CULTURAL ASPECTS IN THE DEVELOPMENT OF INTERNATIONAL BUYER-SELLER RELATIONSHIPS

Paper presented at the Sixth IMP-Conference Milano, Italy September 1990

Jan-Åke Törnroos
University of Åbo Akademi, Dept. of Economic Geography and International Marketing, Henriksgatan 7 SF-20500 Åbo, Finland

Kristian E. Möller
Helsinki School of Economics
Runberginkatu 14-16, SF-00100 Helsinki, Finland
Abstract

This article focusses on the issue how cultural aspects influence the development of buyer-seller relationships in an international marketing context. Conceptual outlines and suggestions for empirical research are made. Theoretically a framework emphasizing the processual nature of culture and its role in the relationship-development is put forward. In empirical work the role of qualitative analysis is stressed, but in combination with other approaches.

1. Introduction

In international marketing considerable effort has been put into coming to terms with the problem posed by culture on the firm's ability to sell in foreign markets. Indeed, one might say that culture - and its areal differentiation - is one of the basic premises underlying the whole idea of international marketing. In saying this one could also respond with the paradox that in most of the world's nations cultures also exist inside nations and form differentiated and complex entities for business firms within these countries as well. We may also find different cultures within business life. The ways of conducting business in separate industries vary from each other tremendously. Business cultures within organisations - and also between different parts of a larger enterprise - differ. On the micro-level of an organisation we may also find specific sub-cultures of an organisation. Organisational culture may therefore be divided at least in two distinct levels. Then we also have the individual or human side, which is embedded in the person itself. This is maybe one of the most important features of culture in management in industrial business, which is conducted mostly through inter-personal interaction.

Generally speaking, culture is an universal phenomenon and is present in most everyday activities and practices of human life. Here, the complexities involved in the concept of culture are not explored in more detail because this has been done elsewhere. Because culture is such a "grand" concept one is forced to delimit its role in specific situations or contexts in business situations. This is done in this research in the area of industrial marketing. The role of culture is enhanced when managerial behaviour takes place in settings involving different cultures. An obvious case is international marketing and especially cooperative interaction between companies characterized by different ethnic and corporate cultures. Culture influences the development of such business relationships from the early negotiations to the maturing or ending of the relationship.

Culture is as mentioned, specific within organisations. Because of this, in the interaction between firms organisational and personal cultural values and habits may conflict with each other. The thinking in this respect is influenced by the interaction-based theory of marketing between a firm's selling and buying in industrial markets. This is to say that in the present research effort the main focus lays on the cultural aspects influencing the behaviour of the counterparts in international industrial markets. It is believed that in this specific context the role

---

of culture may be significant in explaining the process of industrial buying/selling behaviour and its development over time. There seems to be a lack of research in this area of international industrial marketing, although the problem is recognized e.g. in the interaction model developed by the IMP-Group in Europe. Our aim is therefore to:

Study the role of culture in an international buying-selling perspective in industrial markets. This is done through an interaction perspective.

Secondly, our purpose is to build up a conceptual outline for understanding the role of culture in this setting. This is done using critical analysis from the literature dealing with culture in international marketing and organisation theory, where, in our view, most work on culture in business has been conducted.

Finally, we aim to develop a research design for use in empirical research in order to analyze the role of culture as a process of matching differences and forming relationships in industrial markets.

2. Approaches in dealing with culture in marketing and organisation theory

In marketing, especially international marketing, the concept of culture has been studied quite extensively. This is also the case with organisation theory, and it is especially organisational cultures that are explored. Within these two main fields the focus is on two basically different things. These are explored briefly.

