



UNIVERSITETET I AGDER

Competitive advantage in a global market: The Case of the Norwegian Salmon Farming Industry

A comparative study of the Chilean salmon farming industry

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Preface

This master thesis is part of my master's degree in business and administration, carried out at the business school of University of Agder. The thesis is written in the spring semester of 2018 and finalizes my degree with 30 credits.

The work have been demanding, with a lot of uncertainty and doubt. Challenging myself, I set out by writing the thesis alone and in my secondary language. I now understand why the school of business and law highly recommend working in pairs, but still I've learnt a great deal I wouldn't be without. In the similar vein, the work have been both interesting and rewarding as well broadening my understanding of various themes relevant for both me and my work in the future.

I want to thank my supervisor professor Ilan Alon for his comments and pushing nature. Without it, I doubt I would have been able to deliver. Enduring my questions, his comments have been valuable and have highly contributed to the final version. Furthermore, I would like to thank my respondents, all delivering valuable insights and answers, with an interest unlike anything I've come across.

Kristiansand 31. Mai 2018

Brynjel Johannes Toft

Summary

With an ever-increasing globalization of the world, products reach new markets as we speak. This increases the competition and firms must compete on a whole different level than before. Norway is in the lead position when it comes to the generic product salmon but faces constant competition of other countries as they would like to benefit from the valuable product it is. Competing though

Previous research shows signs of a highly competitive market, where the competition is mostly done through price competition. However, theoretical literature holds that competition through differentiation should be the preferred way as it leads to higher value, lesser effect of commoditization and a higher number of products derived from the original product. With this in mind, this study focuses on possibility of differentiation as a generic strategy when competing in an international market.

The methodological approach for this study is a case study of the Norwegian salmon industry. This is interesting because of the position Norway holds today, and will, hopefully, be able to shed some light on how it might evolve into the future. Done through semi structured interviews with key management personnel and experts, it was further supplemented with secondary published material, both news articles and published material from firms and organizations in the industry.

The results shows that the firms favor a price-competition, based on the fact that they aren't able to satisfy the present demand for whole salmon. They respondents indicate that they want to differentiate, but with today's prices it is simply not valuable exploitation of their resources. Furthermore, the are well aware of the country of origin effect and state that this effect is valuable and, partly, responsible for the high price for Norwegian salmon. Fully able to exploit this form of differentiation, they are grateful for the work the Norwegian seafood council have laid the foundation for and hope to further enhance this effect through sound business practices.

Abstract

Purpose – This study tries to address the differentiation done by a mature industry as a comparative study to Felzensztein and Gimmon’s (2014) paper on the Chilean farmed salmon industry. It focuses on how firms might improve their performance in an international context. Choosing between either cost-advantage or differentiation as a form gaining a competitive advantage, this study further addresses the usage of the country of origin effect as a form of differentiation.

Design/Methodology/Approach – The research unit of the thesis is set in the Norwegian salmon farming industry, alas the biggest producer of salmon in the world, now experienced exciting times with the easing of sanctions in the eastern world as well as an increase in environmental focus. Employing a qualitative

Findings – The findings show that there exist a difference between the Norwegian industry and the Chilean and their future outlook. The Norwegian industry had trouble meeting the demand and as such didn’t have a preferred overall strategy but they respondents stated that in future competition the idea of differentiation would be ideal as it delivers higher value, while at the same time reduces the competition in international markets.

Value/Originality – Helpful for future entrants to the Norwegian salmon farming industry, the possibility of country of origin branding is apparent. Furthermore, the study confirms the Norwegian Seafood Council’s usefulness, connecting the firms together with the organizations overall strategy and work.

Keywords – Competitive advantage, Norway, Salmon industry, Country of origin, Differentiation, Porter’s generic strategies, Resource-based view

Paper type – Master thesis

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1 Introduction

Competitive advantage is, more often than not, the goal of every firm trying to survive. Possible to achieve through generic strategies, Porter (1980) argued that it could be done through either differentiation or cost advantage and that it is helpful to use as an overall strategy in regard to the firm's surroundings. Furthermore, it is, for the sake of keeping the competitive advantage, helpful to refrain from price competition and thus focus on the strategies related to differentiation to keep competitors at bay. By staying clear of the commoditization of a product firms are able to increase the value of a product as well (Matthyssens and Vandenbempt, 2008).

These generic strategies have been in the spotlight for researchers since Porter (1980) introduced them and the case for many studies. Felzensztein and Gimmon (2014) did a study on the Chilean salmon farming industry where they discovered that the industry showed an unwillingness of differentiation and favored cost advantage as they felt that this provided quickest results, or in other words easier. However, Felzensztein and Gimmon still argues for the use of differentiation based on previous theoretical literature.

In Felzensztein and Gimmon's (2014) study, it became apparent that the industry thought that the Norwegian salmon industry could demand a higher price, although not only, because it simply was Norwegian. Thus, this study seeks to further address the differentiation done by the Norwegian salmon farming industry, and how the Norwegian industry incorporates the country of origin effect into their marketing.

To explore the country of origin effect and the possibility of a firm exploiting such a resource (Suter, Borini, Floriani, Silva and Polo, 2018), this study focuses on the Norwegian salmon farming industry and its competitiveness in such a mature and global industry which started out in the late 80s. Experiencing a tremendous evolvement, the salmon industry have swiftly turned into one of the most important sources of food and protein across the globe, while providing a relatively environmentally friendly means of production compared to other food sources (Marine Harvest, 2017). However, with the increased globalization it has attracted other countries like Chile, United Kingdom and Canada competing for valuable markets as well. As the industry faces a problem with generic products and commoditization, this study

addresses the problem of value creation and how firms seek to compete through differentiation, especially the nature of the country of origin effect, which is highly relevant for the salmon farming industry due to its geographical locational needs. By incorporating the country of origin effect, firms are able to add value to their product without compromising, or further processing, their product (Cuervo-Cazurra and Un, 2015). Employing a resource-based view, this study addresses how a firm might develop the country of origin effect as an internal resource to compete and overcome competitors through achieving what Barney (1991) called a competitive advantage.

