to an extent business culture and languages might compound fluent integration into new market. Finally, logistics industry is matured, leaded by multinational companies, therefore there is considerably hard to develop competitive advantage and gain remarkable market share.

Theoretical approach to problem identification

Strategic planning in logistics is a long run approach (Coyle, Bardi, & Langley, 1996, p. 513). Before the strategy is chosen anticipated resources requirements have to be defined in order to determine the relationship between cost and benefit gained out of investment; in other words, to examine whether resource requirements are not too excessive to take an opportunity (Coyle et al., 1996, p. 517).

According to Langley, Coyle, Gibson, Novack and Bardi (2008), there are five high-priority areas where an implementation of effective strategy would lead to success and growth of corporate entity:

- differentiation strategy;
- financial strategy;
- technology strategy;
- relationship strategy;
- global strategy.

Differentiation could be achieved in number of methods such as implementation of time-based strategy, pricing strategy, ensuring expertise or by introducing new service and filling market niche (Langley et al., 2008, p. 602). In order to reach operational efficiency, financial strategies concerning facility utilization, logistics equipment utilisation (materials- handling, transportation and technology-based equipment included) and specifically outsourcing have to be considered. According to Langley et al. (2008), technology-based strategies are based on development and new inventions within information technologies field.Global strategies are formed to deal with complexity of the business at it grows in global market. Finally, relationship-based strategies are focusing on improvement and optimization of all organisation processes and significance of end-user satisfaction(Langley et al, 2008, p. 613).Collaboration process has synergetic effect to an extent that all members of the chain working together create greater value than operating alone.

In addition, benchmarking is another strategic way to gain comparative advantage and it is significant step of logistics reengineering process (Bowersor & Closs, 1996, p. 461). The formal definition of a benchmarking indicates incorporation process of services or products that were proven successful in other corporate entities (Bagchi, 1996). According to Bagchi (1996), there are two main types of benchmarking to be exercised: competitive, where the major competitor's service or product is taken into comparison with company's and the ways for improvement are determined; and co-operative, where the best-is-class, not necessarily the same industry, companies' activities are compared with one's operating capabilities.

Nevertheless, it was found that supply chain management and logistics are two different concepts(Lambert, Cooper &Pagh, 1998),it is proven that outsourced logistics is a significant part of supply chain relationship (Langley et al, 2008,p. 134). Outsourcing is a process of contracting out non-core activities of the business mainly due to two of the reasons: either to reduce costs or to adapt to changing business needs by empowering the best-in-class service providers (Linder, Cole & Jacobson, 2002). To a degree of logistics outsourcing, it is defined as usage of external providers to perform internal operations (Fatma & Mahjoub, 2013). According to Langley et al. (2008), many companies have extended their activities regarding logistics to other facilitators, as a result of growing understanding of relationship building significance for business-to-business activities. During last decade the validity of logistics outsourcing model was approved (Langley et al., 2008, p. 119). The latter is displayed, see Figure 3.

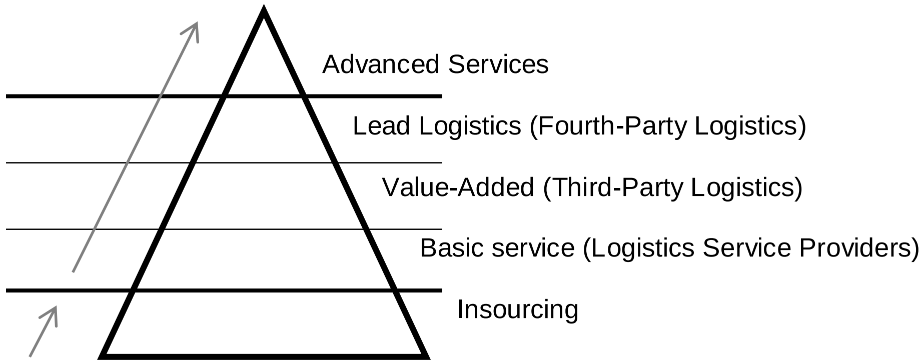

*Figure 3.*Logistics outsourcing model. From “Next generation of logistics outsourcing model?“ by C. J. Langley, J. J. Coyle, B. J. Gibson, R. A. Novack, & E. J, Bardi, 2008, Managing supply chains: a logistics approach (8th ed.), p. 133.

Each stage of outsourcing model is described in the following table (see Table 4):

Table 4

Description of logistics outsourcing model

Model	Time period	Characteristics	Geographic coverage	Key attributes	Reference
Insourcing (1PL)	1970s-1980s	• All logistics related operations are conducted internally.	Infrastructure	• Client knowledge	Gattorna, 1998, p. 431.
Basic service (Logistics Service Providers (2PL))	1980s-now	• Focus on basic services provision such as transportation, warehousing, transhipment and area specific logistics services. • 2PL providers do not use advanced IT systems for business management.	Location specific	• Cost reduction focus avoiding capital investment	Hanus, 2013, p. 6; Watada , Waripan & Wu, 2014.
Value-Added (Third-Party Logistics (3PL))	1980s-now	• External supplier that administer all or part of company’s logistics operations such as transportation, warehousing, distribution, custom intermediary service, etc.	Multiple Locations	• Broader range of service • Improved capabilities • Flexibility	Simchi-Levi D., Kaminky & Simchi-Levi E., 2008, p. 249;

		• Long-term commitment oriented. • Involve multiple functions and operations management.			Longley, Coyle, Gibson, Novack & Bardi, 2008, p. 131-133; Longley, Coyle, Gibson & Novack, 2012.
Lead Logistics (Fourth-Party Logistics (4PL))	1996s-now	• Single corporate entity that provides full scope of logistics services and delivers complete supply chain solutions. • The strategic role is to manage business activities of client by integrating multiple 3PL providers and IT service providers. • Could be both types: non-asset based organisation, which manages other logistics service providers, or as additional business unit within 3PL company's structure. • Long-term contract • Best-in-class resources are exercised. • Autonomy on controlling customers' logistics operation from upstream to downstream as well as from holistic approach	Pan-regional integrator	• Project management • Single point of contact	Gattorna, 2002; Pinna & Carrus, 2012; Longley, Coyle, Gibson, Novack & Bardi, 2008, p. 131.; Hosie, Egan & Li, 2007, p. 13.
Advanced Services (5PL)	21st century	• Forecasted logistics model that will be focused on business processes optimization, efficiency and effectiveness growth.	Global supply chain integrators	• Speed of implementation • Knowledge transfer • Shared risks and rewards • Comprehensive solution	Hosie, Egan & Li, 2007, p. 13.

Note. Compiled by author.

The model can be considered as successful only if customer perceives remarkable value from outsourced activities (Power, Sharafali & Bhakoo, 2007). Criteria according to which consumers are selecting logistic service providers will be described in further section.

Conclusions of situational analysis

Acquisition of Thermomax Trondheim AS has created an opportunity for Girteka Group to expand its activities internationally and penetrate domestic market. Logistics industry is very competitive in Norway thus the company have to find the ways to strengthen local position and overcome the weaknesses. Norwegian fishery production is one of the most traded in both manners domestically and internationally, thus the latter industry will be the key focus of the research. Changing customer needs, growing demand of services to the degree of volume and variety to be offered, is encouragingdevelopment of new logistics models (Power, Sharafali & Bhakoo, 2007).Therefore, the aim of research is to figure out the needs of seafood industry playersregarding logistics services and after considering Girteka Group capabilities, select the most appropriate model to penetrate Norwegian market.

Empirical research

The second part of the thesis aims to gather primary data regarding selection of logistics model by Girteka Group in Norway. The research is conducted in order to figure out the preferences of seafood industry customers and to map them with Girteka Group potential to penetrate in Norwegian market. The information gathered will be analysed and used for decision making of model selection.

Empirical research methods

Aim and objective of the research. The aim of the research is to identify the preferences of logistics service users within seafood industry in Norway and find out which of logistics model is the most suitable for Girteka Group to implement. In order to reach the purpose, the following objectives need to be reached:

1. To define the list of customer preferences when choosing logistics service provider by analysing academic literature.
2. To design the research instrument based on theoretical framework.
3. To perform a qualitative research using semi-structured interviews with both logistics experts and representatives of seafood industry companies within Norway.
4. To analyse research findings and make conclusions.

Theoretical foundations of the research.Research will be addressed in finding out the preferences of seafood industry companies when choosing logistics service provider.

Considering the growing trend of logistics outsourcing, providers are able to offer a wide range of services that involve business-to-business relationships, where both stakeholders and customers are affected by the quality of service (Jharkharia &Shankar, 2005). As a consequence, defining the capabilities of provider and needs from the perspective of a user is essential (Jharkharia & Shankar, 2005).

Analytical network process (ANP) is an extensive decision-making technique that takes into consideration all relevant criteria influencing final judging (Jharkharia & Shankar, 2005; Farahani, Rezapour & Kardar, 2011). The core benefits of this approach are the following: tangible and intangibles values are taken into consideration, no assumptions are made between higher and lower level elements in terms of independence. The model (see Figure 4) is based on literature findings and secondary data collected from industry representatives and academics. Based on last-mentioned model, criteria are categorised into three groups: determinants, dimensions and enablers. The higher the level the more persuasive and strategically important the criteria is. Determinants are substantially significant for decision making, hence it is the highest level of criteria, but also are dependent on factors that are positioned in lower levels. Middle-level criteria support determinants but at same time are dependent on other criteria, called enablers. The latters, support upper-level and also have interdependece among each other, for instance between Clause for arbitration and escape and Flexibility in operations and delivery. Descriptions of each of the criteria are provided in Appendices section (seeAppendix C).

ANP approach will be used only as visual tool to organise and demonstrate relationship between relevant criteria when selecting logistic provider. Research findings and decision-making will not be completed following the latter approach. In addition, the final decision is not based solely on this information, because various conditions and factors need to be taken into considerations.

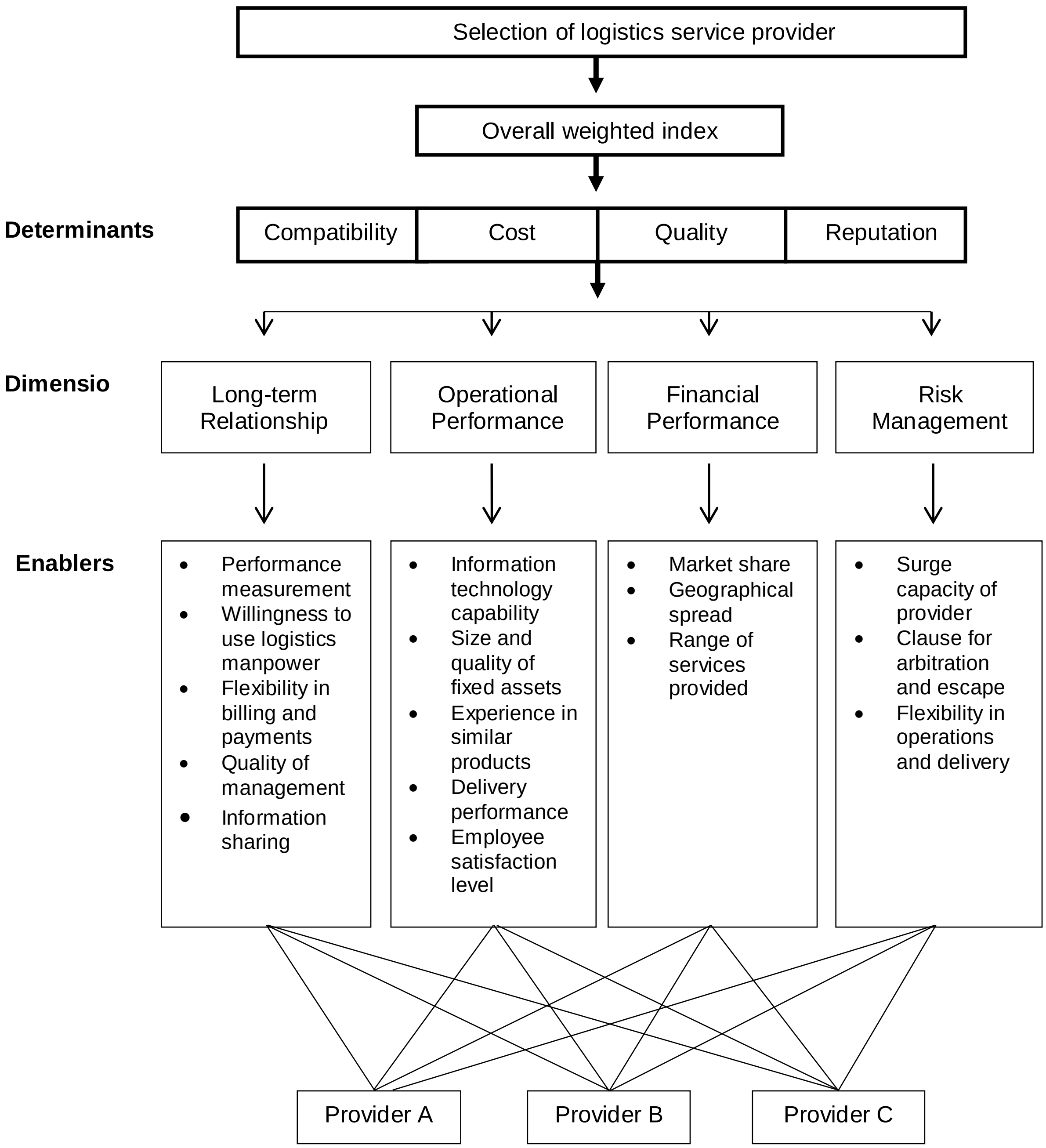

*Figure 4.*Criteria for the selection of a logistics service provider. From“Selection of logistics service provider: An analytic network process (ANP) approach” by S. Jharkharia & R. Shankar, 2007, *Omega. The International Journal of Management science*, 35(3), 274–289.

Research method and data collection method.Qualitative research method was selected for conducting empirical research. Qualitative method usage has increased significantly considering logistics research (Trautrims et al., 2012).The strength of this type of research is its ability to identify human approach and actions that has an impact on logistics operations and their effectiveness (Trautrims, Grant, Cunliffe &Wong, 2012). Although many of quantitative researches consider this type of research as subjective, not reliable and impressionistic, reflecting more to casual conversation rather than scientific research (Qu & Dumay, 2011), by analysing only objective quantitative results, deep understanding of customer preferences is not possible. (Hill&Wright, 2001).According to Denzin and Lincoln (2000), an interpretive and naturalistic approach to the world is a phenomena of qualitative research (Ritchie & Lewis 2003).

In depth interviewing is a beneficial tool and one of the most commonly used qualitative research method to get insights about perception of service users (Gilmore & McMullan, 2009).There are three types of interviews: structured, semi-structured and unstructured (Gilmore & McMullan, 2009; Qu & Dumay, 2011). Structured interviews are designed in a manner that the same pre-established questions are being asked for interviewers and only limited response categories are possible. In order to minimize bias of the researcher and ensure proper generalizability no flexibility or long talking are allowed. Relatively large sample can be studied because analysis of the responses to the same questions is less time consuming when compared with unstructured interviews (Qu & Dumay, 2011). Semi-structured interviews are the most commonly used qualitative research method that reflects to both structured and unstructured type of interviews. It involves predetermined questions however they can be slightly changed by the researcher during the interview. As well as, wording, sequence of the questions might very depending on the direction of the conversation. It is considered as the most effective tool to gather information, because the responses are received fully informative due to interviewer's ability to moderate conversation and ask additional question to get deeper understanding regarding the topic (Kvale & Brinkmann, 2009, Qu & Dumay, 2011). Finally, unstructured interviews tend to be informal and focused on open-ended responses. The purpose of this type of interview is to encourage interviewer develop and generate following questions referring to the objective of the research without putting possible answers in interviewee mind (Qu & Dumay, 2011).

To perform this research, semi-structured interview was chosen due to the following reasons:

1. An interview, to be more precise – telephone interview, as qualitative research tool was selected as the most convenient method to gather information due to physical distance with interviewers.
2. Interview allows comprehending attitudes, preferences, opinion of an interviewer expressed in their own words; it also helps to understand interviewers' perception towards social aspects and environment of the study (Qu & Dumay, 2011).
3. Semi-structured interview was chosen due to its flexibility and ability to disclose human behaviour. Structured interviews are not suitable due to strong focus in generalisation that will not reveal detailed information about customers' preference. Unstructured ones reflect to interviewee's attitude at the moment the interview was conducted, leaving social, political, environmental context away (Qu & Dumay, 2011), when the latters are essential for research.

Research samples and sampling procedure. The quality of a research depends on eligibility of the interviewees being selected (Rowley, 2012). Non-probability purposive sampling was applied for both experts' and customers' interviews. Considering the former, the major criteria according to which respondents were selected was expertise in a field to an extent of either theoretical or practical knowledge. Respondents were selected for preferences' study on a basis of three criteria:

1. Respondent should be an expert or decision making person in a company regarding transportation and logistics.
2. Respondent should be representative of a Norwegian company that produces or manufactures any kind of seafood products and trade those nationally or internationally.
3. Respondent should be representative of a company that outsource any type of transportation or logistics service.

Since the focus of the research is on Norwegian seafood industry players' preferences towards logistics service providers, criteria mentioned above are crucial during selection of respondents. The main difficulties during selection process were to find respondents that would meet all the criteria and receive the feedback from them. Some of the respondent refused to answer because they have no expertise in the field. In other cases, respondents refused to answer grounding it as shortage of time due to very intensive time of season.Data saturation has been reached, therefore the sample is sufficient.

Despite the difficulties, 4 experts and 9 representatives of seafood industry companies agreed to share their insights and participate in the research either via phone conversation or e-mail. The list of experts as follow:

1. CEO of Norwegian Logistics Association
2. Professor in Logistics Management at Vilnius Gediminas Technical University
3. CEO of UAB "Nordcarrier Baltic"
4. Professor in Department of Logistics and Strategy at BI Norwegian Business School and leader in logistics and transportation process consulting at Sitma AS.

Explanation of research instruments used. The research instrument was composed based on both academic research analysis and experts insights concerning current logistics market situation.

Considering expert interviews, 7 open-ended questions were prepared; except one, who asked to value consumer preference in a scale from 1 to 10 based on importance. Questions were composed to figure out current trends, current logistics industry situation and its relevance to seafood industry (see Appendix D)

Semi-structured interview guide or studying customer preferences consists of four parts and 26 questions in total. The majority of questions are open-ended, however, 11 of them use scales to measure importance or probability. The sequence of interview guide is:

1. General information about the respondent and the company it represents. 6 questions of the first part were designed to figure out the size of a company, scope of a company in terms in geographic coverage and business activities, logistics services the company uses.
2. Second part consists of four subsections with an intention to define customer preferences to an extent of cost, compatibility, quality and reputation factor importance (13 questions).