a. International marketing

Culture is treated in international marketing mainly as an exogenous variable in relation to the firm. The marketing mix theory in particular treats the "market" outside the firm as an arena for studies in order to gain an understanding of the specificity of different markets in cultural terms. This is also done in a marketing-orientation sense. Different norms, values, beliefs and structures outside the firm are also brought in focus. The role of marketing is to adapt its mix according to the differentiation in cultural terms of its main markets. Textbooks in international marketing clearly take this point of view (Keegan 1989, Terpstra 1987, Majaro 1982). This contingency oriented research design is often conducted through quantitative methods. At least two kinds of analysis may be found in textbooks on international marketing. One approach looks at the relation between the firm and its 'controllable' and 'uncontrollable' environment. The controllable environment is the internal environment of the firm, whereas the external environment is treated as being outside the control of the firm. Another approach has been to analyze parts of these environments as parts of a large system. The firm and its relation to the environment is divided into studies of the economic, social, legal, and political environments. Culture and the world outside the firm regarded as an uncontrollable variable, to which the firm has to adapt its activities in intelligent competition. (Keegan 1989, for example).

See Håkansson (ed.) 1982, and Hallén & Sandström 1988, and especially the concept of "atmosphere" of the interaction, which is to some extent close to the concept of culture.
Another feature of this kind of research is that culture - among other variables - is a part of the market served by the companies. Culture is treated as one dimension of the international market the firm is operating within. This is another contingent feature in this approach. There are, however, other views of what a market looks like. (Williamsson 1975) This is to consider markets as hierarchies of transactions in chains between different actors in a value chain from raw materials to final markets. This notion of a market also fits into international perspectives. In our view this poses new challenges of how to treat the concept of culture in international industrial marketing.

The first challenge is to look at a market from an inter-organisational perspective, rather than a business - consumer/buyer situation. This means that whole firms or at least parts of them are both active parts in the transaction processes. These sometimes constitute transaction chains of related businesses. These may equally be called industrial networks. (See Hägg & Johanson (eds.) 1982, Hammarkvist et.al. 1987, Håkansson 1987, Håkansson & Snehota 1990). The network perspective is an extension of the dyadic interaction perspective in industrial marketing. (Håkansson (ed.) 1982, Turnbull P. W. & Jean-Paul Valla (Eds.) 1986) Network and interaction perspectives together with a transaction-specific view of industrial markets also poses a specific notion in the concept of culture. In this proposed setting culture is a (mostly) intangible variable which interferes with the transaction process of buying and selling, and with the coordination of a network, and/or with developing a new product and/or ideas within this process.

The second challenge is theoretical. The main question which is elaborated is: how should the concept of culture be treated in a theoretical sense in the above context?

Thirdly, challenges are made in order to come to terms with the international perspective. This means, in essence, that culture is multi-dimensional and is a nested phenomenon by nature.

A fourth challenge is of course empirical and analytical. How can we gather relevant information about this mostly invisible phenomenon, and how can we draw analytical conclusions?

b. Organisation studies and corporate culture studies

Culture is looked upon as specific within organisations in the view of organisational culture. Culture exerts an impact on the performance of the business firm, and many see its performance as an aspect of how well the organisation's leaders are able to match a culture of the organisation members and how they perceive the world and match this to the main objectives of the firm in question. (Alvesson, 1988, Alvesson & Sandkull 1989, Schein 1984, 1985, O'Reilly 1989). In this perspective culture is delimited as endogenous to the firm.

Schein (1984, 3) gives quite an extensive and detailed definition of the concept. He has taken the view that a general concept of culture as "a set of shared meanings that make it possible for members of a group to interpret and act upon their environment" is not explicit enough. Instead he postulates that the concept
should be defined as:
"...the pattern of basic assumptions that a given group has invented, discovered, or developed in learning to cope with problems of external adaptation and internal integration, and that have worked well enough to be considered valid, and, therefore, to be taught to new members as the correct way to perceive, think and feel in relation to those problems."

This means, in essence, that group dynamics becomes important in Schein's view. There is a process of interaction between members of an organisation, which is a learning process for both old and new members of this community. It is in Schein's view also problem oriented.