Following a case study approach (Eisenhardt, 1989; Yin, 2015), this study seeks to generate findings contextually strong and grounded as well as generalizable (Yin, 2017). For insight regarding the study I make use of both personal interviews and secondary published material from firms and organizations in the industry. The results show that the Norwegian salmon industry is very aware of their position and, usually, embraces the country of origin effect encompassed in their product. Furthermore, the results also show that the country of origin effect Norway holds is highly recognizable throughout the world and helps to further differentiate the generic product that salmon is in an international context. Firms are inclined to approach other differentiating strategies as well but struggles with the appropriate resources as the demand for salmon is unexpectedly high. Although a favorable position for firms, it leaves little room for the possibility of pursuing more specific value adding strategies.

With the presented theoretical literature in mind the following research hypothesis are presented:

- *Competitive advantage in the salmon industry is believed to be pursued through differentiation as it is more robust than cost-leadership.*

- *The country of origin effect is believed to be important for the Norwegian industry and the effect is believed to be a competitive advantage.*

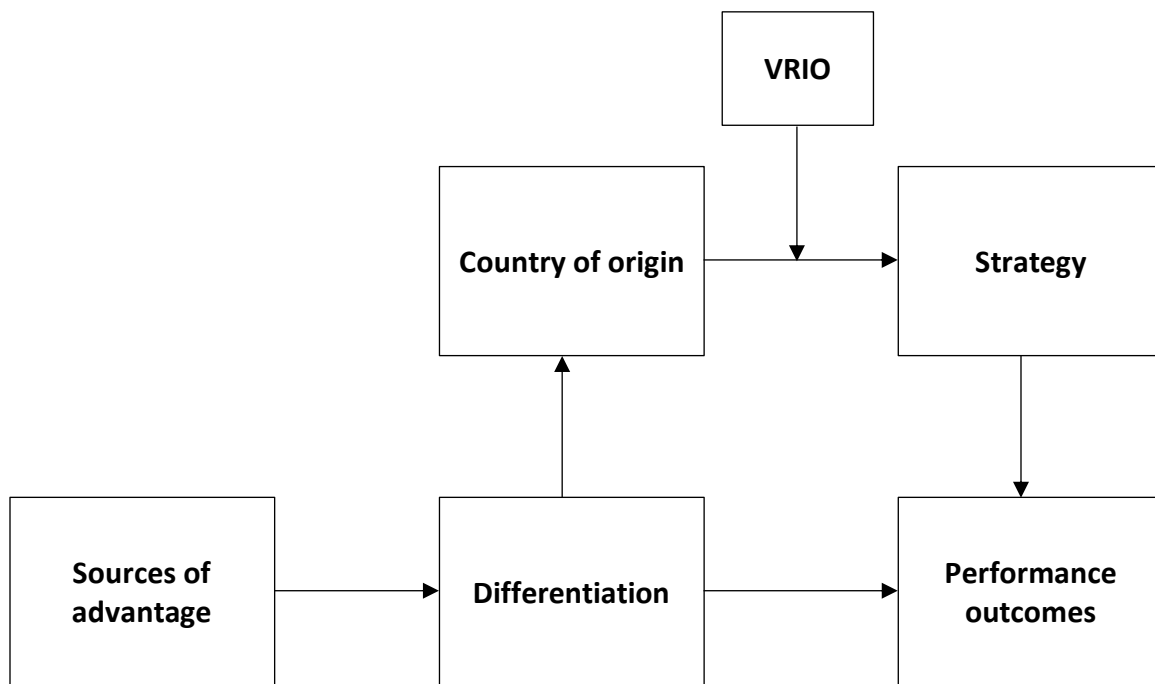


Figure 1: Research model (influenced by Day and Wensley, 1988).

The study addresses the relationship between differentiation and performance outcomes, with a further inspection on the differentiation done by the country of origin effect. By connecting the differentiation to performance, this study explores if Norwegian firms are awake and attentive towards the international competition. By incorporating the country of origin effect, it is possible for firms to make a distinction between salmon produced in different parts of the world.

2 Theoretical Literature

In this chapter, I will present the theoretical foundation for this article. First, a visual representation of the literature review followed by a short theoretical literature review of the resource-based view, competitive advantage, the country of origin effect and how these ties together before an explanation of how a firm might transform a potential country of origin effect into an advantage. Using the country of origin effect as a strategy when talking about differentiation, the study further tries to address the benefits this effect yields and the possibility of turning the country of origin effect into a competitive advantage through the VRIO framework. Furthermore, a case of the Norwegian salmon farming industry will be presented.

2.1 Literature Review

Literature Review Summary

Major theories and their development

Theory	Authors	Key contributions
Resource based view	Penrose, 1959	Theorized how a firm's growth is the result of how internal resources are utilized.
The resource-based view is a framework helping managers determine the strategic resources and capabilities a given firm might exploit to	Wernerfelt, 1984 Reed and Defillippi, 1990 Harrison, Hitt, Hoskisson, & Ireland, 1991	Firms should focus on the resources available, rather than the products they produce. The growth of a firm is dependent on what resources the firm possess rather than what products they sell. Examines a competitor's possibility of imitation and its effect on competitive advantage. States that reinvestment is needed for the sustainability of an advantage. Further develops merger-theory on synergies and states that synergies might develop even though firms are not

further develop a competitive advantage.

Stating that the resources in an industry is heterogenous, this results in the fact that firms, in the same industry, could have different strategies as they have different ways of exploiting their resources.

similar. This is because two differences might create a substantially better outcome than two similarities.

Barney, 1991	States that a competitive advantage is present if the firm's resources are utilized "correct" or more efficient than what is done in other firms.
Hart, 1995	Further develops the resource-based view by proposing a natural resource-based view which discusses the importance of a firm's natural environment.
Miller & Shamsie, 1996	Empirically tested the relationship between internal resources and sustainability (more specifically actors contracts).
Teece, Pisano, & Shuen, 1997	Further developed the resource-based view by introducing dynamic capabilities.
Priem and Butler, 2001	Outlines challenges, formalizes the RBV concept and integrates the RBV model with demand models.
Barney, Wright and Ketchen, 2001	Gave a review of the last ten years with RBV and proposed five similar areas of interest for further research in the next ten years.
Sirmon, Hitt, and Ireland, 2007	Links the case of value creation in a dynamic environment together with the management of resources.
Kraaijenbrink, Spender, and Groen, 2010	Addresses critique towards the RBV and analyses its persistence against these critiques and are left with three out of eight valid critical remarks.
Madhani, 2010	Gives an overview of the situation of RBV, how it evolved and how it translated to a competitive advantage.