3. The third part intends to illustrate the importance of one factor over another. Probability scale was used(5 questions).
4. The last part is about to examine the major problems of current logistics service providers and determine future desires and expectations from providers from seafood industry point of view (2 questions).

Interview guides for the research are provided, see Appendix E.

Data analysis methods. After interviews were conducted, answers were grouped into questions – respondents matrix and analysed. Documentary method was applied to analyse qualitative data. This model combines both subjectivity to an extent of interpretation of respondent perception and comments, and objectivity in terms of researcher's ability to generalise data on a basis on detailed comparative analysis (Trautrims et al., 2012). The essence of this technique is application of tacit knowledge of respondents to comprehend operations of logistics processes (Trautrims et al., 2012). The latter method focuses not only on processes and systems but also, on how those systems perceived by the ones who are involved.

Empirical research process and results

Research process. In order to gain extensive understanding about logistics industry logistics field experts were interviewed. Short description about the topic, summary of questions were sent to respondents via e-mail in advanced. Two of the experts agreed to have a phone conversation, another two – to answer by e-mail. Phone conversation lasts on average 40 minutes, notes were taken during interviews but not recorded due to technical limitations and then written down extensively into questions and responds matrix. Experts' respond matrix is provided, see Appendices F and G.

Research process was continued by interviewing seafood industry providers in Norway. Both current Girteka Group customers and potential ones were interviewed: 4 and 5 respondents respectively. Potential customers are defined as seafood industry companies that use logistics or simply transportation services but are not clients of Girteka.

Research process with customers was continued on the same manner as with the experts. Interview schedule including 26 questions was sent to the respondents in advance so they would be familiar with the topic the interview would cover. Taking into consideration the distance between the interviewer in Lithuania and interviewees in Norway, interviews were conducted either via phone, Skype or e-mail. The average duration of phone or Skype interview was 42 minutes long. During the first interview only notes were taken because of technical inability to record conversation, 3 respondents answered by e-mail, the rest – 5 interviews - were recorded. After the conversation was over, answers were rewritten extensively based on notes taken. Answers received during interviews are provided into the table of respondent matrix (see Appendix H). The answers will be analysed in further section.

Limitations. There are several limitations in this research. Firstly, even though data saturation was reached with current number of respondent but a bigger scope of respondents would let to make clearer and more detailed distinctions regarding preferences of certain groups of companies. Secondly, when conducting research with experts, both Lithuanian and Norwegian experts were interviewed thus limitation of language difference appeared: answers in Lithuania were translated in English. Thirdly, as most of the interviews were conducted in English, Norwegian experts and companies' representatives are not native speakers, thus miscommunication between interviewer and interviewee was highly possible. What is more, direct interaction was not possible due to physical distance and absence of nonverbal mean of communication brings disadvantage to interview. Also, data collected through emails was not as informative as via phone. Finally, interviews which we not recorded are not that extensive and some minor conversation details might be missed.

Results. This part is aimed at analysing results gathered from interviewees. First of all, experts' opinions towards logistics industry are analysed. Secondly, logistics service users' preferences when considering provider will be determined.

Experts' interview results.The interview was started with an introductory question about the experience and competences in the field. As it was mentioned earlier, two of the respondents were professors in logistics department that show credible theoretical background concerning the issue of the research. In addition, respondent 4, besides theoretical background emphasized itsstrong practical knowledge because of expertise in logistics process consulting for almost 30 years. The rest two respondents are the CEOs of the organisations they represent, thus they are decision making entities having profound comprehending about environment influencing organizations' activities. The range of years working in logistic industry varies between 8 and 30 years among the respondents. All of the mentioned factors indicate that each of the respondent is explicitly familiar with logistic industry and its specifics.

The following question was aimed at identifying key trends, problems of logistics industry in Norway and gaining insight about possible future changes. The entire set of respondents determined defined Norwegian logistics market as:

- highly competitive and advanced;
- exhibit high standards and requirements towards industry players.

Besides the latters, respondent 1 highlighted consolidation and concentration proceeding in the market, as well as increased focus on complicated supply chains development. The key difficulties that logistics industry in Norway faces with corresponding interviewees' responds are provided, see Table 5:

Table 5

Difficulties of logistics industry in Norway

Difficulties	Respondent
1. Strong political interest	Respondent 1
2. Cheap providers from low cost countries such as Romania, Latvia, Lithuania, Ukraine, etc.	Respondent 3 & 4
3. Complicated regulation systems	Respondent 3 & 4
4. Rigid conditions on transportation requirements such as cabotage, technical regulations on tires or limitations on amount of petrol in truck tank, etc.	Respondent 3

Note. Compiled by author.

Due to the low-cost foreign logistics providers that deregulate competition in the market, the government has established and still is developing rigid regulations on transportation conditions in order to protect local logistics providers.

When asked to forecast market situation in five years from now, respondent 1 predicted the market to be dominated by small and independent companies, hence taking into consideration what was mentioned by the respondent earlier – an optimistic approach towards customization of supply chain management covering huge geographical areas. Respondent 3 predicted market to stay strong and stable, however, he emphasised the link betweenlogistics industry and economic situation: "if economy grows, logistics industry is booming also, and vice versa". Respondent 4,professor with a broad expertise in consultancy, forecast market to be slowly growing and hence very dependent on economy of a country. To sum up insights of the experts, Norwegian logistics industry is very competitive, emphasizing its strong focus on local logistics companies' development, highly developed and is predicted to progress even more in regards to economic situation.

The next question of the interview was aimed to figure out suitable Girteka's operating strategies within Norway. Respondent 1 emphasised strong political interest in the industry, meaning that any regulations can be implemented in order to control the situation within the market including expansion, domestic market protection or stability monitoring tools. "Accept that Norwegian market and Norwegian distribution systems are different from Lithuania" –one more remark provided by respondent 1, revealing that adaptation to local market is essential since it is not the same as in Lithuania. Respondents 2 and 3 believe that experience that Girteka has gained working in Norway for several years now delivered the understanding about the business specifics. Respondent 2 strongly believed: "Girteka will not make a revolution, but by expanding its activities step by step might reach relative strong position in the market". It revealed the idea that by doing what Girteka is good at and by investing more in business expansion, success is highly possible. Respondent 4 indicated three main objectives the company need to follow:

- price competition strategy;
- implementation of cost reduction solutions;
- recognition and mastering consumer preferences.

In other terms the latter respondent indicated importance of optimization of business process and the need of market research in order to be familiar with demand of industry players. Concluding all the insights, adaptation to the local market is essential even though Girteka is familiar and has expertise working with Norwegian customers.

The following question was developed in order to figure out possible issues to an extent of cultural differences appearance. The main cultural features identified are the following:

- language difference;
- loyalty to local or current service providers;
- long-term relationship building;
- preference for Scandinavian providers.

All of the respondents mentioned language as the main difference that could have impact. Even though Norwegians are proficient at other foreign languages, according to respondent 3,consumers tend to choose logistics provider that speaks their native language. Two of the respondents highlighted the feature of loyalty to local or current service providers, revealing the issue of being new in the market and possible problem to broaden range of new customers. Respondent 4 said that “Norwegians tend to be more direct communication oriented and work hard towards establishing strong business relations.” It was repeated by respondent 3, who emphasizd importance of long-term working relationship building, loyalty and willingness to pay more for trustful service. At the moment in Lithuania, customers usually work by the lowest price offer principle. Based on long working experience, respondent 3 indicated that Norwegian clients tend to outsource their activities to the companies with “Scandinavian smell” rather than to companies owned by Eastern European countries. According to him, Eastern European citizens are monitored very suspiciously, as “through magnifying glass”; they have not proven reliability in terms of high working standards and quality yet. Based on the experts’ opinion, penetration in Norway might be difficult from cultural point of view, because local consumers usually tend to choose local over foreign partner due to reliability, trust and communication distinctness.

Interviews were continued with more specific question regarding seafood industry in Norway. Even though most of the respondents did not have enough knowledge to answer the particular question, the two main issues were identified:

- quick delivery;
- strict temperature control.

Respondent 2 believed that Girteka has long lasting working experience with either fresh or frozen seafood products, thus it would not be a great challenge. The broadest respond was received from respondent 4, where he considered seafood industry market as fast developing and steadily growing. In addition, he mentioned that balance between inbound and outbound logistics need to be set. Even though responses were not informative enough to make final conclusion about seafood industry situation, but the main criteria of fast delivery and temperature control when transporting were revealed.

The following question was aimed to bring theoretical approach into the research and consider Fourth-Party Logistics (4PL) model implementation by Girteka Group. Three of four respondents had opinion regarding the topic and all of the insights were negative towards 4PL model implementation:

Table 6

Respondents'' insights about 4PL model applicability

Insights	Opinion	Respondent
Considering 4PL model for Girteka - business perspectives are very limited.	Negative	Respondent 2
Neither Third-Party Logistics nor Fourth-Party Logistics model are needed for seafood industry. "Transportation from warehouse to manufacture is enough and the simplest way of transportation has to be involved".	Negative	Respondent 3
"There are several seafood companies that outsource their activities to 4PL business units and thus this model is definitely suitable for seafood industry in general." When considering Girteka's case, there are several significant challenges such as difficulties to adapt market quickly, gaining trust from customers and finding team of experts for 4PL implementation since the model is based on benchmark principle.	Negative	Respondent 4

*Note.*Compiled by author.

From the logistics industry experts' point of view, Fourth Party logistics model is risky to implement for Girteka Group, at least for now. Thus others, least advanced models have to be considered.

The last question asked to evaluate factors that influence consumer choice when selecting logistics provider. Respondent were asked to weight them on a scale from 1 to 10 (1 representing the least important factor, 10 – the most important). In the Figure5, the five most important factors influencing decision making according to experts are displayed. Girteka Group ability to serve those needs is presented respectively.

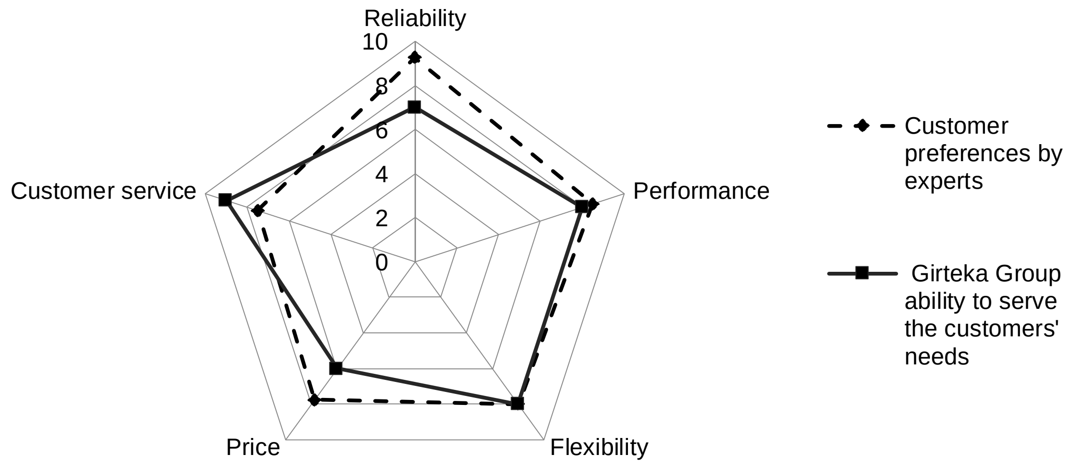

*Figure 5.*Most influencing factors when selecting logistics provider and Girteka's Group ability to serve those. Compiled by author.

Reliability is evaluated the highest, meaning that is the feature customer rely the most. The following four important factors - performance, flexibility, price, customer services, were rated respectively. Worth mentioning, that the size and scope of the company is relatively not important when choosing logistic provider. The least important criteria, according to respondents, were additional services as consultancy or design and management of individual logistics setup operations. The latter result indicates the low need of services that 4PL model basically provides. When taking into consideration Girteka's ability to fulfil customers' needs, there is weakness in reliability (due to the weakness of operation planning and control resulting in delays) and pricing solution (due to continues changes of pricing rates) from the consumers' point of view, however it is relatively strong at customer service possibly due to ability to contact customer handler 24/7, and several languages speaking staff. Based on findings, the least important criteria are those who are related with additional services or size of the company revealing low need of that kind of service providers; while price and the quality of the service in general demonstrates the highest importance.

Customer's interview results. The first set of questions was aimed to figure out general information about respondent, the company one represents and a degree of integration of outsourced logistics services within a company. Second part consists of four subsections with an intention to reveal customers' preferences to an extent of cost, compatibility, quality and reputation factor importance. The third part was aimed to illustrate the significance of one factor over another by comparing and rating them. The last part was included to find out current problems and future expectations form logistics service providers' point of view.

First two questions were aimed to disclose information about the responds' expertise and decision-making power when dealing with logistics service providers. Out of all respondents, only 3 of them work in a company 5 years or less, the rest – from 10 to 18 years. Respondents were asked to name their current position and responsibilities within a company. Figure 6 illustrates the findings.

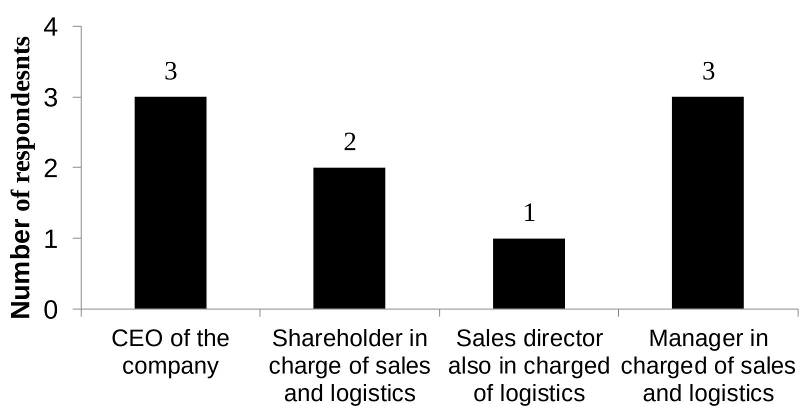

Figure 6. Respondents' position and responsibilities within a company. Compiled by author.

As it seen in the figure, all of the respondents have direct working relations with logistics service providers either in daily matter or when selecting new provider and negotiating conditions of collaboration. The majority – 6 respondents – are decision making entities within a company, thus ones opinions are remarkably important in selecting provider for services to be outsourced. In addition, five of the responds could be defined as experts of the industry since they have been working in different companies and fields of seafood industry for 14 years or more. All of the respondents were able to provide solid and credible information due to their conceivable competences.

The following question intended to define the size of a company in three different ways: number of employees, revenue in EUR in 2013 and geographical coverage. First of all, the Figure 7 exhibits size of the companies on matter of number of employees. Enterprises are divided into three categories: small (1–49 employees), medium (50–99 employees) and large (100+ employees):

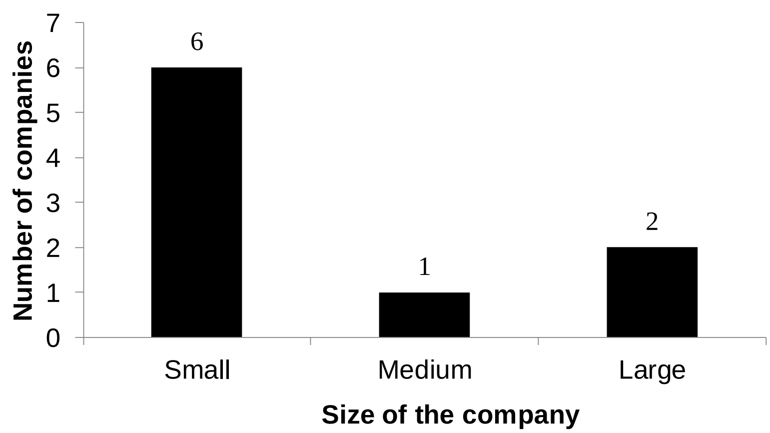

*Figure 7.*Distribution of respondents according to their company size. Compiled by author.

Majority of the companies were small enterprises with up to 50 employees, three of the latters have a number of workers that is up to 5. Respondent 7 indicated that the number of employees varies depending on the time of the year: „January until the end of April, when most of the production is going on, we are up to 60 people, but the rest of the year we are 6 people. “. Secondly, the Figure 8 presents the relationship between the number of employees in the company and its revenue generated during 2013.

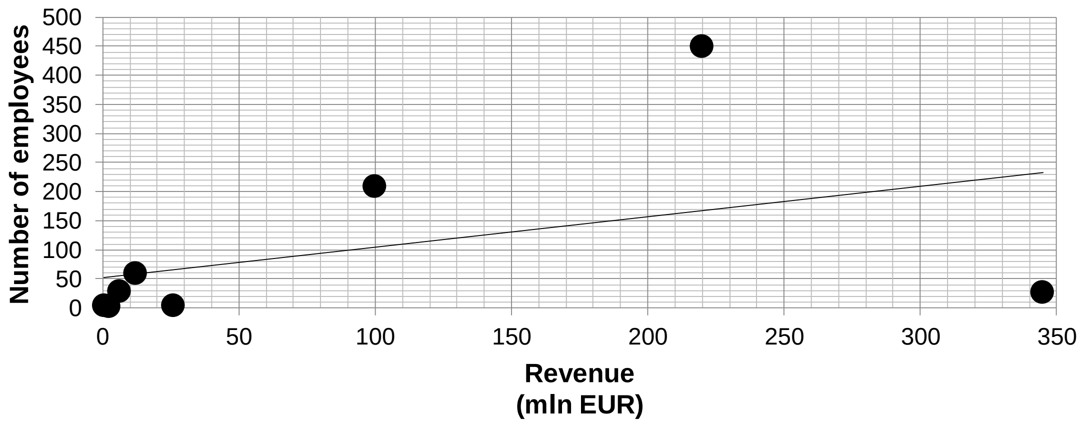

*Figure 8.*Relationship between number of employees and revenues. Compiled by author.

The figure 8 proves the tendency that more revenue is generated where the larger amount of workers are employed. However, few exceptions are noticed: companies represented by respondent 4 and 9, with 5 and 27 employees respectively, generate considerably higher amount of revenues to compare with the ones of the same size.

When asked to define the geographical coverage of the activities, all of the respondents ensured that they organize their activities internationally. Worth mentioning, 8 of 9 respondents transport their products nationally and internationallyand the percentage ratio of domestic and international activities varies from company to company.Logistics activities are outsourced by various size companies; the size, amount of revenue or geographical scope are not the indicators.