Schein offers three levels of analysis in his model. (Schein 1984, 4-5). a) Visible artifacts, (visible but often not decipherable factors) b) Values, (manifest or espoused values of a culture, i.e. factors we are more aware of) and finally c) basic assumptions (hidden meanings of reality). In this sense we could say that Schein is looking at the organisational culture in a way like an iceberg, with some of the parts hidden and some more visible. On the other hand he also sees a "grey" sector between the visible and invisible parts of organisational culture. This may be seen as a "both-and" discourse, with both hidden and more visible or detectable parts. In theory, culture may influence a relation in certain ways at different points in time. It is difficult to "slice out" a period of time and give general aspects about the role of culture in business relationships. As well as important actors in a network change in different phases of time (both companies and people), also conditions and e.g. competitive forces may change as well as other important environmental factors. (Spencer & Valla 1989) The dynamic properties of culture are important (Tönnroos 1989). Culture follows this process of change and adapts (or does not adapt) to these changes in one way or another. In our view Schein's three perspectives in dealing with culture in organisations are in their generality also applicable as general frames for studying individuals, firms, nations even. Schein does not explicitly discuss the nesting character of culture, however.

Alvesson and Sandkull (1988) are critical in their reading of the existing writings on organizational culture. They stress the interaction between the firm and the culture "outside the firm" as important when talking about culture in organisations. They do not exist in a vacuum, but are more examples of culture in a society in general. Organisations are "...not uniform and well-packaged entities with respect to their cultures." (Alvesson & Sandkull 1988, 137) The boundaries of corporations are also stressed as problematic and likewise the problematic relation between organizational culture and society and its cultural characteristics and change. The individuals and the business and functional cultures are not explored in detail by the authors. We are of the same opinion as the authors in this respect, and our view is in strong favour of looking at these relationships, and, indeed even more closely at different aspects of cultural levels.

O'Reilly looks at cultures within organisations from a triangular perspective. He looks at this from a very practical perspective. Culture is seen as a control mechanism, a normative order, and has its role in promoting innovations. (O'Reilly 1989) He stresses the importance of culture in strategical terms. He is also pointing out that an organisation has, implicitly or explicitly, a competitive strategy which dictates how it attempts to position itself with respect to its competitors. (ibid. 16) In relation to this it is noted that firms often fail because the underlying shared values do not support the new approach. (ibid. 17)
The relation of culture to marketing and marketing strategy is also put forward by Kasper (1990). His interest is to consider the role between cultures and marketing strategy in particular. This is done in relation to the marketing concept and especially customer orientation. Neither of these studies focusses, however, on the interaction relationship, and how the interacting parties may be influenced by organizational culture.

The post-modern view in studying organisations is put forward by Berg (1990). This is in our meaning a new approach in looking at organisations in our time. The post-modern paradigm is not a very old concept in business studies; it is in fact rather unknown. Post-modernism is a definition of a specific time-context, the post-industrial epoch we experience at the moment. This epoch has in Berg’s (1990) view its foundation in present-day culture with its particular pluralistic aesthetics and relative ethics. Post-modern thinkers have, according to Berg, a specific way of approaching the world they are studying; this is done by means of a discourse. The post-modern discourse is seen as a basic ontological and epistemological attitude towards the perception of reality. This is based on a criticism of our traditional view of science as "rational". Existing views are not opposed as such, but in the post-modern view one looks at instabilities and differences and gaps, instead of order, as we incline to do in positivistic research. This is done with decomposing (or deconstructing) the world and its parts. (Berg 1990, 203-205).

In our perspective it is not possible in theory to grasp this problematic in the way Berg (1990) approaches this school of thought and its possible use in management studies. There is, however, in our view very appealing thinking in the discursive method. Cultures are seldom measurable along one-dimensional attributes.

c. Research approaches and critics

It is our impression that in management science culture has its main implications and interests within the two above fields. We may also encounter specific studies conducted in human resource management e.g. to meet other cultures successfully. (Torbiorn 1982, Gertsen, 1989) There may, however, exist a need to combine more closely the endogenous view with the exogenous view imposed by the problem of culture. Industrial marketing offers one possible area of interest where we might see this need more explicitly. This is also more striking in an international setting. This is nevertheless only one context. We are sure it is also necessary to study this phenomenon in many fields of consumer marketing.

An obvious problem is the relationship between assumed cultural planes. For example, ethnic culture is bound to influence industry, corporate, and functional cultures. Strong corporate culture, on the other hand, can be assumed to influence all other planes - ethnic dimensions as well.