	Barney, Ketchen Jr., and Wright, 2011	Revisits the development of the RBV and its evolution in academic literature. Furthermore, they propose that the RBV have gone through a lifecycle and states that there are two ways the RBV could further develop; Revitalization or Declination.
Competitive Advantage	Porter, 1980	Introducing his generic strategies, Porter presents a competitive advantage in simple forms through either cost leadership or differentiation (a third, focus, is also included).
Competitive advantage is the result of a superior position compared to other firms in the same industry. This, in turn, makes it possible for the firm to generate higher value and thus compete more efficiently.	Day and Wensley, 1988	States that the sources of advantage are either superior skills and/or resources.
	Williams, 1992	Argues for the assessment of a products sustainability as it could identify when reactions from competitors might happen and predict their behavior.
	Peteraf, 1993	Presents four different cornerstones needed for a competitive advantage to be present: Heterogeneity, Ex post limits to competition, Ex ante limits to competition, and imperfect mobility.
	Kay, 1993	Derives competitive advantage from a set of various resources present in a firm which is unique to a company e.g. Network, relationship with suppliers, etc.
	Hunt and Morgan, 1995	Argues for the use of comparative advantage rather than perfect competition as it holds an internal view emphasizing the firms' resources rather than the surroundings when explaining growth and competition.
	Barney, 1997	Creates the VRIO (Valuable, Rare, Imitability, Organizational) framework to address if a resource is competitive or not in light of the resource-based view.
	Matthyssens and Vandembemt, 2008	States that companies trying to fight commoditization are hindered by: (1) Dominant industry recipe and (2) their own traditional marketing.

	Brahma and Chakraborty, 2011	Gives a review of the evolvement of the resource-based view and its importance for competitive advantage. Assesses its usefulness for managers in their search of competitive advantage.
	Hinterhuber, 2013	Attempts to add the demand variables of a competitive advantage such as market size and customer needs to extend the resource-based view and how it creates an advantage.
	Felztensztein and Gimmon, 2014	Findings show that managers preferred a competitive advantage of cost-leadership rather than differentiation as proposed by theoretical literature.
	Chatzoglou, Chatzoudes, Sarigiannidis and Theriou, 2017	Tries to connect various organizational aspects never investigated before. Builds on the resource-based view, and further addresses the aspects of the "O" in the VRIO model.
Country of origin	Schooler, 1965	Study on Guatemalan products, reported a negative trend towards foreign products.
Country of origin is the value people assign certain country's products based on their perception of the country's image. Both negative and	Reierson, 1966	Researched the attitude on foreign products among students. Favored home-country (the U.S.) products.
	Schooler, 1971	Favored home-country (the U.S.) products. Called out the flaw of only students used in surveys.
	Bilkey and Nes, 1982	Provides demand side variables to the product life cycle. Assigns value to the product's life cycle based on where its manufactured rather than competitors.
	Han, 1989	Examined the role of country image in evaluation of a country's products. If country is known, the image is better for products, and in contrast, if the country is unknown the image is worse.

<p>positive country cues affect the specific products, and the value isn't necessarily shared across product categories.</p>	Cordell, 1991	Cordell's findings suggest that the customers are more inclined to products from less developed countries when shopping for a product with superior tangible attributes.
	Roth and Romeo, 1992	It is important for managers to take the considerations into effect, and to assess whether the product matches or mismatches with the country of origin.
	Shimp, Saimee, and Madden, 1993	Introduces country equity as a concept. States that countries are able to build up a "fund" of image possible to encompass new firms as well as other firms being able to use the "equity".
	Agrawal and Kamakura, 1999	Presents the country of origin effect as a one of many extrinsic and intrinsic cues affecting the purchasing decision for a customer. Explains price premium as a premium made on quality rather than image.
	Kleppe, Iversen, and Stensaker, 2002	Argues that the country of origin effect develops in multiple stages which is dependent on re-occurring moments, not limited to a specific product category.
	Pharr, 2005	Presents a holistic model for examining the country of origin effect. The model is based on various evaluations carried out between 1995 and 2005. Claims that the country of origin effect is influenced by various attributes and that the brand image may overtake the country image for a product.
	Nye, 2008	Addresses the usage of the country of origin effect by countries to affect public diplomacy.
	Cuervo-Cazurra and Un, 2015	Analyzes how the country of origin effect affect foreign direct investment for firms. Argues that the country of origin effect is split between governmental based and consumer based they state that governmental country of origin effect incentives spending, and that consumer-based country of origin effect reduces the necessary spending.

Lu, Heslop, Thomas, and Kwan, 2016	Literature review of the country of origin effect. States that the research is heading towards a more general area, moving away from US based research as well as becoming more sophisticated, theory-driven and involving more and more products. However, they raise concerns about the generalizability and replication of studies.
Suter, Borini..., 2018	Proposes the country of origin effect as a country specific advantage for internationalized firms. Develops and validates a model for assessing the importance and possibility of incorporating the country of origin into the product.
Suter, Giraldi..., 2018	Approaches the country of origin effect from a firm's viewpoint and how a firm might use the country of origin effect in their brand development.

Table 1: Literature review

2.2 Development of the Resource Based View

Gaining traction in the 90s, the resource-based view emerged as an establishment claiming that the sources a competitive advantage is derived from was a result of resources and capabilities (Barney, Ketchen Jr., and Wright, 2011). Focusing on the internal factors of firm, this view claims that the resources and capabilities are the core of any given firm, and these resources and capabilities bundled together creates the firms tangible and intangible assets. This is further used to create and implement different strategies for competition including assets in the strategy process such as managerial assets, organizational procedures, available information and knowledge possessed in a firm. Explaining the way firms compete, it further birthed paths towards the use of resources as a differentiation strategy (Harrison, Hitt, Hoskisson, and Ireland, 1991) and included key management personnel as a resource (Castanias and Helfat, 1991).