The following question was aimed to figure out the number of logistics providers the company is using and define the reasons of using more than one provider. A single respondent uses only one provider, the rest- from 2 to 20. The main reasons of using more than one provider were revealed:

1. a single logistics company is not able to provide all of needed means of transportation or additional services;
2. customers tend to choose provider with strong competence in a field (transportation by road, rail, vessels, containers or/and airfreight);
3. pricing solutions;
4. bargaining decisions;
5. availability and flexibility of the provider.

The most frequent answer was the first one from the list, that the one provider is not able to deliver all logistics services. It is due to incapability of the company or, in some cases, it is cheaper to use another company rather than purchase service from the same one.

Respondents were asked to name the services they outsource. Figure 9 summarizes the findings:

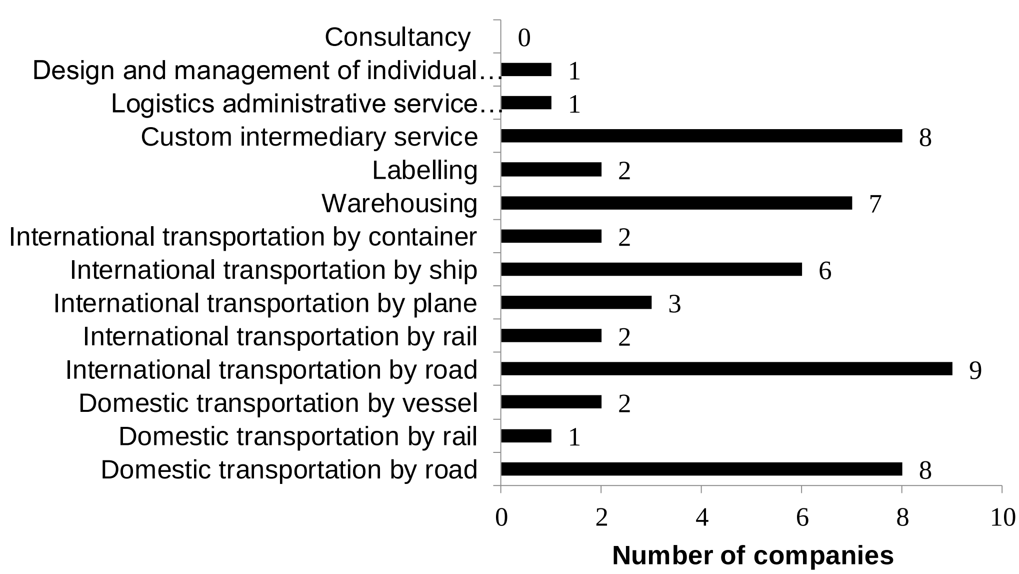

*Figure 9.*Distribution of outsourced services.Compiled by author.

At least one type of transportation is outsourced by a company. The most frequently outsourced services are domestic transportation by road (8 companies), international transportation by road (all companies), and international transportation by ship (6 companies). When it comes to additional services, warehousing (7 companies) and custom intermediary (8 companies) services are the most demanded by seafood industry market players. Small companies outsource rather more services than big companies. The main reason behind is that companies with great operating capacity usually have their own logistics departments, own vehicles etc., while small or medium sized companies are not able to possess freight thus seeks to save costs by outsourcing logistics to specialists. The least preferred services are domestic transportation by rail due to weak infrastructure of railroads within Norway, and additional services including logistics administrative services, design and management of individual setup and consultancy. Various seafood industry companies tend to use several logistics service providers and found the most relevant to outsource transportation, warehousing and custom intermediary service out of all possible services.

As it was stated, three of the least desired services and rarely used are additional utilities such as logistics administrative service (financial service, operation management, claim handling, etc.), design and management of individual logistics setup or consultancy. All of the latter are the key services that 4PL model provides. When respondents were asked if they would like to have a partnership with the business unit that would be able to take care of all logistics related processes, 7 of 9 respondents answered negatively and arguments were as follow:

- companies need to be up-to-date and have at least some control over business processes;
- direct communication with service providers rather than through intermediates are appreciated;
- small-sized companies do not need that kind of utilities because of ability to manage everything by themselves;
- large-sized companies have their logistics department that take care of majority of these operations;
- would be an considerable option only if that would be the cheapest opportunity.

The arguments revealed negative approach towards new model of logistics services development, however few of the respondents agreed that it would be very efficient and convenient. Respondent 3 mentioned that he was approached but 4PL services providing company but refused to collaborate due to possible loss of control over business activities. The rest of companies were neither approached by nor very familiar with logistics companies that do provide additional services, thus showing low awareness within a market. Even though two of the respondents agreed that 4PL model supposed to be efficient to employ, however there is low demand for it now and in the near future.

The following question was aimed to figure out which domestic or international service providers are more favourable by seafood industry players. The results are demonstrated in Figure10.

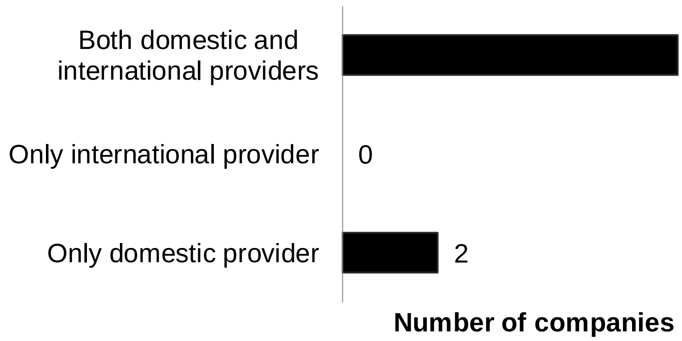

*Figure 10.*Distribution of preferred logistics providers. Compiled by author.

Most of the companies tend to choose both domestic and international logistics service providers because of their scope of expertise and capability. Those, who use only Norwegian companies, explained that their choices are based on three components: special conditions that is best known and completed only by locals, reliability and confidence level. Those seven companies that use both national and international providers usually divide their operations respectively: domestic providers for the activities inside the country, for instance goods' transportation to factories, storing, etc.; and when it comes to export of seafood – international logistics providers are contacted. Worth mentioning, that two of the respondents are contracting only with international companies that have local offices in Norway. In order to figure out the preference of domestic providers over international ones if both are providing the same services, the question was asked and all the respondents chosen either only local ones or option of mix. The most frequent answer was the domestic provider because respondents believe that they know the industry very well, they can deal with documentation easier. In addition, patriotism plays a crucial role since it is support for the area they live in. Summing the data – seafood industry players tend to use the mix of domestic and foreign logistics providers relying on their competences and capabilities.

The following part of interview was aimed to determine price importance when choosing logistics provider. When asked to evaluate price importance on scale from one to five (five indicating extreme importance), average value gained is equal to 4,22, meaning that the price of a service is very important when selecting logistics provider. Respondent 4 explained, that is because of tight competition in the global market, and the price of final product is directly related to the cost of transportation. However, there were some cases mentioned when client would be willing to pay extra for services: timely delivery, help in complicated matter, or only if quality and reliability is guaranteed. Even though seafood industry players are relatively sensitive to price, they are willing to pay more if provider is flexible and is able to execute clients' demands at high level.

The following section intended to measure significance of compatibility between the client and provider. Respondents were asked to evaluate relationship and then the trust importance from one to five, where five indicated remarkable importance. The total average of the evaluation for both factors is equal to 4,33 meaning that trust and connection established between the parties through the years of common experience encourage not to switch to other provider even if the one suggests better conditions. Respondent 4 explained that even though the prices for the services are very low, reliability and trust are the key factors. "(…) it easier to solve problems (…). Empathy is developed." – respondent 1 commented. When asked if the official agreements are signed with providers, 6 of the respondents disclosed that they have contracts with main service providers in order to be guaranteed to get service the moment they need it. 3 of the respondents explained that they are using the same ones each time even though no contracts are signed. "It is more an agreement, the gentleman agreement. – the importance of trust and relationship building was emphasized by respondent 4. Companies have indicated flexibility, empathy and investment in relationship building as are key determinants to create customer value and ensure long-term collaboration beneficial both wise.

The following part aimed to find out if companies choose providers based on recommendations or provider’s brand recognition in the market. When companies’ representatives were asked if they rely on recommendations by third parties, the answers varies among the respondents:

- recommendations are important only if the provider is new;
- information spreads quickly in the market;
- impression is rather important than reputation;
- “If one is satisfied, it does not mean that you would be satisfied either”;
- find it beneficial to receive recommendations.

Respondents revealed that recommendation is not the core factor that has influence on decision making; provider‘s performance and actions are the core determinants. When respondents were asked if they select service provider based on brand name, the answers were rather negative, again emphasizing the magnitude of the performance, the quality of work instead of noticeability of a brand. Brand awareness and reputation built within a market does not matter as long as provider is able to perform the best service and maintain good first impression.

There are four main sources identified on how seafood industry players look for logistics service providers: industry players’ recommendations or word of mouth, exhibitions, owned database of contacts, approached by logistics companies themselves. The latter was the most frequent answer, 6 of the respondents mentioned that they are being contacted via email or phone by logistics companies every week.

The following section is aimed to define expertise and quality significance level. To the question of whether they are willing to pay more for better quality, 7 of the respondents answered “yes”, but adding “only if it is guaranteed”. When asked if provider have to be an expert of the industry to ensure qualified work the answers were as fallow:

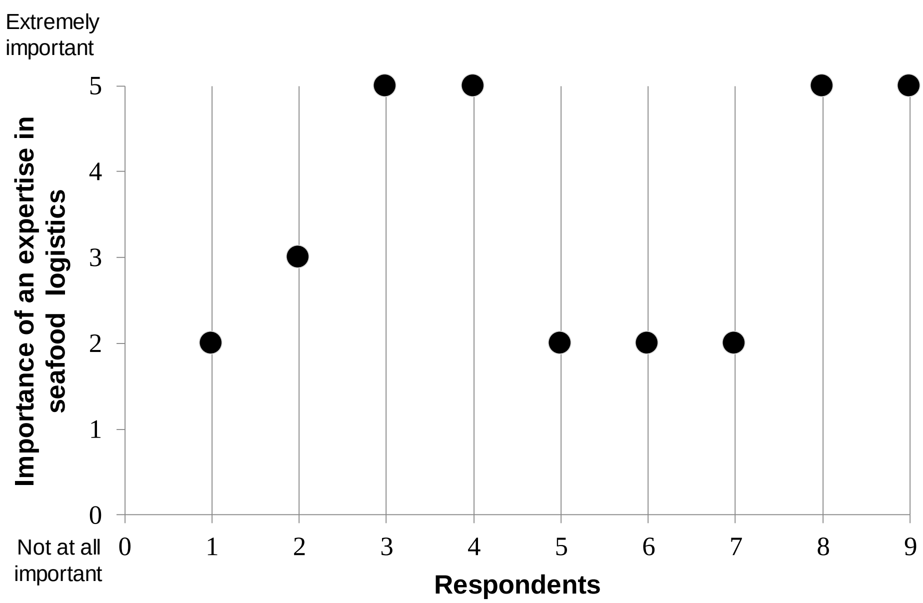

*Figure 11.*Evaluation of importance of an expertise in seafood industry. Compiled by author.

Opinions varied from interviewer to interviewer. Respondent 2, 6 and 7 explained that all they expect from logistics providers is to pick up the production on time, know what they are transporting, and ensure reliability in terms of handling and temperature control. While respondent 3 and 4 added that providers have to be also familiar with problems and challenges that the company might face working in seafood industry. However, when asked if companies pay attention to quality proving certificates, the majority – 5 respondents – replied that they are not much into it. It was mentioned that everyone has it but no one is using them. Nevertheless, they were forecasted to be more influential in the future as government is getting stricken to an extent of various regulations. Small-sized companies indicated the need of expertise slightly more essential factor than medium and large-sized companies.

The third part indents to figure out one factor importance over another thus probability and ranking methods was applied. What is the probability that the current service provider would be changed to another if additional service will be offered, the evaluation was as follow:

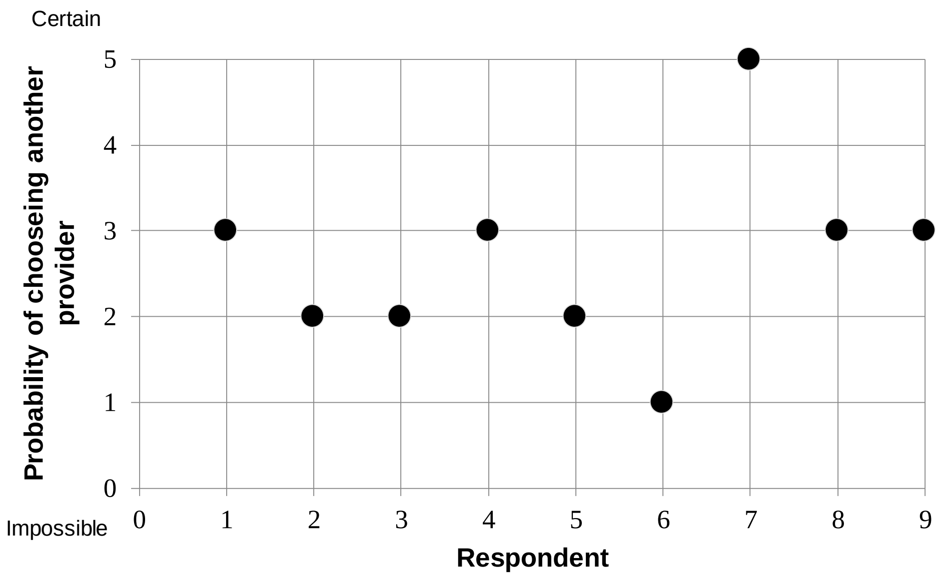

*Figure 12.*Evaluation of probability of selecting another logistics provider in case of additional services to be offered. Compiled by author.

Seafood industry players are not willing to change provider to an extent of additional service in offer, meaning that the service that companies get from current providers is sufficient and there is only insignificant need for value-added services. When asked if they would change the provider if another one would supply with more advanced technology, the general answer was rather negative. The reason behind is that the main requirements of temperature control and fast delivery are standardizes among the companies and considerable advantage is not seen.

The following question was aimed to identify which of determinants is the most important: price, quality, compatibility or reputation. Ranking is displayed in Table 7:

Table 7

Ranking of factors according their importance to decision-making.

Factor	Respondent									**Final ranking**
	1	2	3	4	5	6	7	8	9	
Price	2	2	2	2	2	3	1	2	2	**2**
Quality	1	1	1	1	1	2	2	1	1	**1**
Compatibility	3	4	3	3	3	1	3	3	3	**3**
Reputation	4	3	4	4	4	4	4	4	4	**4**

Note. Compiled by author.

When seafood industry companies are selecting a logistics company to outsource their activities, the greatest attention is paid to quality of the service, meaning that there will be no intention to change the provider as long as best quality is guaranteed and customers' needs are fulfilled. Second most important factor is price, meaning that price of the service has to be reasonable and fair to an extent of market situation and the level of competence of a provider. Third according to importance, it is fluent communication, flexibility and relationship between company and provider. The least important factor is reputation, meaning that through testing of providers the best knowledge is gained rather than believing what others are saying.

The last part of interview was focused on figuring out the main issues companies cope with providers. When asked if they are satisfied with current service providers, the responses were rather positive – average evaluation was equal to 3.66, where the maximum evaluation of 5indicated total satisfaction. Interviewees notified that they are not facing significant problems with current providers and that is the reason why they are still collaborating, however they indicated that there is always space for improvements Respondents were asked to name the things they miss or minor problems they face when working logistics companies. Few of the main issues were defined (see Figure 8):

Table 8

List of the problems when working with logistics service providers

Problem	Explanation	Respondents
Lack of or slow communication	Better and prompt communication about problems is crucial in order to avoid additional costs.	Respondents 2, 4, 8, 9
Lack of accuracy	Perishable production needs special care.	Respondent 4, 8
Equipment problems	Vehicles have troubles during winter time when transportation conditions are unfavourable.	Respondent 5, 7
Cultural differences	Language differences leading to miscommunication with providers.	Respondent 7, 8
Delays	Providers do not deliver goods on time or fast enough.	Respondent 4, 5, 6
Fair pricing	Companies are looking for the best quality and price ratio and expecting accurate invoicing.	Respondent 4, 6
Availability	Service is not available the moment company needs it.	Respondent 7, 8

Note. Compiled by author.

The main issues that disturb fluent collaboration are communication problems either delayed informing about the obstacle or miscommunication due to language differences. Delays and lack of accuracy is due to the nature of the business itself – it is stressful, human mistakes are highly possible and also when transporting the goods anything could happen in the road that would result in delays or damages. Availability problem exists mostly because parties have not signed any contracts where volumes and quantities are defined thus finding appropriate service in a short time notice is difficult or sometimes impossible. Respondent 2 added that providers are not always favourable to small-sized companies. Equipment problems are mostly related to inappropriate conditions of vehicles, for instance when summer tyres are used during winter time.

Finally, price issue is always under consideration, since companies seek to lower their spending by finding the best offer for the lowest price.

The last question intended to figure out what services or improvements seafood industry players expect from logistics service providers. The answers would help to identify strategic objectives logistics company need to outline. All of the respondents mentioned that providers supposed to keep working at a high level, meaning ensuring the same level of quality or improve it. More detailed expectations were the follow:

- timely delivery;
- customization of services;
- wider range of services by providers;
- technological improvements (e.g. advanced security and tracking systems);
- relative low service pricing.

Seafood industry players expect for logistics industry to develop in a way that technological improvement would result in efficiency; broaden range of services and flexibility would bring the advantage of customization for the customers; and the problem of delays would be downgraded. Two of the respondent has different opinion regarding option of online service: respondent 6 emphasized an importance and strengths of direct communication with service supplier in comparison with online platforms suggested by giant international companies such as DHL or UPS, while respondents 3 and 8 indicated e-commerce, e-tracking as tools for efficiency improvement in the future. Expectations differs from company to company, however the main trend of having reliable, flexible, developing, customer-oriented service provider remains at its highest importance for all of companies.

Conclusions of empirical research

The objective of this research was aimed to identify the key preference of seafood industry players that would distinguish the most demanded and suitable logistics outsourcing model. Also,to gather additional information that would be beneficial for developing model and its implementation strategy. Interviews were successfully conducted with both industry experts and customers, extensive information gathered and analysed. Therefore it can be concluded that the aim of the research is reached. Research findings can be summarized as follow:

1. The most important factor is quality of service, followed by price of the service, compatibility with provider and reputation in the market, respectively.
2. Importance of trust and relationship with a provider was highlighted.
3. Seafood industry players use different logistics companies because of their own limited capabilities and different expertise of providers' in certain fields.
4. In general, customers are satisfied with current service providers only minor operation problems bring difficulties to collaboration.
5. Advanced value-added services are neither demanded by customers nor effectively adaptable for seafood industry at the moment.
6. Customers are looking for efficient, flexible and customized logistics service supply in the future.