One might say that the cultural planes form a complex, hierarchically conditioned system where the content of each level conditions other levels. This conditioning is
expressed through facilitating or hindering individual behaviours. Corporate culture, for example, often influences strongly the probability of functional behaviours. Functional culture, expressed e.g. in professionalism may overcome the probability of ethnic behaviour when persons are engaged in performing their function as cooperating physicists or engineers in a cross-national project. Ethnic culture may again dominate when the same persons are engaged in non-functional roles outside organizations.

These are just a few examples of the dynamic relationships between the cultural planes. The conditioning influences can be argued to be context-specific; they are related to time and space. American autoworkers employed in a Japanese plant in Ohio can be persuaded to adopt originally Japanese values and behaviour concerning their work roles. An interesting question is whether this cultural adaptation on one plane (corporate and functional cultures) can influence more deeply rooted ethnic values and on what time perspective.

To sum up, we argue that it is useful to define culture through a multiple of planes, the contents of which can be represented through assessment of their basic underlying dimensions.

Each plane can further be described as a multidimensional space. The focal research objects can then be projected into these cultural spaces facilitating their comparison. It must be understood, however, that the dimensions are dynamic, their nature and relevance in describing cultural planes changes through time. A basic issue is whether the same dimensions can be employed for describing widely different cultures. We presume that this is the case, cf. Osgood, Suci and Tannenbaum (1957).

Cultural planes are interrelated in a complex fashion; they condition the relative influence of each other on the individual's probable behaviours. This influence is further argued to be context specific.

One possibility in coming to terms with these problems might be the concept of *nesting*. We can look at the market as a chain of transactions between firms interacting in industrial markets. This chain in our view could be looked upon from a "nesting" perspective. By this we mean that the different levels where culture might appear take on different forms and appear in various contexts. We may say that looking at culture from an interaction and network perspective there are the following levels present in the interaction process which may take the form of culture and cultural distortion and influence on the process:

1. The societal or national level. Gives the overall framework of cultural concepts, and legal frames for business activities. In today's more global world some of these obstacles have been overcome - to a certain extent - by multinationals. (Internal markets, the eclectic paradigm. Rugman et.al 1986, Dunning 1979, 1981, 1988). The nation state in which business operates still forms the general cultural milieu for industrial business. This cultural level is also called ethnic culture, because this level of culture is shared among ethnically relatively homogeneous groups and politico-geographical boundaries. There exist also deviations from this notion, which it is important to stress.

2. The business level. Every business is conducted within a certain competitive
framework and within a specific industry (or service sector). Sometimes there might be overlapping, but, in general, a firm might be able to articulate quite clearly what business it is in. This level has its own cultural roots and history, and the players within this level know how to play. There are also distinctive features in the concept of business culture and industry culture. Business culture is more an ethnically close way of conducting business, whereas industry culture is more related to a branch of industry, and this culture of business behaviour and ethics etc. is similar across borders. For example making business in shipping, the oil business, international trading or the electronics business has similar characteristics across national borders. This is true at least to some extent.

3. Firm, or company level, where groups representing firms interact and form buying and/or selling units. These form very important actor groups in the interaction. This corporate culture refers to the shared values, beliefs, and meanings and behaviours within an organization. (cf. the above critics). Corporate culture is reflected in the "way we (the firm) do business in, say General Motors or Benetton". The intensity of this cultural level can vary considerably - as in the case of all cultural planes.

4. Functional culture refers to the subcultures of various functions within an organization. Again functional culture is expressed through the shared values, beliefs, meanings, and behaviours of the members of a function within an organisation. (E.g. marketing, finance, shipping, purchasing, top management, and the blue collar workers).

5. The individuals interacting and representing organizations in the industrial interaction process. In individuals the essence of the other cultural planes described above is concentrated. The individual is affected by the other cultural planes. In the interaction environment the individual becomes the core person who "interacts" with the other actors in industrial marketing settings. Ethnic - individual nesting is seen by us as concentrated in a person/individual doing business. This holds in our view also for how the other party is looked upon. This party also has cultural roots from these different planes. The individual is seen as important because there are - as we know - also individual differences in perceiving the world. Culture is learned, it is not innate. The learning process creates individuals due to different environments in learning and individual characteristics.