First introduced by Penrose (1959), she stated that a firm's performance and growth was the result of its resources and how they are employed. She further believe that firms should be

classified as a “bundle of resources” and that they were units acting on its own behalf limiting the use and classification for resources as individually. This paved the way for other authors (Teece 1982; Rumelt, 1984; Wernerfelt, 1984; Barney, 1991) focusing on and developing the resource-based view as a complementary view to the line of the industrial organization (Bain, 1968; Porter, 1980).

Barney (1991) started the body of research, later including Conner (1991) and Peteraf (1993), which evolved into the resource-based theory as it is known today. At its core, it assumes the heterogeneity of the firm and its resources, as well as its capabilities, and each firm performing activities better, or worse, than others based on the different resources each of them possess. Furthermore, there exist difficulties to acquire or imitate other firms’ resources or capabilities due to rarity and this will result in better performance acquired by given firms (Barney, 1991; Reed and Defillippi, 1990).

Assuming that one of the main objectives for managers is the creation of competitive advantage, the resource-based view also hold that managers measure competitiveness through benchmarking, that the firm are aware of their competitors, and that it operates in a well-defined market. The resource-based view thus emphasizes that the strategic decision making is moved from a market position to an internal position (Madhani, 2010).

With the focus on firm growth from resources, the theory states that it is internal factors rather than external that limits the potential growth of a firm. Thus, the firm have an incentive to diversify and exploit excess resources. This, in turn, further directs to the resources being tradeable across business operations and, according to Barney (1991) and Porter (1985) proves to be an optimal strategy because the benefits these resources may provide in another business unit could lead to substantial gains (Wan, Hoskisson, Short and Yiu, 2011).

The view furthermore stresses the importance of strategic resources for performance and the possibility for creating competitive advantages, however not all resources are equally important. This led Barney (1997) to the development of the VRIO framework which analyses the possessed internal resource and capabilities and the potential of a competitive advantage. Short for valuable, rarity, imitability and organization it takes the resource or capability analyzed through a framework determining if it holds a competitive advantage as shown in figure 2 below (Barney and Hesterly, 2012; Madhani, 2010).

The growth of academic research developed on the resource-based view furthermore led to the evolvement of other prominent perspectives important for the understanding of the competitive advantage such as the dynamic capabilities of a firm (Teece, Pisano, and Shuen, 1997) and the natural-resource based view (Hart, 1995).

With its increasing popularity and widely acceptance, the resource-based view has undergone various empirical studies as well as theoretical, both warranted and unwarranted criticism. However, the theory still holds even though it faces some limitations (Crook, Ketchen, Combs and Todd, 2008; Kraaijenbrink, Spender and Groen, 2010; Newbert, 2007). One of the primary limitations of the resource-based view is its “staticness” of nature. The view neither explains how to obtain the resources needed for creating the advantage, and neither what particular resources yield the advantage (Lockett, Thompson and Morgenstern, 2009). It doesn't explain the link between performance and resources either, as it is not well identified (Ketchen, Hult and Slater, 2007). This, in turn, makes the view a retrospective tool where its only use for managers is more of a post-confirmation of the given advantage rather than explaining the resource's evolutionary potential. Furthermore, resources resulting in a competitive advantage are often quite difficult to measure and manipulate and are of a complex nature or unobservable (Lockett et al., 2009; Priem and Butler, 2001). At last, it is terminological ambiguous as the concepts are often used interchangeably with little standardization such as capabilities, competencies and resources (Tsang, 2000).

2.3 Competitive Advantage

The strategic management and marketing literature holds the ideal of a competitive advantage to heart. The pursuit and development of the phenomenon have captured the interest of researchers for a long time (e.g. Day and Wensley, 1988; Porter, 1985; Williams, 1992). By delivering a perceived greater value to the customers, one can expect to derive superior performance measured in terms of such performance outcomes compared to other firms (Hunt and Morgan, 1995). Such outcomes could be satisfaction, loyalty, market share, and profitability and they are all linked together with the delivery of value to customers (Kotler, 1994).

There isn't a clear definition of the term competitive advantage as it is used interchangeably together with other concepts such as distinctive competence (Fahy and Smithee, 1999). As the term advantage is only meaningful when compared with others, and thus a relative concept, the term competitive advantage, according to Hu (1995), a concept a given firm holds over other firms competing in the same industry. However, it isn't restricted to one firm as firm A might excel compared to firm B, but firm B might as well excel compared to firm C and as such competitive advantage is known of something as a favorable position compared to one's competitors (Kay, 1993). In light of the resource-based view, competitive advantage is derived from the internal resources possessed by a firm used differently rather than matching "best practices" shared by firms (Armstrong and Baron, 2002).

Firms continuously strive to create or obtain a competitive advantage as leverage for competition against others (Day and Wensley, 1988) and it is possible to, at the basic level, distinguish between two distinct strategies where an advantage would be gained; differentiation or cost-leadership. Differentiation serve as a mechanism to earn above average returns by accentuating product/services values not offered by others while cost-leadership involves competition by offering the lowest price (Porter, 1980).

Enhanced competitive advantage and the possibility of exploiting it requires the firm to allocate resources and skills to maximize the potential returns available, and the competitive advantage is seen as a dynamic process following the product life cycle. This means that the competition will, over time, extinguish any advantage achieved if not sustainable resulting in commoditization (Day and Wensley, 1988; Matthyssens and Vandenbempt, 2008). To combat this commoditization, it is helpful to adopt a differentiation strategy as it adds value rather than relying on lowest price produced as the value of the product or service erodes as well (Porter, 1980).

Achievable through a vast number of features for both products and surrounding operations such as design, technologies, brand, service and/or network, differentiation draws from sources of advantage which is described as either superior skills and/or superiors resources applied to enhance the firms product or service (Felzensztein and Gimmon, 2014). It is critical that the use of differentiation is identifiable by customers and that they are willing to pay. Following the model on a firm's competitive advantage presented by Day and Wensley

(1988) seen in figure 2 below, it is also important that the profits are reinvested to further develop the competitive advantage as a sustainable one making it harder to imitate.