Managerial solutions

This part of the thesis intends to provide managerial solutions on what logistics model to implement for Girteka Group in Norway to penetrate the market. Firstly, the most appropriate model is selected. Secondly, recommendations for its implementation are provided.

Selection of logistics model

Both primary and secondary data is combined in order to emphasize the most suitable logistics model. Figure 13 presents logistics model selection process taking research results of customers' preference into considerations.

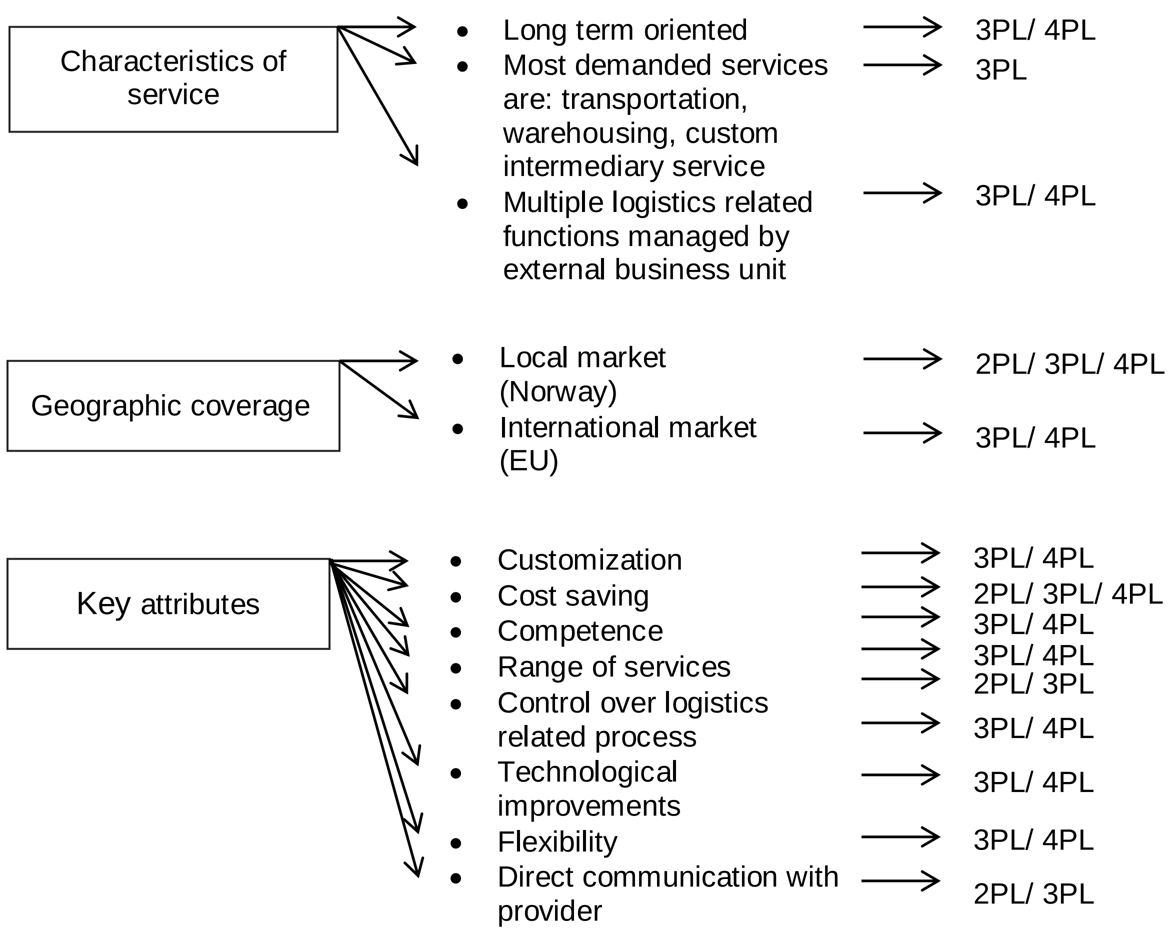

*Figure 13.*Selection of logistics model based on research findings.Compiled by author.

Based on empirical research findings and conclusions, all the features indicated by customers could best performed by Third-Party Logistics (3PL) service provider.

Even though 2PL is matching some of the criteria, however one of the key is missed – since 2PL is location specific it cannot create effective and sufficient chain for both domestic and international activities, hence all the interviewees were using both domestic and international logistics services. In addition, 2PL services are rather standardized while current customers are looking for customized solutions.

Fourth-Party Logistics (4PL) model is second best option based on fulfilling customer needs. There are several limitations that prohibit implementation of the latter:

1. 4PL model is based on benchmark activities, meaning that the best service providers need to be incorporated into supply chain starting with various means of transportation companies, warehousing, labelling, custom brokerage service providing companies to do logistics; IT, financial, claim handling and other management and business operation companies to designing the whole supply chain for the customer. To create such a network significant investment and great team of experts is needed. Since there two types of 4PL model asset-based or non-asset based, the case for Girteka would be either to sell current assets in Norway or to expand activities by developing diversified logistics and business operation managing business units.
2. Girteka Group is considerably new in the market and it would be difficult to adapt the market quickly, find suitable team of experts and gain competence from customers' perspective.

3. Loss of control regarding logistics related business activities is one of the characteristics of the model that current seafood industry players do not appreciate and is willing to avoid.
4. Industries that is best suited for 4PL model implementation have the following characteristics: low concentration within an industry meaning that there multiple small players; companies are facing small margins thus looking for solution to cut expenses, e.g. administrative costs; companies with number of business units; companies where logistics is not their basic activity, meaning they are looking outsourcing options (Gattorna, 1998). Even though most of the criteria are suitable, however, great consolidation and concentration is going on in both logistics and seafood industries in Norway at the moment. Moreover, customers are satisfied with the services provided by current 2PL or 3PL logistics companies.

Insourcing (1PL) and Advanced services (5PL) stages are not considered because of former nature of being part of company's infrastructure, and the latter being just a forecasted stage of logistic outsourcing model for the future.

Despite the drawbacks of 3PL as irrelevancy of the model if logistics is a core activity of a business, possibility of lack of information sharing and coordination, incomplete proficiency of a provider or that it involves partial loss of control over logistics related business activities that is ineligible from customer perspective, the advantages of focusing on core activities and expertise, expanded scale and scope of the activities, flexibility in terms of technology, cost-effectiveness, range of services is highly valued (Simchi-Levi, Kaminky & Simchi-Levi, 2008; Farahani, Rezapour & Kardar, 2011).

The capabilities of Girteka Group allow implementing3PL model. With current network (see Appendix A) Girteka has been providing 3PL services within Baltic region, after an acquisition of Thermomax Trondheim AS operating capacity was enriched by more than 50 trucks, warehouse in Trondheim (Norway) and commercial office with local professionals that allows to use an opportunity of serving extended logistics to Norwegian or even Scandinavian customers.

Based on nature of activities, 3PL providers are categorized as fallow: transportation based (e.g. Schneider Logistics), warehouse or distribution based (e.g. DSC Logistics), forwarder based (e.g. Kuehne+Nagel Logistics), financial based (e.g. CTC), information based (e.g. Transplace) (Langley et al., 2008, p. 120;Larsen, 2000). Since the beginning, Girteka was focusing on exploitation of transportation-based assets, gradually activities were expanded to other fields. Girteka is one of the leading transport companies in number of refrigerator trucks within Europe, hence gaining a competitive advantage in the market. Therefore, specialization in regards to transportation has to be emphasized and further developed.

According to Hertz & Alfredsson (2003) there four levels of Third-Party logistics that is designed upon a level of ability to adapt customer needs and solve the problems.

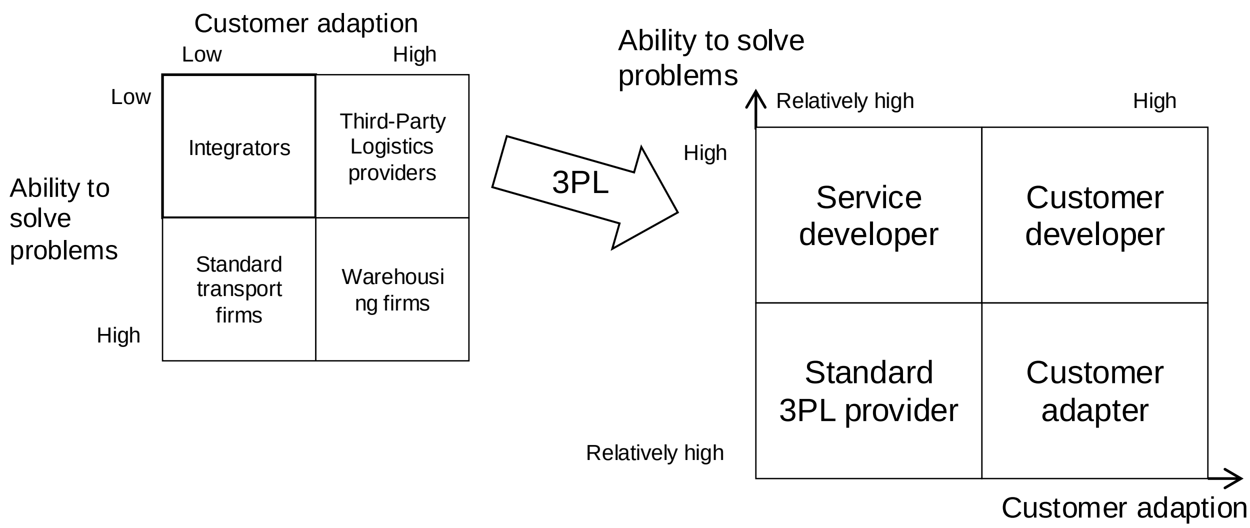

*Figure 14.*Level of Third-Party Logistics model. From“Problem-solving abilities—TPL provider position” by S. Hertz, M. Alfredsson, 2003,Industrial Marketing Management, 32, p. 139–149

Considering Girteka case and research findings, the most appropriate level is Service developer because of ability not only provide general transportation and logistics services (which is the criteria of Standard 3PL provider) but also offer value-added utilities such as tracking, packaging, cross-docking, IT and other systems. When considering Customer adapter and Customer developer levels, they are not suitable because of taking control over all logistics operations and according to research, seafood industry players, they are not willing to outsource all of the processes at the moment.

The model chosen to be implemented by Girteka Group to satisfy the needs of seafood industry companies is Third-Party Logistics model. In the following section several steps method for model implementation is provided.

Guidelines for implementation Third Party-Logistics model

The goal for Girteka Group for the following year(2015) is to increase the volumes of services sold locally by 15 %. In 2013, 24 thousand full truck loads in total were completed to and from Scandinavian region, with an increase in capacity and proper action plan, the target is to reach 30 thousand full truck loads and start activities as 3PL provider by serving warehousing, custom intermediary and other services in Trendheim detachment. In order to reach desired goal, the trust concerning current customers need to be enhanced and new customer base created. Consequently, the weakness of low brand awareness have to be overcome by employing promotional tools and both internal and external communication improved to ensure high quality of customer service.

According to Langley et al. (2008), for logistics and the whole supply chain to succeed five areas need to be taken into consideration: differentiation, financial, technology, relationship and global development strategies. The significance of relationship building was identified inmany studies (Power, Sharafali & Bhakoo, 2007), as well as trust and long-term relationship building was emphasized while conducting research. It is specifically important when collaborating with 3PL or 4PL providers. In addition, when considering the quality of service, effective collaboration is essential in order to comprehend and understand needs of customer. Therefore, for Girteka Group further development in Norway relationship-based strategy is recommended to be followed.

The main principle of relationship-based strategy is collaboration. It is when two parties are working for mutual benefit, in other terms, when synergy appears. In order to reach maximum effectiveness from collaboration, nine elements are essential to be considered (Langley et al., 2008). The Table 9 in the following page exhibits elements and their implementation to Girteka activities considering the period of one year.

Table 9

Action plan for Girteka Group

Element	Objectives	Actions	Resources		
			Time	Human capital	Money
Well-understood Goals and Objectives	Information sharing regarding company's objectives; comprehension of strengths from each of the party	1. Internal communication (seminars) focused on comprehending Girteka Group activities, goals and objectives.	5 days	Girteka Group	Internal costs
		2. Internal communication (seminars) focused on adaptation to local culture: business culture, problem solving based on real life examples.	2 weeks	Girteka Group	Internal costs
		3. Trainings to improve selling, customer service, driving competences.	2 weeks	Girteka Group	Internal costs
		4. Specify list of customers and comprehend needs and strengths in order to provide high quality service (e.g. seafood industry: temperature control, quick delivery, etc.)	1 week	Girteka Group	Internal costs
		5. Affiliate Norwegian detachment to internal network, install and familiarizes communication and operation management tools that are used in the company group: *Lotus*, *Axapta*, *Ruptela*, *Route planner*, *Skype*, *Microsoft Office*.	1 month	Girteka Group	Internal costs

Trust and Commit-ment	Build trust to encourage long-term partnership and prevent from one's opportunis-tic decisions	Trust can be ensured only if high quality services are provided, thus quality management system needs to be implemented: 1. Participatory management style – managers, who are directly responsible for tasks have to find solutions for better business performance and report it to top management.	3 months	Girteka Group	Internal costs
		2. Customer relationship management (CMR) – customer-oriented system for managing relationship with business clients to embrace loyalty.	1 year with extension	Girteka Group	Internal costs
		3. Safety – implementation of online tracking system, cameras within truck for expensive cargos, advanced locks systems, special chains on wheels for safe driving.	1 month	Girteka Group & service provider	Internal costs & Cameras € 30 000 Chains € 80 000 Locks € 60000
Corporate Compati-bility	Sharing of business visions, objective, culture	1. Reputation building with quality proving certificates: 1.1. ISO 9001:2008 1.2. ISO 14001:2004 1.3. SQAS 1.4. TAPA	1 year with extension	Girteka Group & audit service or members hip fee (annual)	Internal cost& € 6000 € 6000 n.d. € 1500
		2. Promote Girteka Group as: 2.1. Logistics provider offering full package of services: transportation + warehousing + customs services. 2.2. Domestic provider with advanced international logistics experience 2.3. Customized service provider. 2.4. Innovative, experienced, reliable and flexible service provider.	-	-	-
		3. Raising brand awareness locally: 3.1. Participation in exhibitions, forums and trade fairs (both logistics industry to evaluate competitors and seafood industry to make new contacts; e.g. *North Atlantic Seafood Forum, easyFairs Transport & Logistics*)	2 weeks	Girteka Group	€ 5900 (Forums fee) € 4995 (Fair's fee)

		3.2. Become a member of *The Norwegian Trade Portal* (www.nortrade.com) that has one of the biggest base of exporting companies and international trade related details. 3.3. Participation in Student Recruitment Fairs to attract young professionals. 3.4. Active sales technique on the phone to reach new customers. 3.5. Official website translated to Norwegian language.	1 day 2 days 1 week 1 month	- Girteka Group Girteka Group Service provider	€ 0 € 4500 Internal costs € 100
Communi-cation	Information sharing; avoidance of communi-cation delays; always present when needed	1. Availability 24/7: 1.1. Sales and transport managers have to be reachable any moment customers need it either via phone or e-mail to inform about the issues (option of two-shift working system applicable). 2. Communication is conducted via e-mail, telephone, skype or other communication tool that is suitable for the client. Avoid e-communication via websites because uncertainty from the customer point of view is created.	- -	Girteka Group Girteka Group	Internal costs Internal costs
Shared decision making and ability to reach consensus on a matter of importance	Tasks of each party need to be clearly defined and executed as planned	1. Factors such as price, timing, external parties and others that would be important part of supply chain have to be discussed in advance. Both parties have to be familiar with expectations and needs of each other. 2. Responsibilities have to be identified extensively before signing the contract. (E.g. provider's responsibilities start with taking production from the supplier and delivering to customer, all services needed during transportation is provider's responsibility; or provider arrange loading with supplier and transport	1 month	Girteka group	Internal costs

		goods to packing station and then to customer, documentation is client's responsibility, etc.)			
Equitable sharing of gains, losses, and investments	Fair sharing of gained results	Organize annual meetings with customers to develop relationship and discuss: 1. Planned and actual performance of both parties 2. Future investments (e.g. if customer is opening new plant, it means greater volumes, change transportation routes, etc.)	1 month	Girteka Group	Internal costs
Overall benefits involved parties greater than could be obtained alone	Sustaina-bility and long-term benefits	1. Efficiency improvement: 1.1. Lean management – approach that is focused on continues improvements and focus on incremental changes to reduce costs and improve service quality.	1 year with extension	Girteka Group	Internal costs
		2. Technologies: 2.1. Supply chain planning – transportation(*Automatic Route Planner*), warehousing (*Warehouse control system (WCS))* planning software.	1 year	Service provider - *Ortec*	Internal costs &provid er pricing
		2.2. Communication – portable gadgets (e.g. mobile phones) with applications adapted to respond emails, track trucks via *Ruptela*, complete general functions.	-	Girteka Group &teleco mmunica tion service provider	€8 000 + € 6000 (a month)
		3. Sustainability: 3.1. Green logistics 3.1.1.Eco-driving – lessons for drivers to learn principles of environmental friendly driving.	2 month	Girteka Group	Internal costs
		3.1.2.Biodiesel usage	-	-	€ 450000 more than using diesel

		3.1.3. Newest vehicles (up to 2 years old) and efficient *Euro 6* equipment 3.1.4. Recycling and green facilities (recycling bin, paper recycling, electronic invoicing, etc.)	- 2 month	- Facilities	€ 280000 (change to Euro6) € 500
Effective measurement and measure-ment strategies	Performance measure-ment	Adaptation of Key Performance Indicator (KPI), which measures: • Customer complaints • On-time delivery • Damages/claims • Invoice accuracy • Perfect order fulfilment • Inventory count accuracy • Incoming material quality • Processing accuracy • Transportation cost • Inventory carrying cost • Service's cost • Productivity: orders processed by labor unit and time unit • Space, equipment, labor utilization vs capacity	-	Girteka Group	Internal costs
Strategic plan for colla-borating relationship	Strategic plan development with obstacles included	Conditions of the contract to be discussed: 1. Goals, mission statement, values 2. KPI results 3. Legislative aspects: 3.1. Confidentiality 3.2. Termination of a contract 3.3. Damages/delays/ other service related losses 4. Duration of a contract (preferred long period)	-	Girteka Group	Internal costs

Conclusions

1. Girteka Group situational analysis revealed that acquisition of Thermomax Trondheim AS has created an opportunity for Girteka Group to expand its activities internationally and penetrate the market domestically. As one of the leading logistics company within Europe, Girteka is able to provide flexible transportation service by employing the fleet of around 6000 transport vehicles, ensure professional customer service in many languages and provide qualified logistics solutions. External market analysis identified favourable development conditions as a result of attractive business environment, forecasted increase in GDP, trading rates, investments into logistics and seafood industries in both regions Norway and the main trading partner – EU. Logistics industry is very competitive in Norway, thus the company have to find the ways to strengthen local position and overcome the weaknesses that were identified as narrow range of services and low brand awareness. Norwegian fishery production is one of the most traded in both manners domestically and internationally, therefore this industry was the key focus of the research.
2. Changing customer needs, growing demand of services to the degree of volume and variety to be offered, are encouraging development of new logistics models (Power, Sharafali & Bhakoo, 2007). Validity of logistics outsourcing model has been proved considering five of the following: Insourcing (1PL), Basic service (Logistics Service Providers (2PL)), Value-Added (Third-Party Logistics (3PL)), Lead Logistics (Fourth-Party Logistics (4PL)), Advanced Services (5PL).Each of the model is analysed on a basis of timing, specific characteristics, geographic coverage and key attributes for operating.