These five planes are arbitrary and difficult to separate into different levels very exactly and rigorously. This means that we have to nest the levels into each other in order to try to grasp the cultural interplay between these levels in our efforts to come to understand how culture works in our analysis.
Figure 1. Illustration of the different levels and the nested character of distinct cultural planes. The boundaries between the levels are considered complex and interrelated.

d. Culture in context - international business marketing

Buyer-Seller Relationship as an Interactive Process

The process character of buyer-seller (B-S) relationships poses another set of methodological challenges. In order to be able to study the effect of cultural factors on the buyer-seller process one has to define the content of the process as well as its phases.

The interaction takes place through four sub-processes:

- Exchange of resources, including physical, financial, information and knowhow-related resources;

- Social exchange, referring to personal interaction through which part of the resource exchange takes place; in addition to resource exchange social exchange includes exchange of values and beliefs.

- Adaptation process, through which the organizations, and persons, adapt to better match the needs and opportunities embedded in the Buyer-Seller relationship.

- Control process, through which the organizations control the exchange of resources, as well as contracts and agreements concerning the relationship.

The content of the relationship at a given time can be described as a profile of bonds between the organizations, as well as a profile of the performance outcomes and psychosocial outcomes in each organization, see Möller and Wilson (1988).

This means assessment of the invested resources - physical, informational, and human -, the attitudes and beliefs related to the process, as well as the objectives.
and goals set for the relationship and the achieved outcomes.

Within the context of business marketing internationally the role of culture may be seen as important in the different phases of relationships between the parties involved in the process of buying and selling. These evolutionary phases of development have been separated into distinct relations in the different stages. Ford (1982) and later e.g. Paliwoda and Druce (1987) identify the following stages:

1. Pre-relationship stage; no engagement but evaluation.

2. The early stage; high risk together with lack of information.

3. Development stage; selling occurs, and the distance between the parties diminishes.

4. The long-term stage; mutual dependence, standardized procedures which may form barriers to exit is developed.

5. Final stage; vital markets evolve over long periods of time.


It is difficult to generalize about the formation of an interactive process. We feel that many of these processes are characterized by company specific and business-specific as well as knowledge-specific circumstances. In empirical research one has however, to take a stand on how these stages may be identified within certain time intervals.

3. A hypothetical model for studying the process of industrial buying/selling interaction and the role of cultural factors in an international setting.

In the above discussion it has been explicitly stated that there is a need to examine the concept of culture in international industrial marketing. This is done here in constructing a model of how, mainly in a theoretical sense, we might draw together the above discussed topics and the research conducted in an empirical sense. A general model may look like this. (see fig. 2.) It has to be stated explicitly that the model is a general theoretical framework, and not an empirical model. It takes into account central aspects of culture in a) a time-space dimension, and b) an international industrial marketing framework (inter-organisational and international selling-buying situations.)
In this model we look at culture as a discourse with nested levels interacting from the national scale to the individual level. This might be traced within one culture into a realm together with another discourse where the ends are formed through the Schein (1984, 1985) notion of culture as three distinct properties. One could also postulate one end as "visible" and the other extreme as "hidden" or invisible. In theory it should be possible to find a space or a realm of a studied interaction process, as perceived by a respondent firm in a specific time period of the interaction. These two realms shown are wholly theoretical constructs which only aim to show two distinct firms interacting with different realms in this theoretically constructed cultural space of discourses. The discourses have here a content axis, and a level axis. This conforms with our former notions of culture and its role in business across borders.

4. Empirical and methodological considerations

The above theoretical model is to be seen as a starting point for refining the ideas in an empirical analysis. One factor which could be an empirical starting point is the distance concept. This is so because in this cultural space we should be able to find differences or distances between the interacting cultures.
Figure 3. A hypothetical model for a general evolutionary process in establishing an international manifest buyer-seller relationship.