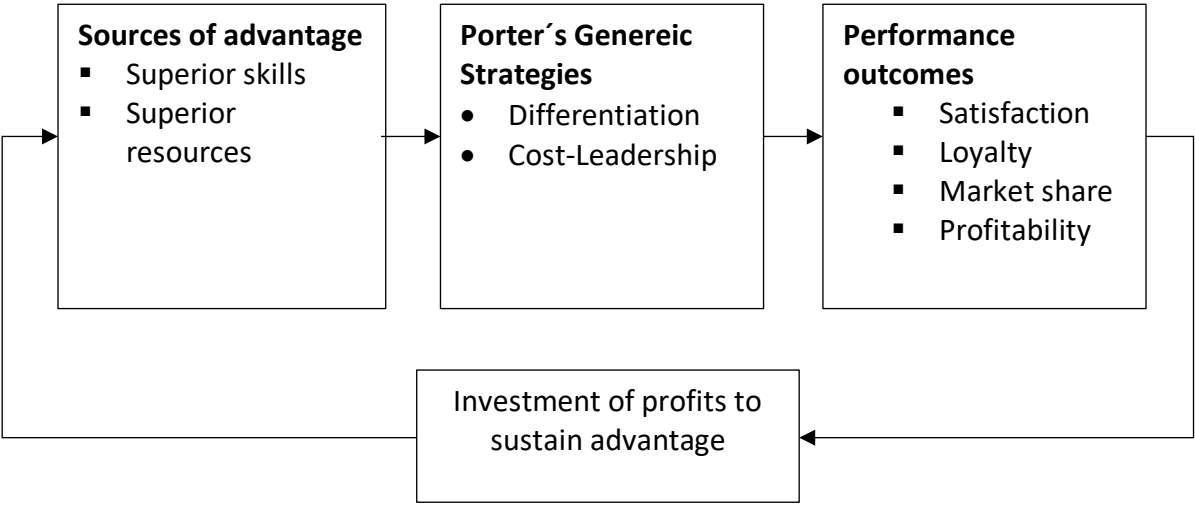


Figure 2: The competitive advantage of a firm (influenced by Day and Wensley, 1988; Felzensztein and Gimmon, 2014)

2.4 The Country of Origin Effect

In an ever-increasing globalized world, the competition is increasing, but it also paves way for a known phenomenon in the marketing literature as Country of Origin (Pharr, 2005).

Although most research is concentrated around the country of origin as a country specific advantage (Lu, Heslop, Thomas and Kwan, 2016) one can argue that it could also be analyzed as an advantage, and resource, for the firm (Suter, Borini et al., 2018).

Country of origin is recognized as a variable giving value to a specific product (e.g. Coffee and Ethiopia; wine and Italy; bread and France; cars and Germany) and it could be part of an overall brand that influences the customers perception of a product (Papadopoulos and Heslop, 2014). Thus, a firm can benefit from its home country origins given that the product is influenceable by the effect, and that it is recognized as a positive resource by the firm itself (Suter, Giralidi, et al., 2018). By leveraging the capabilities of the resource, firms are able to compete against other countries simply by offering a product that is conceived as better, even if this is true or not, through articulating the features (Suter, Borini et al., 2018). Country of origin effects are often inherited resources, usually included in natural endowments such as

minerals, energy and food, given value by geographical location, government, national culture or clusters (Gugler, 2017; Rugman and Nguyen, 2014).

When the world opened up post second world war an undeniable trend moving towards globalization and increased travel and communication. Product offerings mirrored this trend and paved way for a new set of research done on internationalization addressing foreignness and origin of product (Bartels, 1968; Boddewyn, 1966; Wells, 1968). Originally observed by Schooler (1965) in a Guatemalan study, the phenomenon have received increased attention along the way typically starting out as a negative trend towards foreign products (Wang and Lamb, 1983). Joined by Reiersen (1966) and Nagashima (1970), Schooler (1971) researched attitude towards eastern products compared with western and uncovered that students often perceived their home country (USA) at a favorable advantage. However, the usage of students in all surveys have been pointed out as a flaw by Schooler (1971) calling for a broader sample which resulted in the discovery of different answers by different socio-economic groups.

Further developing the research on country of origin, Bilkey and Nes (1982) provided a critical view on early research as well as introducing important concepts and areas for further studies. Their research laid the foundation of the modern country of origin research twenty years later, resulting in elevation of the research area towards influential and relevant (Wilcox, 2015). Claiming that products were a bundle of different cues all providing value to some extent, they divided, at the basic level, between intrinsic and extrinsic cues. However, their most important contribution were the concerns about direction. Bilkey and Nes (1982) expressed the need of making the research more theoretical grounded, and the importance of generalizability and comparability pushing the research of country of origin into what it is today.

This resulted in authors starting to examine the effect of country of origin coupled together another product cue, namely branding and open up a much more complex area filled with variables affecting a product in ways no one imagined (Cordell, 1991; Han, 1989; Johansson, Douglas and Nonaka, 1985). The results of several studies both verified and refuted the country of origin effect (Cordell, 1991; Han and Terpsstra, 1988), however Cordell's study showed results that brands received better support at facilities such as stores. Furthermore, Han (1989) proved that for a country of origin effect to be apparent, consumers would have to already possess positive associations with the given country.

Another leap in the field appeared when Roth and Romeo (1992) suggested that for a given product, a match should be present only if the given strengths by a country coincides with the product. If a strong product/country match was apparent, it should predict willingness to buy for the consumer. This line of research mainly focused on the ability of branded products to generate profits by repairing misaligned matches to country of origin effects where the country of origin effect yielded a negative impact through associations to a country (Roth and Romeo, 1992; Shimp, Saimee and Madden, 1993).

Alternating from the previous studies, Shimp, Saimee and Madden (1993) started to move beyond the characterization of the country of origin effect as something uniquely held by one part and towards a shared entity they defined as “country equity”. This moved the brand from firms towards countries, and thus new firms developing products in the same industry later would be able to enjoy the “brand” already existing (Wilcox, 2015). Further developed by Papadopoulos and Heslop (2002) as they refined the concept of country equity claiming that the perceived value may vary by target countries and arguing that a country’s image requires attention by the country itself.