3. The objective of this research was aimed to identify the key preferences of seafood industry players that would distinguish the most applicable logistics outsourcing model. In addition, information gathered during interviews has been used in developing model's implementation strategy. Qualitative research method was conducted and the tool of semi-structured interview employed. Interviews were successfully conducted with both logistics industry experts and seafood industry companies' representatives. Research findings can be summarized as follow:
    1. Ranking of the factors according their importance as follow: quality of service, price of the service, compatibility with provider and reputation in the market.
    2. Importance of trust and relationship building was emphasized.
    3. Seafood industry players use different logistics companies because of their own limited capabilities and different expertise of providers' in certain fields.
    4. In general, customers are satisfied with current service providers only minor operation problems bring difficulties to collaboration.
    5. Customers are looking for efficient, flexible and customized logistics service supply in the future.
4. On a basis of research findings and the results of situational analysis, Third-Party Logistics (3PL) model for Girteka Group within Norwegian market was selected. Recommendations for model implementation have been provided and nine-element relationship-based strategy applied. The action plan was focused on rising brand awareness and recognition within Norwegian market; underlying quality and innovativeness of the company; relationship and synergy building; and both internal and external communication improvements.

Objectives of the thesis have been reached: situational analysis and research findings provide sufficient and valid information that allowed to formulate credible guidelines for development of managerial solutions.

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Appendices

Appendix A

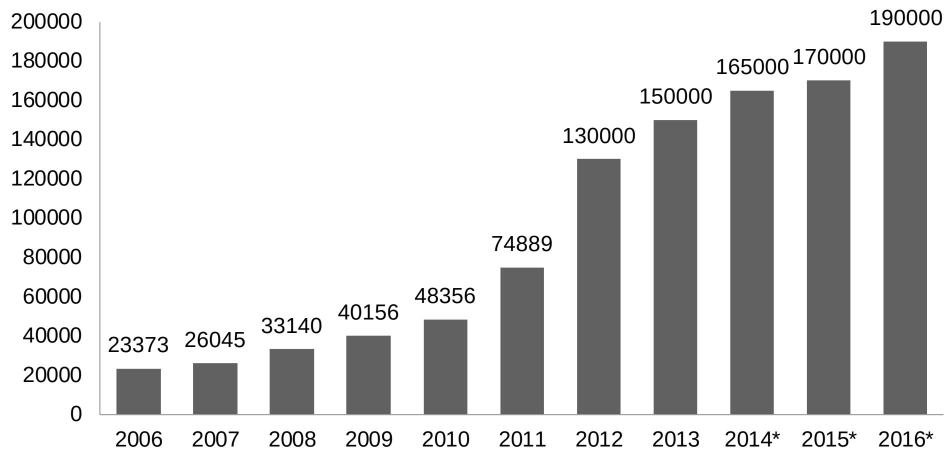
Girteka Group Network

	Main activities	Number of units	Location
Commercial office	Administration, customer service	2	Vilnius (Lithuania), Trondheim (Norway)
Operational office	Administration, management of transportation	5	Šiauliai (Lithuania), Klaipėda (Lithuania), Kaliningrad (Russia), Smolensk (Russia), Moscow (Russia)
Warehouse	Logistics services	7	Vilnius (Lithuania)(3 units), Orlaine (Latvia), Venspils (Latvia), St. Peterburg (Russia), Trondheim
Fleet service	Management of company’s vehicles (maintenance, telematics, driver management, etc.)	7	Vilnius (Lithuania), Šiauliai (Lithuania), Klaipėda (Lithuania), Kaliningrad (Russia), Smolensk (Russia), Moscow (Russia), Trondheim (Norway)

Note. Source: Internal data. Compiled by author.

Appendix B

Girteka Groupgrowth in number of full truck loads completed



Note. '*' market represents forecasts. Source: Internal data. Compiled by author.

Appendix C

The criteria for selecting logistics provider based on literature summary

	Selection criteria	Relevance in logistics outsourcing	
Determinants	Compatibility with the users	Collaboration of user, provider and support system for common goals to reach. Refers to attributes of cultural fit, business process, capability in terms of technology and innovations, features of other service provider of a the user, etc.	
	Cost of service	Costs of outsourcing (price, management costs, etc.)	
	Quality of service	Refers to on-time delivery, accuracy of order fulfilment, frequency and cost of loss and damage, promptness in attending customers complaints, commitment to continuous improvement, etc.	
	Reputation of the company	Refers to significance level of satisfying the need of the customer disclosed by people. It has a remarkable effect when selecting service provider.	
Dimensions	Long-term relationships	Long-lasting relationship between user and provider including shared risks and rewards. Cooperation prevent from opportunistic decision making of service providers.	
	Enablers	Performance measurement	Performance results of on-time shipments, inventory accuracy, shipping errors, reduction in cash-to-cash cycle, logistics cost, number of customer complaints, etc.
		Willingness to use logistics manpower	Willingness to employ some of user's logistics workers in case of outsourcing contract with a provider.
		Flexibility in billing and payment	Flexibility in billing and payment conditions creates more favorable relationship between provider and user.
		Quality of management	Good service provision leads to long-term relationship.
		Information sharing and mutual trust	Mutual trust-based information sharing is essential for further development and collaboration.
	Operational performance	Refers to delivery performance, performance-monitoring capability, statistical data reporting to the user, fault diagnosis capability, detailed accounting information, system security, responsiveness, confidentiality of sensitive data, etc.	
	Enablers	Information technology capability	IT capabilities are used in order to prevent uncertainties and enable cost saving.
		Size and quality of fixed assets	Warehouses, fleet and other quality assets ensure better operational performance and fulfilment of customer need.
		Experience in similar products	Expertise in an industry is an advantage for a customer.

	Delivery performance	Speed and reliability are a significant factor to satisfy the user.
	Employee satisfaction level	Dissatisfied employees can cause damage for the all logistics process by boing involved into strike, lockouts, sabotage or other unfordable activities.
Financial performance	Stable financial situation of the provider ensures continuity of innovations and regular improvements of logistics operations.	
Enablers	Market share	Refers to financial performance, customer satisfaction and reputation of the service provider.
	Geographical spread and range of services provided	Wide range of services and geographical spread is a great advantage from user's point of view. It allows for a user to benefit from access to other markets or channels. Hence, user is enabled to save cost on distribution or marketing of a product.
Risk management	Capability that enhance dealing with unanticipated problems effectively.	
Enablers	Surge capacity of provider	Ability of provider to satisfy user's needs in case of unforeseen increase in demand of logistics service
	Clause for arbitration and escape	In case of dispute between the parties, the clause agreed by both of the latters is essential.
	Flexibility in operations and delivery	Flexibility enable user to provide customized service to end users.

Note. Compiled by author according to "Summary of literature on the criteria for the selection of a provider", by S. Jharkharia, R. Shankar, 2007, *The International Journal of Management Science*, 35 (3), p. 277-279.

Appendix D

Interview guide prepared for experts' interview (English/Lithuanian)

1. Please tell me about yourself and your competences in the field – what is your current position, how many years are you working in logistics industry?

   Prašau papasakokite apie save ir patirtį logistikos srityje – kokios dabartinės jūsų pareigos, kiek metų dirbate logistikos srityje?

2. What is your personal opinion towards Norwegian logistics industry? Could you name some trends or problems? How do you see the market in 5 years from now?

   Kokia jūsų nuomonė apie dabartinę logistikos rinkos situaciją Norvegijoje? Papasakokite, kokios yra vyraujančios tendencijos; kokios didžiausios problemos? Kaip jūs įsivaizduojate rinką po 5 metų?

3. From your perspective, what a big sized Lithuanian logistics operator that has recently acquired Norwegian-based company should do in order to become more competitive in the market? What strategies should it follow?

   Kokią, jūsų manymu, strategiją turėtų pasirinkti Girteka, kuri neseniai įsigijo logistikos įmonę Norvegijoje su visu buvusiu kapitalu, siekdama tapti konkurencinga rinkoje?

4. From your perspective, are there any cultural differences or other barriers that can have direct effect on the company? What are these differences?

   Kaip manote, kultūriniai skirtumai ar kitos kliūtys gali turėti įtakos įmonės veiklai Norvegijoje? Jei taip, įvardinkite kliūtis ir jų galimą įtaką.

5. Let us be a bit more specific and take a look at seafood industry, its logistics and transportation by road. What can you say in general about the current market? What are the biggest problems logistics companies face working with this specific industry?

   Kaip jau minėjau, tyrimas bus orientuotas į jūros gėrybių industriją. Kaip vertintumėte dabartinę padėtį rinkoje žvelgiant iš logistikos perspektyvos? Kokios yra didžiausios problemos su kuriomis susiduria logistikos įmonės dirbdamos su būtent šia industrija?

6. Let us consider logistics outsourcing model. Do you think that Fourth Party logistics (4PL) model is a suitable and adaptable to Norwegian market? Please, explain your opinion and consider Girteka's case.

Kaip manote, ar 4PL (ang. Fourth-Party logistics) logistikos modelis yra tinkamas Norvegijos rinkoje? Pagrįskite savo nuomonę ir panagrinėkite Girtekos atvejį.

7. In the table below there is the list of factors influencing consumer choice on selecting logistics service provider. From your point of view, what are the most important criteria, and what additionally could you add to this list? Please, weight them on a scale from 1 to 10 (1 representing the least important factor, 10 – the most important).

Lentelėje pateikti kriterijai darantys įtaką rankantis logistikos paslaugas teikiančią įmonę. Kaip manote, kurie kriterijai yra svarbiausi? Kokiais faktoriais galėtumėte papildyti sąrašą? Įvertinkite kriterijus nuo 1 iki 10 (1 – nesvarbu, 10 – labai svarbu).

	1	2	3	4	5	6	7	8	9	10
Price	☐	☐	☐	☐	☐	☐	☐	☐	☐	☐
Kaina										
Reliability	☐	☐	☐	☐	☐	☐	☐	☐	☐	☐
Patikimumas										
Environment commitment (Green logistics)	☐	☐	☐	☐	☐	☐	☐	☐	☐	☐
Aplinkos apsauga										
Performance (safety, speed)	☐	☐	☐	☐	☐	☐	☐	☐	☐	☐
Rezultatai, veikla (saugumas, greitis)										
Customer service	☐	☐	☐	☐	☐	☐	☐	☐	☐	☐
Klientų aptarnavimas										
Brand	☐	☐	☐	☐	☐	☐	☐	☐	☐	☐
Įmonės vardas, žinomumas										
Technology (innovations)	☐	☐	☐	☐	☐	☐	☐	☐	☐	☐
Technologija (inovacijos)										
Business culture	☐	☐	☐	☐	☐	☐	☐	☐	☐	☐
Verslo kultūra										
Size and scope of a company and its activities (national, international, global)	☐	☐	☐	☐	☐	☐	☐	☐	☐	☐
Kompanijos dydis ir veiklos plėtra (vidinė, tarptautinė, pasaulinė rinkos)										

Range of services	☐	☐	☐	☐	☐	☐	☐	☐	☐	☐
Platus paslaugų pasirinkimas										
Flexibility	☐	☐	☐	☐	☐	☐	☐	☐	☐	☐
Lankstumas										
Additional service: consultancy	☐	☐	☐	☐	☐	☐	☐	☐	☐	☐
Papildomos paslaugos: konsultacija										
Additional service: administrative services (financial service, operations management, claim handling, etc.)	☐	☐	☐	☐	☐	☐	☐	☐	☐	☐
Papildomos paslaugos: administracinės paslaugos (finansų valdymas, operacijų valdymas, žalų administravimas ir t.t.)										
Additional service: design and management of individual logistics setup operations	☐	☐	☐	☐	☐	☐	☐	☐	☐	☐
Papildomos paslaugos: individualių logistikos funkcijų kūrimas ir valdymas										
Other: …	☐	☐	☐	☐	☐	☐	☐	☐	☐	☐
Kita: …										

Appendix E

Interview guide prepared for seafood industry representatives' interview

General information	1. How many years do you work in your company? 1.1. What are your main responsibilities? 2. How big is your company: 2.1. In terms of employees? 2.2. In terms in revenue (EUR)? 2.3. In terms of geographical coverage (national/international)? 3. Do you outsource logistics service? 3.1. How many different logistics service providers do you have? If more than one, why? 3.2. Do you have a contract with service provider or do you use different one each time? 4. Which of the following service do you outsource? Next to your chosen service, indicate the number of time the service is used per month. ☐ Domestic transportation: ☐ By road ☐ By rail ☐ International transportation: ☐ By road ☐ By rail ☐ By plane ☐ By ship ☐ Warehousing ☐ Labelling ☐ Custom intermediary service ☐ Logistics administrative service (financial service, operation management, claim handling, etc.) ☐ Design and management of individual logistics setup ☐ Consultancy (if yes, specify) ☐ Other: … 5. If you selected more than one logistics function in question no. 4: 5.1. Are all services are delivered by one provider? 5.2. What problems do you face working with current service providers? 5.3. Would you prefer to have one business unit that would control all logistics processes, all services? 6. Does your company work with domestic logistics or foreign logistics service providers?
Cost factor	1. How much influence does the price of a service have when selecting logistics provider service? Please, weight price importance on a scale. Not at all important 1 2 3 4 5 Extremely important 2. In what circumstances would you be willing to pay more for a service?
Compatibility	1. What cultural differences does your company face when working with international service provider? 2. How is the relationship between you and service provider important? Please, weight relationship importance on a scale. Not at all important 1 2 3 4 5 Extremely important

Quality

1. Are you satisfied with current service provider? Please, weight your satisfaction on scale. If you not satisfied, what are the drawbacks?

Completely dissatisfied 1 2 3 4 5 Completely satisfied

2. Is it important that provider would be an expert in your industry? Why? Please, weigh expertise importance on a scale.

Not at all important 1 2 3 4 5 Extremely important

3. Would you be willing to pay more in comparison with market price for better quality?

Reputation

1. When choosing logistics provider, do you rely on recommendations of the company? Please, weight the importance of recommendation on a scale.

Not at all important 1 2 3 4 5 Extremely important

2. How quality proving certificates, standards influence you choice selecting logistics provider?
3. Is the trust important feature when selecting provider? Please, weight trust importance on scale.

Not at all important 1 2 3 4 5 Extremely important

4. Is green logistics approach important factor?

Not at all important 1 2 3 4 5 Extremely important

5. Is the brand name of a service provider important?

Not at all important 1 2 3 4 5 Extremely important

6. How do you look for logistics service providers?

Concluding questions

1. What would you choose as a provider – well-known multinational company with long-lasting working experience or a local provider that knows the specifics of your industry?
2. What is the probability that you would change your current service provider if another provider would suggest you lower price service? Please, weight probability on a scale.

Impossible 1 2 3 4 5 Certain

3. What is the probability that you would change your current service provider if another provider would serve you with more advanced technology? Please, weight probability on a scale.

Impossible 1 2 3 4 5 Certain

4. What is the probability that you would change your current service provider if another company would be able to provide additional service (administrative function (finance, claim control, etc.), design, management, etc.)? Please, weight probability on a scale.

Impossible 1 2 3 4 5 Certain

	5. Please rank factors according to the importance from 1 to 4: _ Price of service _ Quality of service _ Compatibility with provider _ Reputation of provider
Additional questions	1. In general, what are the things that you miss from current logistics service providers? 2. What do you expect from service providers in the future?

*Note.*Compiled by author.