The model may be characterised at this stage by certain factors. The concept of distance is crucial. (See e.g. Törnroos 1988). The perceived distance should shrink according to the theoretical perspectives as the interaction between the firms develops. Through empirical research we try to find some evidence for this hypothesis. This might be possible through operationalising the distance concept by means of certain characteristics, such as; (i) physical distance between the firms, (ii) cultural distance, (iii) economic distance, and e.g. (iv) technological distance. It might also be a good idea to use other definitions than cultural distance e.g. communication distance, behavioural distance, etc. These "distances" are then studied, if possible, on the different levels mentioned (national, industry, company, and also individual level).

4.1. Examining the Influence of Culture on a Buyer-Seller Relationship: Suggestion for a Research Strategy

We have discussed the character of culture and buyer-seller relationship from a fairy general conceptual perspective. In this section an empirical research strategy is suggested for studying the influence of culture on a buyer-seller relationship.
Our research objective can be divided into two broad empirical issues.

1. How culture-related factors - values, beliefs, meanings and behaviours change during the development of a cross-cultural buyer-seller relationship.

This objective is clearly descriptive by its nature and is referred to as analysis of cultural adaptation.

2. How culture, or more specifically differences in culture, influence the carrying out and outcomes of a buyer-seller relationship.

This explanatory objective is very difficult to study because of the nested character of culture and because there are a number of other factors influencing the relationship and its outcome.

To narrow our task we focus on a dyadic buyer-seller relationship. This may be a part of a larger network, but the role of other organizations is included only if it influences the development of the focal dyad from a culturally meaningful perspective. Persons and organizations, e.g. consultants and commercial or technical consular staff mediating in finding solutions for culture-related problems exemplify this kind of role.

Our research design is planned to take into account three basic issues: the process character of a relationship, the relative nature of cultural influence, the nested character of culture, and the "elusive" nature of culture. These present major methodological challenges.

* The development process of a buyer-seller relationship demands a longitudinal research design. We are planning at least a three year study including three points of measurement.

* The relative nature of cultural influence refers to the issue of "point of comparison". The perceived cultural impact can only be assessed in relation to something where this assumed cultural influence does not exist. Our solution is comparative measurement, that is, doing business with a representative of a distant culture is compared with doing similar business with similar partner coming from the same culture.

Further, to be able to focus on the influence of culture from the perspective of both buyer and the seller both organizations are investigated.

* The nested level of culture is approached by trying to control (or understand) the basic cultural planes:

- The potential impact of ethnic or national culture is enhanced by selecting companies with a wide cultural distance. Currently we are planning to include Finnish and Italian companies in the study. This would provide a wide cultural difference in general ethnic and religious levels, as well as in management cultures, see Hofstede (1980).

- An effort is made to keep industry culture constant by selecting companies from
a same industry or it can be manipulated by choosing two different industries - e.g. services and some traditional engineering industry - and comparing the results.

- Corporate or company culture is to be controlled along two dimensions. First, the "cooperative vs competitive orientation" of firms should be evaluated (see Möller and Wilson 1988) as it probably exerts a strong influence on the interaction behaviour of the firms. Second the "cross-cultural experience" must also be taken into account. An ideal solution would be to identify companies with no prior business experience with companies representing different cultural backgrounds.

- Finally, the functional culture of the engaged units must be analyzed. It cannot be manipulated but its basic dimensions and intensity should be evaluated.

It might, for example, be possible that, say, engineers are dominated by their functional or professional culture so that this would override the influence of their different ethnic backgrounds. Assuming this, one might expect a greater cultural distance between persons who are characterised by different ethnic, business, corporate and functional cultures. This, again, emphasizes the nested character of cultural influence.

The "elusive" nature of culture refers to the fact that cultural differences in values, beliefs, meaning and behaviour are hard to detect if one wants to get beneath the most obvious level - e.g. the "silent Finns" and the "talkative Italians". And even more difficult is to interpret the underlying logic or reasons for manifested behaviour.

Our intention in this case is to establish a multicultural research group, including representatives from the countries of the selected focal organizations.

By drawing together the above discussion the following research design is proposed.