2.5 Country of Origin Effect as a Resource

As countries started noticing and examining the country of origin effect, research explained the construct as how the country might affect sales of a product abroad by its image (Agrawal and Kamakura, 1999; Herz and Diamantopoulos, 2013; Roth and Diamantopoulos, 2009). Considering consumer perspectives on brands and products, the international marketing body began to form as early as 1988 (Hooley, Shipley, and Krieger, 1988) as well as dipping into tourism (Herstein, 2012), geography and regional studies (Gondim Mariutti, 2015) forming into an important competitive factor not only applicable for firms but for governments and regional clusters as well. This resulted in countries trying to manage their own brands seeking competitive advantage and competing effectively against others (Kaneva, 2011; Gondim Mariutti, 2015; Nye, 2008).

At country level one could argue that country of origin stimulates several benefits when its well-developed and managed. Suter, Borini et al., (47:2018) states that “COI (country of origin) can be considered a resource when governments and trade associations develop it through national campaigns, intended to help firms in their countries compete with importers.” Furthermore, it yields higher exports and search for new market opportunities as firms employ the gains of a country’s brand building. Countries develop their country of origin as a brand to provide firms with a potential competitive advantage when they seek markets overseas (Dinnie, 2002). This is proved to be beneficial for a country’s firms as they might incorporate the benefits of governmental country of origin work into a product available (Kleppe, Iversen, and Stensaker, 2002).

The country of origin effect is a potential source of competitive advantage as a firm might seek out to employ this effect abroad to elevate the firms current competitive force. As the resource-based view suggest that an organization is bundle of resources, and that their competitive advantage is how these resources are employed it is important to incorporate the country of origin effect into the product and thus lower the effect from a country specific advantage towards a firm specific advantage to further enhance the firms competitive advantage in an international market (Krush, Sohi and Saini, 2015).

Most of the research available focused on country of origin and how it influence consumers perceptions are centered around country level (Lu, Heslop, Thomas and Kwan, 2016), however Suter, Giraldi et al. (2018) argues that it is possible to view the country of origin effect at the firm level, as it is an extrinsic cue part of the product or firms overall brand. This in turn, could mean that country of origin is identified as an important factor influencing the evaluation of the brand by an international customer (Agrawal and Kamakura, 1999; Papadopoulos and Heslop, 2014; Suter, Giraldi et al., 2018). International marketing studies does bridge the two concepts country of origin and firm advantage since country of origin functions as sources in the research of brand assessment or a component of brand equity. As such, several studies suggest that one could use the image of its home country when developing a firm’s brand strategy (Djordjevic, 2008; Herstein et al., 2014).

2.5.1 The VRIO framework

Determining if the country of origin effect is a competitive advantage is possible through the VRIO framework presented in the model in figure 3 (Suter, Borini et al., 2018). As country specific advantages are assets inherited including natural resources, the position Norway gives its farmed salmon could prove to be a valuable one for its firms (Florek and Insch, 2008; Kumar and Steenkamp, 2013). If the firms believe and have confidence in the country of origin effect, the process of developing and internalizing the effect into the product, and further incorporated into the brand itself (Cuervo-Cazurra and Genc, 2008; Eyjofsson, Hosea, and Kleppe, 2005). The development of this branch resulted in a highlight of the globalization as well as the competitiveness between countries when they began to act consciously towards their image as brands and competition increased (Barney and Zhang, 2008; Kaneva, 2011; Gondim, 2015; Youde, 2009).

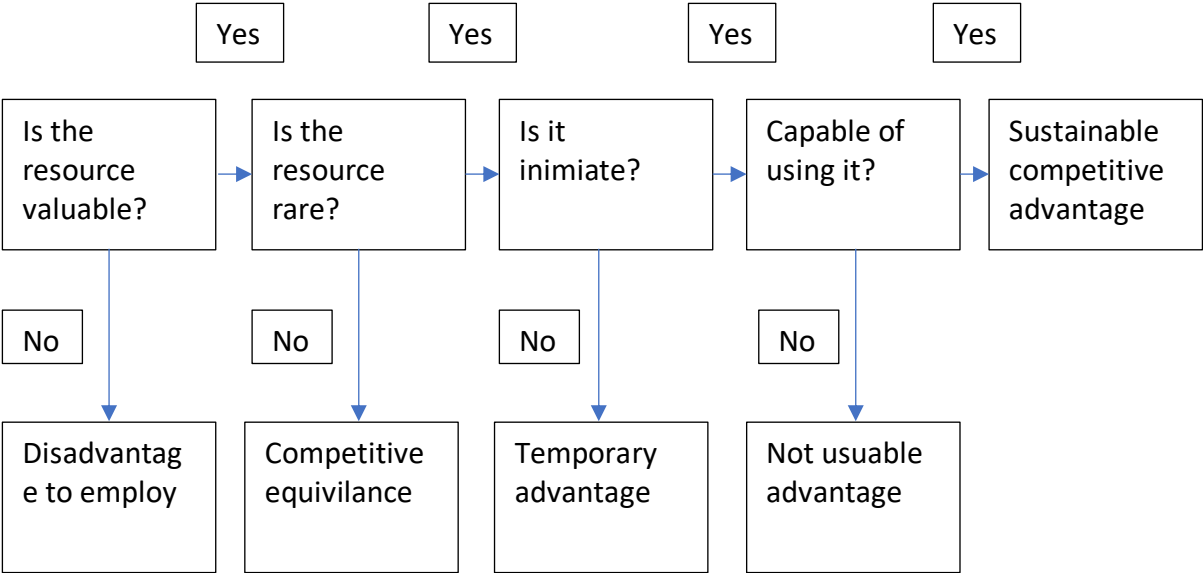


Figure 3: The VRIO framework (adapted from Barney, 1997; Madhani, 2010).

First of all, if none of the VRIO attributes are present then the product itself is not competitive (Barney, 1991). The first attribute, valuable, questions the value created and how it enhances the product. If the attribute is able to either differentiate the product and such, demand a premium price, or make it cheaper to produce then it holds. Several studies show that a COUNTRY OF ORIGIN effect can be used in brand building and enhancing its value (Chattopadhyay, Batra, and Ozsomer 2012; Kumar and Steenkamp, 2013).