Appendix F

Questions – responds matrix. Experts' interview

Respondent	***1***	***2***	***3***	***4***
Name of respondet	Søren H. Larsen	Ramūnas Palšaitis*	Audrius Pačkauskas*	Stein Erik Grønland
Questions				
1. Please tell me about yourself and your competences in the field – what is your current position, how many years are you working in logistics industry?	Managing director of Nordic Logistics Association. I have been working in the logistics industry +/- 10 years	Transport and logistics department professor at Vilnius Gediminas Technical University for 20 years. During past five years, more 6 scientific articles regarding transport and logistics were published.	CEO of UAB "Nord Carrier" since 2000. Been working in logistics industry since 1996 with Scandinavian market mostly.	Professor at BI Norwegian Business School since 1996 at Department of strategy and logistic. Work as a consultant for logistics processes for 30 years.
2. What is your personal opinion towards Norwegian logistics industry? Could you name some trends or problems? How do you see the market in 5 years from now?	Highly developed and highly competitive. A lot of focus on complicated supply chains covering a huge geographic area. There is a lot of consolidation and concentration going on in the market, but the market in 5 years will still be dominated by small, independent companies.	To an extent of logistics science, it demonstrates one of the highest development levels in Europe. Logistics industry itself is very advanced, emphasizing high standards, competitive. For the future prediction, research is needed.	Norway was not affected by economic crisis significantly, logistics industry either. It was because of direct relationship between country's economy and logistics industry: if economy grows, logistics industry is booming also, and vice versa. Logistics market in Norway is stable and strong; there are remarkably more goods imported than exported. High, strict requirements and standards: cabotage requirements, high shipping costs including high salaries for drivers, technical regulations on tires that need to be adapted to local climate, limited quantity of petrol in truck tank and so on. All of the mentioned are the ways to save domestic market	Current market highly concentrates on collaboration with EU in terms of both imports and exports. Market is developed and has high standards for industry players. Complicated regulation systems, problems of cheap drivers from low cost countries such as Romania, Latvia, Lithuania, Ukraine, which deregulates competitions. In 5 years from now the market supposed to be strong and slowly growing, hence very dependent on economic situation

				from the invation of foreigner providers. They are able to provide service for much lower price and usally are from Eastern Europe, Russia, Romania.	
3.	From your perspective, what a big sized Lithuanian logistics operator that has recently acquired Norwegian-based company should do in order to become more competitive in the market? What strategies should it follow?	Accept that the Norwegian market and Norwegian distribution systems are different from Lithuania. Be aware of strong political interest in the industry. Do not underestimate the Norwegian winter climate and thus difficult transportation conditions.	To my knowledge, Girteka is working in Norway for several years now. I suppose they have already got familiar with business specifics in Norway. Girteka will not make a revolution, but by expanding its activities step by step might reach relative strong position in the market.	From my point of view, Girteka's strategy to enter another market by acquiring local company was very well chosen. Taking into consideration the current issues with Russian market, changing direction of activities is wise. Even though more data about acquired company is needed for detailed analysis, I suppose that having all those strict requirements, which I mentioned before, in mind, obtaining Norwegian company is very favorable.	Girteka need to take into consideration price competition strategy in order be attractive in the market by customers and profitable as a company. Reliability, high quality, wide range of services is the key preferences valued by customers. One more thing that requires great attention is cost reduction with business processes. All in all, Girteka has to find a balance between the price and the highest quality.
4.	From your perspective, are there any cultural differences or other barriers that can have direct effect on the company? What are these differences?	Language difference and loyalty to local or current providers.	There are no significant differences, expect, of course, language. Norway is a country with hardworking, reliable and honest people. Also, it is a country with remarkably low corruption rate.	Based on long working experience with Norwegians, I can highlight some differences. Firstly, as Norwegians strictly follow rules and established standards, they do not tolerate if they are violated. Secondly, citizen from Eastern Europe are monitored very suspiciously, as through magnifying glass. Eastern Europe has not ensured reliability in terms of working standards and quality yet. Thirdly, to compare	Different languages might be the biggest barrier. Norwegian speaking person is more appreciated rather than foreign speaking. In general, communication issues between two cultures, different approaches to one problem, etc. There might be that Norwegian are a bit more eco-friendly that Lithuanians are. What is more, Norwegians tend to be more direct communication oriented and work

				with Lithuanians, Norwegians work more efficient; they can complete more tasks than Lithuanians working the same amount of hours. Also, they speak more foreign languages and do it more proficient. What is more, loyalty and long-term working relations are significantly important factor when working with Norwegian clients. They tend to pay extra money for trusted service when in Lithuanian the principle of the lowest price offer is the most popular. Also, Norwegians tend to choose a company that has Scandinavian smell, because of awareness and association with high quality and trust.	hard towards establishing strong business relations.
5.	Let us be a bit more specific and take a look at seafood industry, its logistics and transportation by road. What can you say in general about the current market? What are the biggest problems logistics companies face working with this specific industry?	I have no knowledge of the seafood industry	Girteka's drivers have experience in transporting fresh fish from Norway to Denmark, Germany, and other European countries lasting several years. However, the greatest danger is transit time: how not to be late to supply fresh goods.	To my knowledge, salmon is the main product that is being transported considering seafood. I am not very familiar with seafood specifics but transit time and temperature are the key requirements working with this industry. I can tell more about all the fish growing culture and requirements but it is more about work logistics and it is not the topic we are interested in at the moment.	It is fast developing and growing market in both manners inside the country and via exporting. The main problems that logistics providers face are quick delivery, strict temperature control. Talking about seafood industry, there should be balance set between inbound and outbound logistics.

6. Let us consider logistics outsourcing model. Do you think that Fourth Party logistics (4PL) model is a suitable and adaptable to Norwegian market? Please, explain your opinion and consider Girteka's case.	Have no data or competence to comment on that.	Girteka is currently serving Third-Party logistics (3PL) service. Considering 4PL model for Girteka, I would say that business perspectives are very limited.	I believe that neither Third-Party logistics nor Fourth-Party logistics models are appropriate for seafood industry and especially the latter. Fourth-Party logistics model requires huge amount of inputs to operate and expand. I do not have lot of experience working with this model and that means that integration is low in Norway. To my point of view, transportation from warehouse to manufacture is enough and the simplest way of transportation has to be involved. Other industries, for example furniture, would definitely benefit from advanced service because it requires more services including warehousing of furniture parts, labeling, installation and other services.	Fourth-Party logistics is definitely suitable for seafood industry. There are several seafood production companies that already organize their transport via 4PL providers. However, for Girteka it would a great challenge because it is difficult to adapt the market quickly, find suitable team of experts for 4PL implementation (benchmark examples), gain competence and trust from customer's point of view.

7. In the table below there is the list of factors influencing consumer choice on selecting logistics service provider. From your point of view, what are the most important criteria, and what additionally could you add to this list? Please, weight them on a scale from 1 to 10 (1 representing the least important factor, 10 – the most important).

Factor				
Reliability	9	10	10	8
Performance (safety, speed)	8	8	10	8
Flexibility	7	8	9	8
Price	9	5	8	9
Customer service	7	9	6	8
Brand	5	8	5	7

Business culture	5	8	6	6
Range of services	5	5	8	7
Additional service: administrative services (financial service, operations management, claim handling, etc.	5	8	3	6
Environment commitment (Green logistics)	5	5	5	6
Technology (innovations)	5	5	5	6
Size and scope of a company and its activities (national, international, global)	5	5	6	5
Additional service: consultancy	6	8	4	3
Additional service: design and management of individual logistics setup operations	5	8	3	4

Note. * Interviews conducted in Lithuanian. Original version provided in Appendix G.

Appendix G

Questions – responds matrix. Experts' interview (in Lithuanian)

Respondent	***2***	***3***
Name of respondent	Ramūnas Palšaitis	Audrius Pačkauskas
Questions		
1. Prašau papasakokite apie save ir patirtį logistikos srityje – kokios dabartinės jūsų pareigos, kiek metų dirbate logistikos srityje?	Vilniaus Gedimino Technikos universiteto transporto ir logistikos departmento profesorius 20 metų. Per pastauosius 5 metus, publikuoti 6 moksliniai straipsniai transporto ir logistikos tema.	NordCarrier diektorius nuo 2000 metų, logistikos srityje dirba nuo 1996. Daugiausia dirbu su skandinavų rinka.
2. Kokia jūsų nuomonė apie dabartinę logistikos rinkos situaciją Norvegijoje? Papasakokite, kokios yra vyraujančios tendencijos; kokios didžiausios problemos? Kaip jūs įsivaizduojate rinką po 5 metų?	Apie rinką spręsti sunku nes tam reikia atlikti specialų tyrimą, tačiau logistikos mokslas yra viename aukščiausių lygių Europoje, logistikos industrija pažengusi, aukštų standartų, konkurencinga.	Šalies ekonomika nebuvo smarkiai paliesta ekonominės krizės, o kadangi logistika ir ekonomika yra tiesiogiai susijusi - logistika nenukentejo taip pat. Stabili rinkos situacija, daug importuojama, bet mažai eksportuojama. Vyrauja aukšti reikalavimai ir standartai: kabotažo reikalvimai, aukšti pervežimų kaštai, įskaitant ir aukštus vairuotojų atlyginimus, o tai sukelia sunkumus konkuruojant su pigesniais (pigesne darbo jėga) vezejais is Rytų Europos, Rusijos, Rumunijos. Taip pat, įvairūs techniniai ribojimai: žiemines padangos, ribojamas degalų kiekis bakuose. Visi šie sprendimai yra skirti apsaugoti vidinę rinką, kitu atveju pigūs vežėjai u-imtų visą rinką.
3. Kokią, jūsų manymu, strategiją turėtų pasirinkti Girteka, kuri neseniai įsigijo logistikos įmonę Norvegijoje su visu buvusiu kapitalu, siekdama tapti konkurencinga rinkoje?	Kiek žianu, Girteka Norvegijoje dirba jau ne pirmi metai tad yra įsisavinusi šalies verslo specifiką. Revoliucijų nepadarys, tačiau palaipsniui plėtodama savo veiklą užims pakankamai stiprias pozicijas.	Mano manymu labai gera strategija pasirinko Girteka įsigijusi vietinę kompaniją. Parardusi dalį krovinių Rusijos rinkoje, staigiai metėsi įSkandinavų rinką. Atsižvlegiant į visus jau minėtus aušktai keliamus reikalvimus, turėti Norvegišką įmonę yra labai paranku. Detalesnei analizei trūksta informacijos apie įsigytą įmonę, jos pajėgumus, veiklos ypatybes.

4.	Kaip manote, kultūriniai skirtumai ar kitos kliūtys gali turėti įtakos įmonės veiklai Norvegijoje? Jei taip, įvardinkite kliūtis ir jų galimą įtaką.	Ypatingų skirtumų nepastebėjau. Tai šalis kurioje dirba darbštūs ir sąžiningi žmonės ir labai maža korupcija	grieztos taisykles, apribojimai, darbo standartai. norvegai netoleruoja taisykliu nesilaikymo ir apie tai garsiai kalba, skundzia. I rytu europieciu ziuriu kaip per padidinamaji stikla, ignoruojama, stebima. reikalaujama laikytis normatyvu. norvegai daugiau ir geriau kalba uzsienio kalbomis, palyginus su rytu europieciais, ypac vairuotojais. norvegai dirba intensyviau: per ta pati valandu skaiciu sugeba padaryti daugiau nei lietuviai. Bendravimo ir ilgalaikio bendradarbiavimo patirtis yra labai svarbus rodiklisdirbant su norvegu klientais. del keliais eurais pigesnes paslaugos kainos norvegas nemes savo ilgamecio partnerio. kuomet lietuvoje daznai yra vadovaujamasi principu, kas pigiau pasiulys, su tuo ir dirbsiu. lojalumas viena norvegu verslu ypatybiu, ko LT dar truksta. dar vienas pastebejimas, anksciau buvo ryskiai pastebima tendencija, kad norvegai buvo linke manyti, jog eytu europieciai yra ziopli ir juos lengva apgauti, buvo netgi vengiama tiesioginiu finansiniu santykiu su norvegais del galimu pinigu 'nuplovimu'. kalbant apie logistikos imoniu pasirinkima, norvegai yra linke dirbti su imone turincia norvegisko ar bent skandinavisko kvapo. skandinaviskas darbas jiems simbolizuoja auksta kokybe ir uztikrina pasitikejima. Remiantis sukaupta patirtimi, galėčiau išskirti kelis skirtumus. Pirmiausia, Norvegai griežtai laikosi taisyklių ir normų. Taisyklių nesilaikymas nėra toleruojamas ir apie tai yra garsiai šnekama. Antra, į Rytų europiečius žiūri kaip per didinamąjį stiklą, stebima ir reikalaujama laikytis normatyvų. Pasitikėjimas darbo kokybę ir standartais dar nėra sukurtas. Trečia, lyginant norvegų ir lietuvių darbo našumą, norvegai sugeba įvykdyti daugiau užduočiu nei lietuviui per tą patį laiko

			tarpą. Taip pat, jie kalba daugiau užsienių kalnų ir daro tai profesionaliau. Ištikybė ir ilgalaikis bendradarbiavimas, darbo ryšiai yra svarbus faktorius dirbant su Norvegijos klientais. Jie yra linkę mokėti daugiau už patikimą paslaugo, kai tuo tarpu lietuviai renkasi pigiausią variantą. Taip pat, norvegai yra linkę rinktis logistikos įmonę turinčią Skandinaviško kvapą, kadangi tai jiems asocijuojasi su patikima ir aukšta darbo kokybe.
5.	Kaip jau minėjau, tyrimas bus orientuotas į jūros gėrybių industriją. Kaip vertintumėte dabartinę padėtį rinkoje žvelgiant iš logistikos perspektyvos? Kokios yra didžiausios problemos su kuriomis susiduria logistikos įmonės dirbdamos su būtent šia industrija?	Šviežius žuvies produktus jau gana senai Girtekos vairuotojai veža į Daniją, Vokietiją. Didžiausia grėsmė : sutartinių pristatymo terminų laikymasis.	Kadangi nedažnai susiduriu su jūros gėrybių industrija ir detaliai jos nepažįstu, sunku įvertinti dabartinę situaciją. Tranzito laikas ir temperatūrinis rėžimas yra pagrindiniai reikalavimai dirbant šioje industrijoje. Mano žinomis, lašiša yra pagindinis produktas, kalbant ir apie jūros produktų gavybą ir apie jūros gėrybių ekportavima. Daugiau galime kalbėti apie darbo logistiką, tačiau tai nėra darbo tema.
6.	Kaip manote, ar 4PL (ang. Fourth-Party logistics) logistikos modelis yra tinkamas Norvegijos rinkoje? Pagrįskite savo nuomonę ir panagrinėkite Girtekos atvejį.	Girteka pati teikia logistikos paslaugas (3PL). 4 PL nieko bendro neturi su Girtekos veikla ir verslo perspektyvomis .	Manyciau, kad nei 3PL, nei 4 PL modeliai nėra tinkami žuvininkystės industrijai ir ypatingai 4PL. Pirmiausia tai didelės sąnaudos modeliui plėsti. Mažai teko susidurti, taigi manau maža šio modelio integracija Norvegijoje. Mano manymu, eilinis pervežimas iš gamyklos į fabriką yra pakankamas, paprasčiausi logistikos modeliai gali būti pritaikomi. Kalbant apie kitas industrijas, tarkime baldu, taip, sandėliavimas, detalių surinkimas ir kitos paslaugos yra reikalingos.

7. Lentelėje pateikti kriterijai darantys įtaką rankantis logistikos paslaugas teikiančią įmonę. Kaip manote, kurie kriterijai yra svarbiausi? Kokiais faktoriais galėtumėte papildyti sąrašą? Įvertinkite kriterijus nuo 1 iki 10 (1 – nesvarbu, 10 – labai svarbu).

Factor		
Kaina	10	10
Patikimumas	8	10
Aplinkos apsauga (*Green logistics*)	8	9
Rezultatai, veikla (saugumas, greitis)	5	8
Klientų aptarnavimas	9	6
Įmonės vardas, žinomumas	8	5
Technologija (inovacijos)	8	6
Verslo kultūra	5	8
Kompanijos dydis ir veiklos plėtra (vidinė, tarptautinė, pasaulinė rinkos)	8	3
Platus paslaugų pasirinkimas	5	5
Lankstumas	5	5
Papildomos paslaugos: konsultacija	5	6
Papildomos paslaugos: administracinės paslaugos (finansų valdymas, operacijų valdymas, žalų administravimas ir t.t.)	8	4
Papildomos paslaugos: individualių logistikos funkcijų kūrimas ir valdymas	8	3

Appendix H

Questions – responds matrix. Seafood industry representatives' interview

Questions

General information

1. How many years do you work in your company?

Respondent 1	3 years
Respondent 2	14 years
Respondent 3	18 years
Respondent 4	I have been working in the company for 12 years
Respondent 5	10 years
Respondent 6	2,5 years
Respondent 7	In this company it has been since 2009, but I have been working in the same kind of one since 1998.
Respondent 8	3 years in in present company
Respondent 9	Since 2003

1.1. What are your main responsibilities?

Respondent 1	CEO
Respondent 2	Managing director which includes responsibility for all matters
Respondent 3	CEO
Respondent 4	I am one of the shareholders of the company. (What is your expertise in logistics field?)I have been in charge of the logistics or many years beside the sales responsibilities. In this fish industry I have been working for 22 years. First 10 years in the company which was owned by salmon farmers where I was in charge on sales and I was also a lot through my job in contact with transport companies. And then, the last 12 years I have been working with two partners. We started this company 12 years ago and I have been, you can say, there for 22 years. We know all transport companies not only in Norway but also abroad, we know a lot of them. So, quit good experience when it comes to logistics.
Respondent 5	Sales director *What expertise do you have in logistics industry? How long do you work in logistics industry?* It is not as you understand logistic industry, it is selling but I am also responsible for logistic. Let us say 15 years. *Are you familiar with what is going on in logistic industry concerning sea food?* Not in industry itself but I am buying services from logistics by rail and road. I buy the services from those who give best prices and the best solutions, of course.
Respondent 6	Sales, logistics administration *What is your expertise regarding logistics industry in general?* I would say international export for two and half years. I am pretty young.
Respondent 7	I own 49% of a company. What my job mainly is that I buy all the raw materials and do the logistics with transportation, shipping out to countries for Portugal and England market and for what we export to Nigeria. I do all the business everything with buying the fish, I do not do export documents because my secretary does, but I do sales and everything.
Respondent 8	Manager of logistics, documents, export, purchase
Respondent 9	Manager at sales and marketing

2. How big is your company:

2.1. In terms of employees?

Respondent 1	5
Respondent 2	2
Respondent 3	140
Respondent 4	We are 5 employees
Respondent 5	28 employees
Respondent 6	210
Respondent 7	Because we have fishing seasons here in Norway, so January until the end of April, when most of the production is going on, we are up to 60 people, but the rest of the year we are 6 people.
Respondent 8	4
Respondent 9	27 employees

2.2. In terms in revenue (EUR)?

Respondent 1	500 000 euro

Respondent 2	2,5 million EUR
Respondent 3	220 000 000 EUR
Respondent 4	Last year, 2013 we had turnover of 26.2 million euro. It's a small company but quite big turnover.
Respondent 5	Around 6 million Euros
Respondent 6	Around 150 000 000 EUR (2014), around 100 000 000 EUR (2013)
Respondent 7	12 000 000 – 12 100 000 eur in 2013
Respondent 8	12 000 000 – 15 000 000 EUR
Respondent 9	345 millions

2.3. In terms of geographical coverage (national/international)?

Respondent 1	20/80
Respondent 2	International
Respondent 3	We are mainly international exporters. Our international activities constitute 90% of our total activities, the rest 10% - domestic activities.
Respondent 4	We are mainly exporting. You can say we are dealing with two types of products, or I mean two types of fish products. The first one and the most important one is salmon, farm salmon. And the second one is white fish. The main activity is salmon, export of salmon that means about 90-92%, and then remaining activities – whitefish. And that is both domestic market in Norway and export. *How many percent would be transported internationally?* Between 90% and 95% is export.
Respondent 5	50/50
Respondent 6	In sales, 97% is export.
Respondent 7	We are international. Our main customers are in Portugal, England; then is Nigeria for a stockfish and that is the main markets. The biggest market is Portugal. *Do you transport nationally?* Yes, everything that we sell is transported nationally.
Respondent 8	15% in domestic market and the rest 85% in export
Respondent 9	We export to 54 countries worldwide. We transport from terminal to customer and from packing station to customer, which means that all the fish to the terminal from the packing station is domestic and the direct trucks or containers from the packing station to the customers is international. In that case we talk about 40 % domestic and 60 % international.