The study is a primarily qualitative case study to enhance the possibility of deriving deep descriptions of how cultural adaptation and influence take place in the context of the development of international buyer-seller relationships. Data collection includes theme interviews and the collection of documentary data about the relationship.

Multiple company representatives engaged in the relationship development are to be interviewed; potentially they represent different levels of the organization as well as different functions.

In order to be able to "tap" deeply into the expectations, beliefs and attitudes of respondents researchers having a matching ethnic background are employed.

Theme interviews are complemented with questionnaires of scale measurements of available - and verified - cultural measures. Also so called "hard facts" about the relationship will be collected.

The selection of case companies is guided by the case design described in Figure 4.
Figure 4. Empirical case design in studying culture in an international interaction framework

Whether the cross-industry comparison ("service" vs "industry") can be realized depends on the resources available for carrying out the needed information for the project. This comparison would enable the evaluation of the impact of industry culture.

At the firm level cooperative vs non-cooperative (or competitive) orientation is planned to be controlled and compared, whereas efforts are made to keep the prior cross-cultural experience of the firms at a minimum. This would facilitate the examination of cultural adaptation.

The impact of culture on the buyer-seller interaction process is approached by asking the respondents to evaluate the development of the focal relationship with similar relationship with Finnish/Italian business partners. This provides the point of reference for assessing relevance of culture.

Finally, we try to identify such companies which are just starting to prepare for doing business with each other. This initial phase forms the first measurement point. The next measurement is planned about 12 months ahead to examine the experiences of the first development phase of the relationship. The third one will take place another 12 months ahead allowing for analysis of more deeper adaptations.

It must be understood that the above design represents a kind of ideal type of research setting. We realize that it may be difficult to follow but feel, however, that strict guidelines are necessary when one wants to capture such elusive

<table>
<thead>
<tr>
<th>FIRM</th>
<th>service</th>
<th>industrial</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>CO-OP</td>
<td>NON CO-OP</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>CO-OP</td>
</tr>
<tr>
<td></td>
<td></td>
<td>NON CO-OP</td>
</tr>
</tbody>
</table>
phenomena as cultural adaptation and the cultural impact of organizational relationship development.

The recognition of the difficulty of cultural research has also led us to combine interviews and collection of documents with (possible) scale measures of established cultural dimensions. In that respect one might say that we try to employ both phenomenological and more traditional empirical research approaches.

5. Conclusions

The international dimension and the role of a company's own culture may be influential factors explaining the formation and development of industrial interaction development over time in international industrial markets. This study tries to explore the role of culture in a theoretical sense in international industrial marketing. Empirically this is studied through case studies over three periods of time of Finnish companies' interaction development with Italian companies. The cultural process and factors causing friction in the interaction between the firms studied forms the core of empirical analysis. The intention is to draw managerial attention to cultural factors, and to include cultural studies in the interaction marketing field of research.

REFERENCES


Dwyer, F.R., Schurr P.H., and Oh, S. (1987) "Developing Buyer-Seller relation-
ships", *Journal of Marketing*, 51 (April) 1987, 11-27


"Företag i nätverk" (Firms in Networks). Ed. by Ingemund Hägg & Jan Johanson SNS Förlag, Stockholm.


Håkansson, Håkan (1987) "Introduction" (Chapter 1) in Håkansson, Håkan (Ed.) "Industrial Technological Development - a Network Approach", Croom Helm, Beckenham, Kent


Business Marketing" Paper Presented at the Fourth Bi-Annual World Marketing Congress, July 16-19, Singapore


Paliwoda, Stanley J. & Peter M. Drue (1987) "Buyer-Supplier Relationships and Selection Criteria". Industrial Marketing & Purchasing Vol. 2 N.o. 1


Törnroos, Jan-Åke (1989) "On Culture and International Industrial Marketing". Proceedings from the Fifth Industrial Marketing and Purchasing Conference, Penn State University, Ed. by David T. Wilson et.al.
Tömroos, Jan-Åke "The Concept of Distance in International Industrial Marketing", (forthcoming in: "New Perspectives in International Marketing", Edited by Stan Paliwoda, Routledge & Co.)