Second is the attribute rareness. If a firm seeks a competitive advantage, it has to distinguish themselves from others by implementing something not simultaneously implemented by others (Barney, 1991). As the country of origin effect is available for all and not any exclusive property it doesn't seem to hold any rarity however, it is arguable that one needs the resources available to exploit the country of origin as well (Suter, Borini et al., 2018). Furthermore, even though the country of origin effect as a resource isn't particularly rare it is intangible and enhances traits like natural resources when elevated towards country level (Florek and Insch, 2008).

Furthermore, the resource have to be hard to replicate. If the resource is easily imitable, it does not hold a competitive advantage (Barney and Wright, 1998). Satisfying this attribute as well moves the resource up towards unused competitive advantage. Replicating a resource grounded to a country is probably not just hard but almost impossible as the label follows the resource even though its moved.

At last, Suter, Giraldo et al., (49:2018) states that «for country of origin to be acknowledged and used as a source of sustained competitive advantage and be considered a CSA for the firm, the firm must be organized to exploit it.» The firm must recognize the country of origin effect as an advantage and further create products and processes that embraces this effect.

Then, and only if a resource fulfills all four criteria's, a firm is able to state that they have a sustainable competitive advantage against others. If the firm is able to combine its resources to develop a brand, and usage of internal and external marketing, it is able to reap the benefits of the advantage (Agrawal and Kamakura, 1999; Cuervo-Cazurra and Un, 2015). As this approach is unique to each firm, the result is a system unique and difficult to replicate for others and the country of origin effect is arguably used to differentiate the fish from other countries salmon as food is distinguishable from country factors (Barney, 1991; Eyjofsson, Hosea, and Kleppe, 2005).

2.6 Summary of Theory

With this in mind, the resource-based view is a helpful tool addressing competition for managers trying to achieve what is called a competitive advantage (Barney, 1991). Created through either superior skill, superior resources, or a combination of both, it is possible to outperform others through differentiation and, in turn, achieve above-average returns instead of eroding profits through price-competition (Matthyssens and Vandembemt, 2008).

By further making a distinction between salmon with the country of origin effect, this effect needs to be “brought” down towards firm level for it to be used as a competitive advantage. Developed by both firms and countries side by side, the effect is assumed to elevate a products quality making it more desirable for a potential customer.

The need of VRIO factors are emphasized as important and it is possible to use the framework as a measurement If the resource is possible to exploit or not. In need of being all valuable, rare and hard to imitate the firm need to possess the right capabilities of exploiting it as well (Suter, Giraldi et al., 2018).

Thus, a firm might be better situated towards competition if they are able to make use the country of origin effect and Eyjofsson, Hosea, and Kleppe (2005) mention the effect as valuable method of differentiation for salmon, and seafood in general, originating from the Norwegian industry.

2.7 Case: The Norwegian Salmon Farming Industry

Over the last decade, a term referring to the growing fish industry “the blue revolution” have emerged. It is one of the fastest growing food industries, and with the increasing number of people in the world, it is proclaimed as one of the more sustainable and environmentally friendly industries producing food (FromNorway, 2018). Alf-Helge Aarskog, the CEO of Marine Harvest (Marine Harvest, 2018) stated:

“70% of the globe is covered by water and the carbon footprint of commercial agriculture dramatically out ways that of aquaculture - yet still only two percent of the world’s food supply currently comes from the ocean.”

In the midst of this, and one of the more easily marketable, is farmed salmon. With its experimental beginning in the 1960s, it later became one of the more important industries in Norway around the 1990s. Approximately 60% of the world's salmon produced is farmed which account for about 2.2 million tons of salmon delivered to tables around the world. Moving forward, the estimated global supply of salmon is expected to increase by 15 per cent in the period 2016-2020 with a Combined Annual Growth Rate (CAGR) of 3 per cent. Furthermore, salmon is hailed as one of the better choices in the kitchen as the consumption of the fish is an excellent source of proteins, the fatty acid Omega-3 and important vitamins and minerals (The Economist, 2003; FAO, 2016; GSI, 2018; Marine Harvest, 2017).

Salmon farming makes an interesting case for competitive advantage and country of origin effect as it suffers from a mature industry and harsh environmental requirements for farming. The fish is in need of very specific conditions being present for making it viable to farm it and thus only a few selected countries are able to partake in this industry. Furthermore, as stated in a previous study (Felzensztein and Gimmon, 577:2014) “the branding is necessary because I don't really see any difference in some products like Salmon (...)”.

The production of salmon is centered in different nets or cages located in fjords, bays or in small waters protected by islands from currents and the production lifecycle takes about three years. The biggest producers are (in descending order of market share) Norway, Chile, UK, and North America with New Zealand close behind. From 2010 till 2017 Norway's market share have slowly declined from almost 70 per cent towards 50 per cent enduring attacks on market share by the other countries. Especially Chile have taken chunks retrieving their former market share after suffering from the years between 2008-2010 (Berge, 2018; Marine Harvest, 2017).

However, restricted the production of Salmon is to certain countries, it truly enjoys a widespread global market across the globe. The demand for the red-fleshed fish containing vital vitamins is constantly increasing and the product evolves into different forms and sizes as the traditional family becomes richer and richer. In some parts of the world high quality salmon even trades as a luxury with sushi's growing popularity (The Economist, 2003; Terazono, 2014). The salmon have gone from being offered as a whole fish towards prepared

as filets with or without skin, boneless, frozen, fresh, or smoked and credentials stating the salmon as either environmentally friendly, short travelled and/or organic.

Sogn-Grundvåg et al. (2013) and Anselmsson et al. (2014) argues that the salmon should, through differentiation and the evolution of available products, should demand a greater price. The benefits of differentiating the products should lead to a greater competitive advantage delivered to customers through the product in the salmon industry which leads to a more improved and stable profitability for the firms. This, in turn, extends further towards better employment and other social benefits in the surrounding community where Salmon dominates other industries. It is often located, at least in Norway, in small villages and island along the coastline creating jobs and opportunities for people where not much else would be available. Combined with an increase in political and industrial push one could imagine that the industry frequently reported leaps in production capacity and technology. However, as the industry reportedly contains fierce competition, it is easier and, at an extent, more measurable to compete on price (Bloznelis, 2016).