3. Do you outsource logistics service?

Respondent 1	Yes
Respondent 2	Yes
Respondent 3	Yes, we outsource all of our logistics related processes.
Respondent 4	Yes, we are outsourcing transport. We are outsourcing customs clearance. That is mainly what we are outsourcing, remaining we do by ourselves.
Respondent 5	Yes
Respondent 6	We do, both internal and external.
Respondent 7	I am taking care of the companies but the ones we use are mainly Girteka, which you probably know because it is Lithuanian company; we use them on transporting to Portugal and for shipment to Nigeria we use Norwegian company called CTG - it is Norwegian Icelandic company but they also use a company called Fast Marine to transport refer containers to Nigeria by ship.
Respondent 8	Yes
Respondent 9	Yes

3.1. How many different logistics service providers do you have? If more than one, why?

Respondent 1	1
Respondent 2	4 - They have different specialities - trucks, vessels, containers, airfreight
Respondent 3	10 different service providers both big and small companies, because each of the company can provide different services. One is better in one field, another in other. We rely on their competences.
Respondent 4	We are using one transport company for the logistics of the salmon, that is company which is taking care of the salmon transport and it is only full trucks, full loads, that means about 19 tonnes on the truck. So for the salmon transportation is one company and then we are using two other companies for the transportation of white fish and it is mostly partial loads, small orders that can be from 500 kg to 2-3 tonnes depending on the orders. *Why do you choose to use several providers, for instance, not the same one for all the destinations, all the transportation?* That is due to the flexibility of a company. The company we are using for a transport of a salmon,

	they do not have partial load service, they do not offer partial loads. And then we are using two companies for the whitefish transportation and […] we are using two because it is much more complex logistics: there are smaller loads, so they do not all the time have trucks where we have to pick up the fish. That is why we are using two.
Respondent 5	I have 2 – 1 by truck and 1 by airplane, because they are providing different services.
Respondent 6	Talking about everything from the shipping company, transporting companies and so one, I would say 10 to 15. We have 2 providers that do 70% of the work basically. Two large ones but we have a lot of options, especially with trucks. *Why do you have several different providers?* Because of prices, bargaining decision and availability. We are on the West Coast in Norway so sometimes we have to shop around to find available truck.
Respondent 7	3 mainly but, of course, sometimes we use others, if Girteka cannot provide enough trucks, we are using others also. During winter time we have three companies that provide us trucks and for Nigeria two, so all together five different, mainly Girteka.
Respondent 8	It depends, between 10 and 20. They are both national and international providers. This is of course linked to what we dealing, if we are doing import to Norway or export from Norway, or from one third country to second third country. For international transportation we are using container lines, trucking. I do not want to give you the name of the company, because if we using company A then tomorrow we will certainly use different company. Why: Competitive business – Prices - Services
Respondent 9	From 6 to 10; Different ways of transport : road, rail, sea and airborne

3.2. Do you have a contract with service provider or do you use different one each time?

Respondent 1	Buyer serve this
Respondent 2	We do not have a contract but we usually use the same ones as we know that they do a good job. Also, lesstime consuming than investing rates each time.
Respondent 3	We have contracts with main service providers who serve us with transportation service. By saying transportation service, I have transportation by road that is around 90% of our total production transportation. We have 4 providers that only serves us with transportation by ship, we do it rarely and specific of a business is different that is why we work with them without any contracts
Respondent 4	We do not have written contracts like we have, for instance, with some customers. We have sales contracts on quantity and volume. We do not have written contracts with providers but we are regular collaboration with these ones. That means that every week we are using these three transport providers. You can say, it is more an agreement, the gentleman agreement, that we are using them and it is not written in the paper. That means is tomorrow one of them is not doing the job, we can just say we stop collaboration with them and find another one. *So, basically work on trust?* Yes, it is.
Respondent 5	We have an agreement with airplane offers and contract with roads transport.
Respondent 6	Steady relationships but not formalised in contract. It is for our flexibility.
Respondent 7	I have contract with Girteka and we have it because we always need trucks, we had problems in the past that we have contacts but not specific on how many trucks we need per week, so we had problems with that. Now we have it in a contract, we have certain amount of trucks per week that they have to provide.
Respondent 8	1 firm is contracted; others more like spot-activity. We have one main container and coast service provided with contract. We are not too much linked with road transport. If we go few years back I can imagine that 100% of our transport was engaged with containers oversees shipment but recently we use more road transport. It is because of international trade.
Respondent 9	We have a contract for steady services in Norway plus terminal services

4. Which of the following service do you outsource?

Respondent 1	Domestic transportation by road; international transportation by road; warehousing, labelling, Custom intermediary service; Logistics administrative service (financial service, operation management, claim handling, etc.); Design and management of individual logistics setup
Respondent 2	Domestic transportation by road; International transportation by road, by ship; warehousing; custom intermediary service.
Respondent 3	Domestic transportation by road; international transportation by road, by ship; customs intermediary service.
Respondent 4	We are using 2 Norwegian domestic transport companies for white fish and for the salmon we are using foreign transport company. […] (the latter) Company is from Lithuania. So, for the whitewish we use Norwegian companies and for the salmon – Girteka.
Respondent 5	Domestic transportation by road; international by road and by plane. It is by 2 companies, 1 by road and another 1 by plane. I use aircraft forwarder and of course they are buying the best service from different airline companies. I do not go directly to the airline company I reach this agent. ;

	customintermediary service.
Respondent 6	Domestic is done by us. No, not really, we have a lot of our internal logistics, so it is basically done with own trucks; All international is outsourced. All means of transport but rail, we do not have much of a rail infrastructure in Norway; We do have both external and internal warehouses; Labelling is mostly done at the plant but outsourced to external warehouse where we do pallet labelling after all, so we have system on it; Custom intermediary service and the rest by ourselves.
Respondent 7	Domestic transportation by road; international transportation by road, ship; Custom intermediary - service Transport company takes care of it, so it is mainly Girteka that takes care of it. And for export to Nigeria, I have secretary that takes care of this.
Respondent 8	Domestic by road, vessel; international transportation by road, rail, ship, container; warehousing; Custom intermediary service It is all included, we are loading two trucks in a coming week which will be delivered to warehouse in Klaipeda than we have all kind of works completed by the trucking company and they also have customs agents doing the work.
Respondent 9	Domestic transportation by road, by rail; international transportation by road, by rail, by plane, by ship; warehousing; labelling; custom intermediary service.

5. If you selected more than one logistics function in question No. 4:

5.1. Are all services are delivered by one provider?

Respondent 1	-
Respondent 2	No - not necessarily
Respondent 3	No, we use several transport companies for our production shipments because one company usually cannot provide us with everything we ask.
Respondent 4	No, these services are provided by several transport companies and by one custom agent. We are working for the transport and for the logistics […] with transporter and we have our own custom agent. We have a contract with the custom agent saying that all the fish we are exporting will be custom cleared by this custom agent. The custom agent is the company on the boarder which makes custom in order to export to Europe, for instance. We have one custom agent and it is Swedish company, they are in Sweden, they are in Denmark, Germany. And that is the main custom agent which does custom clearance for orders of the fish.
Respondent 5	No, by two.
Respondent 6	We have one company that does container transport and one company that does sea fright, for instance. So, that would be two-step process. And we also have container transport capacity in our internal logistics. Sometimes we deliver containers ourselves.
Respondent 7	We load the truck and we send the invoice and let them take care of everything else
Respondent 8	Not necessarily
Respondent 9	No

5.2. What problems do you face working with current service providers?

Respondent 1	-
Respondent 2	Not always geared to small companies
Respondent 3	Nothing very major or specific, problems varies from one provider to another. Since our contract providers are big companies they are able to ensure good quality because of newest equipment they are using. In addition, we do very precise background check before starting to work with a company; if we trust the company, we outsource them our activities, of we not – no business will be done together.
Respondent 4	No big problems. If you think transport, main problems are due to delays of delivery, that is, I would say, the main problem we can face. It can also be for both transporters and custom agents that they are not invoicing the services at the right prices. But that is not big problem. *Are you satisfied with your current service providers?* Yes, I have been working for 22 years in this business and I have been using most of the companies in the transport business. As long as we are satisfied with one, we have no reason to change. But when we are not satisfied anymore, then we try another one. *How long are you working with current service providers?* With the two one for the domestic – for many years, we were working before we started the new company 12 years ago, so it is long term business. The one for the salmon transportation, we have been working for more than two years now. So it is always long-term business as long as we are satisfied. For custom clearance we have been working together many many years.
Respondent 5	I do not find it. It goes very ok. No big problems. *What are minor problems then?* Of course wrong deliveries late deliveries but that happens of course from time to time, mainly by road. No we have a delay this weekend delivering to Honkong. So that is main problems but not big.
Respondent 6	There are always some problems but nothing very serious. They are pretty good. Basically, they are

	not fast enough; if you have a new destination for containers, and, for instance, we need to ship to coming weekend and they cannot provide us at the rate to the certain location.
Respondent 7	Sometimes we have problems. Last year Girteka was supposed to buy hundred new trucks Volvo, and Volvo did not deliver on time, so Girteka did not have enough three triaxial trucks that it could use in Northern Norway because it is winter time up here and when using triaxial they got stuck very rare. There was a lot of fresh fish in the market last year and fresh fish always have first priority and we pay more for transporting it and we had problems getting trucks for them. Also, one of the truck went off the road last year because they are not used to driving on snowy laps. Besides that, sometime we have divers that do not speak a word in English or anything, they only speak Lithuanian or Russian and it is difficult to explain them stuff and do normally hold them before they left our factory: please put chain on the wheels; you have to put the ledges, they do not and five kilometres from our factory they stuck. We also have problems with Girteka, the customer handler last year it changed times during the season, so I do not if do not pay very well or what it is but they change all the time, you always have to rely on new people, you have to explain everything to them, it is better to have one person that you know from year to year instead of changing every year, especially if you have problems, for instance, we have this problem with the truck wet off the road and insurance case and you have to refer to things that happened in the past and if there is a new customer handler, he does not know about this and there would be a lot of back and for regarding these things, and invoices, and claims.
Respondent 8	Language, some cultural differences between Norway and the companies, most of them are located in European Union. We are benchmark logistic services.
Respondent 9	More internal control

5.3. Would you prefer to have one business unit that would control all logistics processes, all services?

Respondent 1	-
Respondent 2	No as different markets require different solutions
Respondent 3	Prefer not, because we need to be up-to-date and have control over our business processes. We have been reached by that type of companies but we refused to collaborate.
Respondent 4	Yes, it would probably be the most efficient but today I do not thing that anybody is in position to offer all the services. We could always do custom clearance through the transport company but then it would complicate the communication. It is always easier to go directly to company which would do the job, so that is why we are using one custom clearance agent directly instead of going via our transporter. But, of course, if we would have one company doing everything, which is in charge of everything, it would easier because we would have only one contact.
Respondent 5	For the time being – no, but in 2 years that might be possible, because we are not that big and I can handle it myself. I do selling and logistics as well. But we plan to increase our activity in the couple of years so then we probably have to employ the person do similar job. *Have you ever been approached by that kind of company that suggest all the services?* No
Respondent 6	That is basically what we have. We have a mother company X which whole owns two factories, logistics company and some others. We have four employees in the logistics company. The logistics company is simply called X logistics and it is a separate unit; it handles salaries, the trucks. So, it is a separate company within a group. If outsourced to external company, that will never be an option because we work in completely other way, we insource it.
Respondent 7	Well it all depends on one thing price price price. It would be ok, as long as that would be the cheapest option. Besides it is not too much work for me to arrange this stationary. We have around 100-120 trucks in between January to the end of May. We have another company that is providing all the transportation inside Norway because each day we probably get around four trucks we transport fish to our factories. We buy from all the factories in the surrounding area. I like to handle this myself because I know for 100% what is happening and can control it.
Respondent 8	We are too small company, so it will not be considered. We are 4 people and we able to run most of the business we are doing.
Respondent 9	We have logistic department in our organization

6. Does your company work with domestic logistics or foreign logistics service providers?

Respondent 1	International with local office
Respondent 2	As we are only dealing with export - mostly companies shipping abroad but thay are usually Norwegian based companies.
Respondent 3	We are working with both, most often domestic service providers are used for domestic transportation while foreign providers for exporting the goods and transporting those internationally. Also, foreign service providers are used for custom clearance, because they are aware of the norms and regulations.
Respondent 4	We are using 2 Norwegian domestic transport companies for white fish and for the salmon we are using foreign transport company. Company is from Lithuania. So, for the white wish we use

		Norwegian companies and for the salmon – Girteka.
	Respondent 5	Domestic, because we only do partial loads, I know it is cheaper. If I have full loads I could go and shop there easier but we have low quantities, so its partial loads 10 to 12 pallets and that means we have to use transportation which can do that. We collect fish in Northern part which distributed all over southern part of Norway so it is quite complicated. That means we need domestic and well known transporters. For exporting we use the same Norwegian company as well.
	Respondent 6	Both, we work with biggest but they often have offices in Norway, like Norwegian companies have. We can use, for instance Girteka, which is a big transporting company from Eastern Europe. We use domestic, or located in Norway.
	Respondent 7	We have around 4000 tons of fish that we produce each winter and all that fish is transported into our factory and then we also buy around 600-700 tones that is also transported into factories. Finished products would be around 2600 tones, so there is more tonnage transported into the factory than goes out in a way that it is produced. (Do you use Norwegian logistics provider for the local transportation?) Yes, because, for instance, if Girteka pulling the truck into Norway, they are only allowed to make not more than two trips inside the Norway. (And for intentional transportation only international companies?) Yes, well I have used two Norwegian companies when Girteka was not able to provide trucks but they are more expensive, so I prefer to use Girteka.
	Respondent 8	Both.
	Respondent 9	Both. For national transportation - Norwegian, for international transportation – both.
	1. How much influence does the price of a service have when selecting logistics provider service? Please, weight price importance on a scale.	
	Respondent 1	5
	Respondent 2	4
	Respondent 3	4
	Respondent 4	4 - It is important because we are competing in a global market, we are selling products and an important part of the price we offering to the customer is based on transport cost. So, of course, the price is always important: the price we are paying for the farmer and fish, the price we are paying to a transporter, the price we are paying to custom agent. It is hard competing business and that is why price is important.
	Respondent 5	4
	Respondent 6	3 - It has to be a competitive price but I am much more concerned about the service and reliability. That is much more important than price.
	Respondent 7	5
	Respondent 8	4 - The price is important but we also want to have close ownership in all kind of services. Of course, if we are going to move one cargo to unknown place we prefer connect service, transport, export, logistics partner that we rely 100%.
	Respondent 9	5
Cost factor	***2. In what circumstances would you be willing to pay more for a service?***	
	Respondent 1	Timely delivery
	Respondent 2	If it was quick and if they can help with complicated matter. Also if they were offering totally better solution re. quality and reliability of the service.
	Respondent 3	Since e have contract providers, the prices are agreed in advanced with special conditions, special care cases included. However, we would be willing to pay extra only in speal cases such as fast delivery, two drivers option. Factor of quality is most important requirement.
	Respondent 4	We have fixed prices with the supplier and on every transport the price is already defined, so we are not paying more than what is agreed. But on certain circumstances we are willing to pay higher price if we want the fish to be delivered earlier. Then we agree with the company that we will pay extra cost for extra driver. It is difficult to explain, but we are not willing to pay much more than what another company would offer us. Our concern is to find a supplier where we could have market target price which is market price, you can say, but at the same time we need the quality of the service.
	Respondent 5	If it is extremely hurry, that we need, we are dealing fresh fish you know so if in the special occasion, maybe just before the Christmas, the customer wants to get fish badly, one day earlier than planned, I am willing to pay export to do that.
	Respondent 6	Basically for the service, it turns now, that all big logistics companies have no face to face contacts or even phone contacts, you basically just fill out the form or have an online service or some sort and that is it. They usually ask to fill it out and send it the day before the goods are getting picked up I just want to make phone call in the morning and someone pick it up around lunch at the same day. That is what I am going to pay for more.
	Respondent 7	Only, when I am not able to get trucks. When import from Europe to Russia has stopped there is a lot of free transportation, so if you have a company that all the time would be checking to provide you

		with the cheapest trucks possible, because now I get a lot of emails saying we have free trucks, free trucks. So, if there was a company that could always be able to provide with cheapest trucks possible, than we could save money on that and the company that do the service can also make money on that.
	Respondent 8	For fresh fish export. Fast delivery, remote destination, co-loading
	Respondent 9	100 % guarantee of punctuality
Compatibility	***1. What cultural differences does your company face when working with international service provider?***	
	Respondent 1	No
	Respondent 2	We use mostly Norwegian companies. International companies working with logistics are usually alright to work with as far as culture is concerned. Depends on the person often and not the country.
	Respondent 3	No significant differences, because we have many years of working experience with international providers.
	Respondent 4	I would not say that there are any particular cultural differences. Although it is a foreign company, they have been working within Norwegian market for many years, they know the market very well and they know our business very well. If we are working with foreign company and they are totally different concerning [level] of accuracy and when they have to be at work, when they have to be available - that could be the problem, but it is not the case with our supplier because they have been working in the market for many years and they know what we need and what they have to do. No problem regarding language difference because people that are chosen are there because they are fluent at English.
	Respondent 5	That is not the option...no. *Would you like to work with international players or why you do not choose international players?* Because I just explained that, because I need to players that are well known in Norway with transporter distribution in Norway. Also, they offers transport to Denmark, Holland, UK. *If the company is global like DHL let us say, well known company, would you like to choose their transport services?* If I do not use domestic company in Norway or other companies for export I will choose international company that have to pick up the fish on my domestic companies general in Oslo and that is based on experience that it would be problematic, they will charge me more than I save by choosing cheaper international transporter.
	Respondent 6	We do not work with many, so there no many issues.
	Respondent 7	I would say that language is the main problem, because at our factory all of our workers are Lithuanians. In Girteka you can them on the phone 24/7 it is no problem there. Basically we do not have any problems regarding cultural differences.
	Respondent 8	Language, availability
	Respondent 9	The importance of giving information on time is crucial. This is the most important factor. Not everybody informs on time about incidences
	2. How is the relationship between you and service provider important? Please, weight relationship importance on a scale.	
	Respondent 1	2
	Respondent 2	4
	Respondent 3	4 - When you work together for long period of time, you know how actually things work. For example, it is easier to solve problems because you know how your partner would react to it and what actually he can do to solve it. Empathy is developed.
	Respondent 4	5 - That is very important. I would say that is the most important. You can imagine, if you have very good prices, very cheap prices on a transport but you cannot rely on or have bad relationship with your supplier it is not valuable. It is important to have good relationship with both suppliers and our clients.
	Respondent 5	5
	Respondent 6	5 - We need a lot of goods and I need service, flexibility, and I need trust. You build that through relationship basically. It is again online solutions versus personal service. (How do you value relationship? What is good relationship for you?) You have to be able to pick up the phone, call the specific person in a company and get a reply if not immediately than in ten minutes. My providers know that if they get a call from me, they call me back soon. I am sometimes very strict but usually very nice with them.
	Respondent 7	Normally, it is 4 but last year it would be 3 because I was not satisfied and happy, one of the customer contacts have changed, we provided Girteka with a bank guarantee for all the transportation that we should get cheaper transportation and this was just a loyal agreement but then the guy quit the company. Later, there was a new company contact he did the work, you had an email […].When you have an agreement with a guy and you work with him for one and a half year and it was ok and we had agreement and everything and then he quit. From now everything that we had will appear on a

		contract.
	Respondent 8	5
	Respondent 9	5
	1. Are you satisfied with current service provider? Please, weight your satisfaction on scale. If you not satisfied, what are the drawbacks?	
	Respondent 1	3 - Winter time poor, because delyed
	Respondent 2	3 - Satisfied but sometimes response is slow
	Respondent 3	4 - Considering the main service providers – big international companies. There is always place for improvements
	Respondent 4	4 - In any business there is always place for improvement and there is always place for better communication. It is tough business: a lot of stress, you cannot avoid mistakes sometimes. Of course, it can always be better but we are satisfied.
	Respondent 5	4
	Respondent 6	4 - Price issues basically but I am satisfied.
	Respondent 7	3-4 - Shipping companies sometimes they cut the transport in Nigeria because they do not have full ships and you have already have booked transportation in the coast and you cancel the shipment because there is not enough containers.
	Respondent 8	4
	Respondent 9	3
Quality	***2. Is it important that provider would be an expert in your industry? Why? Please, weigh expertise importance on a scale.***	
	Respondent 1	2
	Respondent 2	3 - They only need to be competent in their job and understand the importance of transport in relation to temperature, handling the goods and reliability. Most of them have sufficient knowledge of the industry
	Respondent 3	5 - Provider must be familiar to transportation conditions of fish production, react fast in case of a problem, and manage challenges. We will not give our production to ship to the company which has not experience in transporting fish production.
	Respondent 4	5 - It is very important. They have to know the business, they have to know the way we, as a customer, are working; they have to understand our needs, our challenges. At the same way as it is important for us to understand their challenges, their problems sometimes. That is an essence of the relationship.
	Respondent 5	2
	Respondent 6	2 - Not necessary an expert but since we are dealing mostly with frozen goods, it is important that the truck drivers would not be complete idiot, would start to try goods, for instance. He needs to know what he is loading. But as we have our logistics department and we know industry ourselves, it is not very important.
	Respondent 7	2 - What is important is that they knew where are we located and what the weather conditions are like. Beside that it does not matter, I will tell them what temperature to set in the truck.
	Respondent 8	5
	Respondent 9	5
	3. Would you be willing to pay more in comparison with market price for better quality?	
	Respondent 1	-
	Respondent 2	Yes, if the quality was really better.
	Respondent 3	Yes, actually we are already doing that only because we look for the quality. We compare the prices of qualified providers.
	Respondent 4	We are collaborating with a supplier and that means that we have to think about long term business. We know that sometimes we pay more for a service and sometimes we pay less for the service. Even today, we are playing more to our supplier then we could pay to another one. Our target is to have fair price and to have a service and the quality of the service.
	Respondent 5	Yes
	Respondent 6	Yes
	Respondent 7	No
	Respondent 8	Prices quite much standard. Depending on what we are doing, when we are moving fast it is necessary to have good service level.
	Respondent 9	Only if it is guaranteed
Reputatio	***1. When choosing logistics provider, do you rely on recommendations of the company? Please, weight the importance of recommendation on a scale.***	

Respondent 1	3
Respondent 2	3
Respondent 3	4 - If the company is new to us, we refer to its customers.
Respondent 4	3 - It is not very important for us. You can always have customers satisfied with a supplier that means our competitors are more satisfied with another company, and that does not mean that we would be as much satisfied.
Respondent 5	4 - I rely on that, I have a lot of contacts, so ask information.
Respondent 6	2 - Yes, we have a lot of volumes so we always have a possibility to try someone else. Just next week we are taking another company that does shipping sea freight. We are not tend to look for new companies but we are flexible. It is pretty tight market, tough business in general. We are at the good position because we have big volumes, we are pretty attractive clients to tell it that way. It is much more important that I arrange some phone calls every week, I would set up a meeting, an impression that I get from that meeting is much more important than reputation. As I said, we do not really take risks with new suppliers; we try them out, if they are good they get more business, if not, they will not.
Respondent 7	4 - It always spreads in the market that is why Girteka is so well known – it is very cheap.
Respondent 8	4 - It is good to have recommendations.
Respondent 9	4

2. ***How quality proving certificates, standards influence you choice selecting logistics provider?***

Respondent 1	-
Respondent 2	Word of mouth and experience in using a logistics provider is most important.
Respondent 3	The company must comply with the law of EU and Norway. Also, follow the standards of transportation that, as a fact, are very strict in Norway. We are not much into ISO and similar certificates, however the companies we work with, do have it.
Respondent 4	Yes, it’s important; that it is important because today more and more the market is asking for these requirements for the certificates. And also, because it shows that company has good procedures. *What certificates are you looking for?* ISO certification, Global Gap certification. Our customers are asking for it. So far, we are not asking for our transport companies for these certificates but the time will come that we will need to ask for those because the market is more and more asking for it and not asking anymore but requiring having these certifications.
Respondent 5	Not really important. Everyone has this but no one is using it. *Is it just a standard piece of paper?* Yes, it is. *Do you think in the future will be different?* Yes I am afraid of that because that I pick the thing I need everything regarding documentation and everything. I think it will be more and more.
Respondent 6	If you do business in Norway, you have to have all these certificates anyways. It is just an industry standard. It is not something I care about.
Respondent 7	4
Respondent 8	3
Respondent 9	Technology and fluent information is the most important for us

3. ***Is the trust important feature when selecting provider? Please, weight trust importance on scale.***

Respondent 1	4
Respondent 2	4 - Trust is very important.
Respondent 3	5 - It is simple, if we do not trust – we do not work together.
Respondent 4	5 - If can trust your supplier, then you have a problem because that means that you will have problems with your customers too. We are very dependent on the work our transporters are doing.
Respondent 5	4
Respondent 6	5
Respondent 7	4
Respondent 8	We pay attention on them, sure.
Respondent 9	5

4. ***Is green logistics approach important factor?***

Respondent 1	3
Respondent 2	2
Respondent 3	3

	Respondent 4	4 - In the future in this field it will be more and more important and required to have green logistics. *Is green logistics approach important in Norway?* It is and it will be more and more important, because Norway is very concerned about nature, about environment. I know that now, in salmon business, there are more and more checking trucks which are coming to the packing stations; not only concerning environment but also concerning security. In winter time they are checking the tyres, breaks. It will be the problem for trucks that are not in good quality because they will deny loading fish if tyres are not good enough, if breaks are not good, if there is any problem with the trucks.
	Respondent 5	3- It may be more important in the future, I guess
	Respondent 6	4 - Yes but from the transporter point, I am not that concerned about how they transport. But we always try, for instance, if we need a truck to Europe to speed it up and be efficient in that way. But it just makes sense from economic point as well as it is greener. We have a lot of sea freights and that the cleanest way to transport goods anyways. If logistics is green it is also efficient, if efficient means cheaper per kilo which is what concerned about.
	Respondent 7	1 - If we need to pay more for green logistics, than it is not important. We do not have so much pollution in Norway.
	Respondent 8	1 - We do not much into it, we tell the provider, we certain that main provider is on a certain national level.
	Respondent 9	4
	5. Is the brand name of a service provider important?	
	Respondent 1	1
	Respondent 2	3
	Respondent 3	1
	Respondent 4	3 - For us is not the name which is important, it is the work and the service the company is giving to the customers. We have been working for some years with the company which is very small, local Norwegian company. We have been working with them for 3-4 years and they were not known at all. At the end we changed it because we were not satisfied anymore but for us it was not important when we started work with them. As long as you do good work, does not matter that you are known or not, the branding is not that important.
	Respondent 5	1 - Not well known in the market but well known in the geography by distributional location in Norway, they have to know roads.
	Respondent 6	3 - Not really, if I have not heard about the company before, it would be the same as reputation. The biggest brand names have the worst service.
	Respondent 7	1 - It all comes to price.
	Respondent 8	3
	Respondent 9	3
	6. How do you look for logistics service providers?	
	Respondent 1	Contact´s
	Respondent 2	We just know who is available - word of mouth, they get in touch themselves, exhibitions.
	Respondent 3	Recommendations from the businesses of the same activities. Also, we are being approached by 5-7 logistics service providers a year.
	Respondent 4	When we are working in business for many years, you know the actors. We know most of the transport companies which are working. If we have to change or if we want to change, then it is not a problem, because we have contacts of people working there.
	Respondent 5	By talking to other people, we have been using the same transporter by road now for 5-6 years, we do not change very often. Another reason, also, due to our location in Norway we have production in an island far away from everywhere and not everyone is able to collect the fish.
	Respondent 6	We do not really need to look; we are pretty well-known in logistics service in Norway, at least. So, we do not have to do much to find the suppliers.
	Respondent 7	Normally now I am getting so many emails from different companies from Norway and other providers. From all the providers we get emails almost every day, so that is mainly how we look for providers.
	Respondent 8	Industrial references when speaking to each other, spot-knowledge and we are connected by new providers.
	Respondent 9	Normally they contact us
Concluding questions	***1. What would you choose as a provider – well-known multinational company with long-lasting working experience or a local provider that knows the specifics of your industry?***	
	Respondent 1	Local or quality known
	Respondent 2	The most important factor for us is that we have good contact with the people we deal with rather than size and locality of the company. We prefer Norwegian Companies for export from Norway as

they can take care of documents and all the customs questions which a company not located in Norway would not be able to do. As for in the market for services at the destination - then we have nothing against using foreign international companies. we have used foreign companies for transport too.

Respondent 3 — I would prefer to have a mix. We need multinational companies to transport our good internationally. How it works: we export our goods to Denmark, usually, and then production is reloaded to other trucks and distributed around the Europe. For that purpose we need big fleet and huge capacity that multinational companies can offer. Local providers are for the transportation inside the country, they are small but they are reliable because of knowledge about the industry and market.

Respondent 4 — That also I partial answered that for us is not so important whether it as a big multinational company or small local provider. Actually, it doesn't matter. What is important for us is that we can rely on them we can trust the supplier and it has to be a supplier who understand the way we are working and what we need to be able to do a good job. That is the most important. And as I told you we have been working with big companies in Norway that are leading companies. We have been working with 1 small company which was not known more, but for us is not so important. What is important that they are doing a good job so we can do a good job.

Do you pay attention on variety of services that company can provide, for example the company could not only transport by road but could transport also by rail or to shipments via ships or do warehousing or it does not really matter for you?

It's not so easy because you know we are working with Norwegian companies. Almost only sending the fish by train or by rail. And in some cases it's very efficient the transport cost is cheaper so considering that it could be better for us to work with them. But then they do not have the flexibility that you can have if you selling fish by truck, because when have to reach the train if you are delayed in the packing station and the train leave then you have the problems then you do not have the transport. So that is what I told you for us is most important is not to have the cheapest transport costs but we have to get the mix of total package which makes that we have market price, you know that we have to pay much more than our competitors but at the same time we have to get quality and have to get flexibility.

Respondent 5 — Local provider

Respondent 6 — I would like to say – local provider, because that is basically what we usually use. Our shipping agent is local, biggest trucking service suppliers are local. Well neither of them is local; they have offices locally, so they know the industry. They both Danish, actually. But with the headquarter companies in Norway and local offices in the same place as we are.

Respondent 7 — Again, I would choose the cheapest one but if the price is the same, I always prefer to use local one to support the area that we are living in Norway.

Respondent 8 — Depending: domestic transport – local company, export – could be both national and international.

Respondent 9 — Both

2. What is the probability that you would change your current service provider if another provider would suggest you lower price service? Please, weight probability on a scale.

Respondent 1 — 3

Respondent 2 — 3

Respondent 3 — 2

Respondent 4 — 3 - I put 3 because for is not in consideration as we are satisfy with a surveys and the price we have played. If someone is coming and it happens sometimes we have suppliers transporters that try to get customers suggesting them campaign price and they contact us and saying if you send fish with us for 3 months for instance we get campaign price which are lower that we are paying today but for us is not an issue because what happens on 3 months maybe after 3 months we will have the higher prices, or maybe, they will not do good job for us and as long they doing this we do not have any reason to change. So I put 3 for this one

Respondent 5 — 3

Respondent 6 — 3 - We have been always considering better price or worse but you get routines to sort of set around entire structure when you choosing someone new, that is switching costs, basically, that you have to consider.

Respondent 7 — 5

Respondent 8 — 3

Respondent 9 — 4

3. What is the probability that you would change your current service provider if another provider would serve you with more advanced technology? Please, weight probability on a scale.

Respondent 1 — 3

Respondent 2 — 3

Respondent 3	2
Respondent 4	3 - This one i put 3 also because it's today I don't really see what kind advance technology could be. we already have some tracking technology we can track the trucks so we see all the time almost all the time were our trucks are. Considering transport delivery time.
Respondent 5	2
Respondent 6	1 - It is pretty standardised.
Respondent 7	5 - What is important for us in this transportation is the time it takes on the fish that we sending. We always have weight cost, so if normally truck uses 5 days to Portugal but if it starts using 7 or 8, the fish will be of smaller weight and that is not good. Earlier we used to send it by ship, it takes a bit longer time but it was cheaper. If there would be ships that would go faster than 5 days to Portugal, we certainly would use that.
Respondent 8	3
Respondent 9	4

4. What is the probability that you would change your current service provider if another company would be able to provide additional service (administrative function (finance, claim control, etc.), design, management, etc.)? Please, weight probability on a scale.

Respondent 1	3
Respondent 2	2
Respondent 3	2
Respondent 4	3 - I put 3 on this one because it is not obviously accurate for us. I don't see the reason why we should do that because as i told you for us the most important is most direct communication with our suppliers. So we are not choosing Girteka for customs clearing today because I believe that today they would use the same custom agent as we have but if tomorrow there are more than one custom agents department it would be another questions that could be more interesting.
Respondent 5	2
Respondent 6	1 - We do it ourselves, so it is not something that we will ever consider.
Respondent 7	As I said earlier, if this company also could provide us with a lot different companies offering transportation, organise it and make sure that we always get the cheapest transportation, that would be 5
Respondent 8	3
Respondent 9	3

5. Please rank factors according to the importance from 1 to 4:

	Price of service	Quality of service	Compatibility with provider	Reputation of provider
Respondent 1	2	1	3	4
Respondent 2	2	1	3	4
Respondent 3	2	1	3 at the beginning it usually bad it needs time and effort	4
Respondent 4	2	1	3	4
Respondent 5	2	1	3	4
Respondent 6	3	2	1	4
Respondent 7	1	2	3	4
Respondent 8	2	1	3	4
Respondent 9	2	1	3	4

Additional questions

1. In general, what are the things that you miss from current logistics service providers?

Respondent 1	Sustainability
Respondent 2	Sometime a bit slow to follow up.
Respondent 3	One of the main inconveniences we face is currency for invoices. We would prefer to choose any currency we want but not all the providers can accept that.
Respondent 4	I do not really miss anything from current logistics providers, but as I told before there might be improvements. Rather than talking about what I miss, let us talk about what is important: good communication, that is very important, to be able to do good work, I mean, if we do not have good communication, so I cannot do good things either. *What are the ways to improve communication?* One thing which is very important - if there is any problem, if there is any delay, and then we have to be informed as soon as possible. During the years I have been working in this business we had big big

	problems with all the transporters, because we tell them if your truck is delayed, even if it is 3 at the night, you have to call me. If you call me, I can inform my customer then my customer has a possibility to try to solve the problem. But if they do not inform me and on Monday morning at 5 o'clock my customer does not get the fish and the customer is calling me asking where the truck is and I do not know. Second of all when we call to transport company they need to do some inquiries to check where the truck is and that takes time, time is money. Drivers have to be informed about the importance of delay. Great reactivity meaning that sometime customers call us telling that they need fish at this time, asking if we can manage it. Then we ask transporters and we need quick answer because if we do not answer the customer, it will find another supplier. Accuracy when it comes to the information. If I ask if they can delivery on Monday and the transporter says yes, I have to trust them. Accuracy in the invoicing. We have agreed fixed prices and invoicing have to be on agreed prices. Information regarding truck number so we could inform our customers which truck will come to pick up the fish. Short handling time when there are claims.
Respondent 5	There are a lot of troubles during winter time in Norway, especially, for the international trucks. They are driving on summer tyres that do not fit for the snow. That is important in general. There are a lot of trucks on the roads in Norway all the time but geography says that it has to be that way. Of course it will be more environmental good, more goods by train but that is not possible because we do not have railroads everywhere. We need trucks anyway. In the future maybe it will be easier to use more train. If we need to transport goods from one coast city to another, we use ships, but it is polluted and it takes time.
Respondent 6	We are not really missing anything. As I said, we have a lot of providers, but there are two companies that handle 70% of what we do. We have been working with them for a long time and they know what we expect and know how to handle those expectations. *Are those two companies international or local providers?* They international, but with local offices.
Respondent 7	We always look for cheaper and better and faster ways to do the transportation. Beside that I think we have services that we need. They take care of customs, normally it is quite ok.
Respondent 8	Cover the main issue on acceptable level
Respondent 9	More fluent information and new logistical ideas to save time and money for both
2. What do you expect from service providers in the future?	
Respondent 1	Time delivery and safe journey.
Respondent 2	We expect them to do a good job for us according to what we ask for which is mainly transport and document including customs.
Respondent 3	Extremely quick delivery as from 'Star wars', wider range of service being offered by providers, some kind of internet tracking with more advanced security system that is now, cameras in the truck, online checking about the carriage and etc.
Respondent 4	I hope it be even more efficient. If they could come up with new technologies, that would improve the service. Additional services.
Respondent 5	Expect them to keep up with good work at the lowest possible price.
Respondent 6	I expect it to be less and less service minded and more and more sort of bottle water product where no one is really everyone is valuing efficiency over service, at the moment - price over service. It is probably why we cleaning on to the guide seeing we have. We basically use sort of set ups DHL, UPS, sort of business models more and more, no matter if it is container or truck or just a package, more and more planning and forming it in some sort of form; sending it in, if you are lucky you will get confirmation to you email, if not… It is going that way, unfortunately. Maybe I am the only one who thinks this but I am a bit worried about the level of service going down; automatic efficiency going up. You only have contact with a computer screen. I think someone like be able to plan on the computer but it is basically the flexibility and possibility to receive quick messages and quick changes. You miss all of this through automation or how you call it.
Respondent 7	I always expect them to be cheap, that we can watch the trucks we are sending; that they can deliver with new ships and improve shipping, that they will not cancel them.
Respondent 8	More traceability, more e-service or online service. E-commerce / traceability / tracking
Respondent 9	Reliability

Note. Compiled by author.