Norway's salmon industry is heavily regulated, with the number of licensees available and these are distributed across a heavily disjointed national industry where small family owned plants exist. There are, of course, huge firms, and as a matter of fact, some of the biggest producers of salmon operate out of Norway (Marine Harvest, Lerøy Seafood and SalMar) but along the coastline of Norway there are small firms operating a small number of plants. Its biggest challenges includes sea lice, infections related to fish health, market access and last but not least, the quality of fish feed and marine material where the supply and availability is decreasing (Forseth et al., 2017). International markets are essential for Norway as they produce about 25x than home-market needs. With the ever-increasing demand for Norwegian salmon, Norway have been able to export all their excess produced fish, both to processing and consumer markets, but to meet the estimates proposed they will have to further innovate their operational activities and use of resources (Marine Harvest, 2017).

The Norwegian government have set a limit on the maximum allowed produced quantity of salmon as an attempt to control the growth. This limit is set at 780 tons in all of Norway, except the two most northern municipals Troms and Finnmark where the maximum allowed quantity is 945 tons. The regulation started with measuring fish feed in 1996, before the

government changed in 2005 facilitating for easier reporting (Nærings- og fiskeridepartementet, 2015).

Furthermore, the government employs a traffic light system differentiating between healthy, normal and sick zones associated with green, yellow and red colors. This is to combat the environmental impact the farming cages have on the surroundings in the Norwegian fjords and coastline (Ytreberg, 2017). However, this is met with dissatisfaction in the industry as the government have their goal set on five million tons in 2050 which is an increase of 400% up from today's standard which, with today's system, will not be possible, according to a survey carried out by the seafood division of PriceWaterhouseCoopers (PwC, 2017).

The Norwegian government are continuously working towards elevating the Norwegian salmon brand, orienting its status towards a high perceived quality and healthy option while being reasonably priced. The industry itself report good margins and shows signs of working towards innovation and new market research. In the late 90s, Norwegian producers reported an excessive use of antibiotics, but this have since decreased by as much as 99 per cent, and Norwegian producers now tend to pilot the development of healthy salmon compared to others where antibiotic use is rampant (WHO, 2015).

The Norwegian salmon industry is highly fragmented between different players. The supply chain contains several independent players, from hatcheries to exporters. This, and the fact that it exist over 400 different plants across Norway's coastline operated by about 100 firms makes the industry highly dependent on network and cooperation, and in need of strict guidelines for operating and maintaining efficiency when competing internationally.

One of the more important markets moving forward is to the east. China reports an increase in demand and, with its geographical location, thus drive prices for all producers upwards when including demand and freight costs. It is a viable strategy competing in the east because of the proximity to the market for different players instead of a Norwegian company competing in the South-American market where they would be facing a constraint in competitiveness because of transport as the fish, if sold "fresh", needs to be transported by plane. As such, the Norwegian salmon needs a higher price differential to justify the transport to some markets, but this is evened out in the case of Asia (Marine Harvest, 2017).

Moving forward, research is an important area for the Norwegian salmon industry. The rising focus on the research and development stage is to combat the issues in an industry facing problems with increasing biological and environmental issues, as well as enhancing the value of the brand overseas. The ability of providing a salmon to the consumers table, where the fish is grown environmentally, with enough space, and with the minimal possible intervening with medicine from smolt (the egg-state) towards slaying to keep the fish as “naturally” as possible (EY, 2017).

3 Methodological Foundation

The purpose of this chapter is to present which research methods have been used, and an explanation of why. Furthermore, this chapter will present the procedure of how I have conducted the data-collection of my work.

“Methodological groundwork is about the process of gathering the social reality ... It includes the process of gathering, analyzing and understanding the data collected” (Johannessen, Chirstoffersen and Tufte 2011:33, freely translated). As the purpose of my research is to gain the insight and understanding of a phenomenon, and further intrude in a social construct, my work is derived from a social science perspective.

As I have limited knowledge of the industry and theoretical perspectives, I first gathered a solid theoretical foundation, before I moved on with creating a case study of the industry to significantly increase my understanding of the processes around the Norwegian salmon farming industry before finally conducting the interviews and coded the results.

3.1 Research Design

Before one start with research it is helpful to conduct a guide of how it will be done, usually through a research design exemplifying the various processes required for obtaining data. Robert Yin (2014:28) defined it as “a logical plan for getting from here to there” it is thus a logical model acting as a recipe understanding the whole process, not unlike a bakery recipe, supplementing the research question explaining how rather than why (Nachmias and Nachmias, 1992; Philiber, Schwab, and Samsloss, 1980).

Employing an exploratory design, I will try to gather as much in-depth data as possible from my respondents with the goal in mind of uncovering a relationship between the differentiation done and how the respondents believe this increases their market share, profitability, loyalty and/or market share.

3.2 Qualitative Method

There exist two different main ways of gathering data, split between qualitative and quantitative methods, both with advantages and disadvantages dependent on the type of data required. Whereas a quantitative method essentially tries to gather insight from a number of people often structured to gather a few thoughts from each subject, a qualitative study relies on a few subjects gathering rich, strong data.

Often defined as data represented by words rather than numbers, it is usually gathered through various sources such as interviews, through news and secondary sources, observations and semi-constructed questionnaires. Favorable in a complex study, a qualitative study tries to address the “hows” and “whys” of a phenomenon while testing theories relevant for the study (Yin, 2015).

3.3 Literature Review

The first stage of my thesis was the conduction of a literature review of the different theoretical underpinnings in my study. The purpose of this was to create and gather insight into my area of interest and related theories.

This was done with targeted searches through databases of articles, more notably known Google Scholar, Emerald, ISI Web of Science, and ScienceDirect. In this process search words like “generic strategies”, “Country-of-origin”, “Country image”, “Competitive advantage”, “resource-based view”, and “...” have been used as well as tertiary sources such as other bibliographies.

The creation of a literature review is often not as structured as described in the theoretical literature, and this have been the case of mine as well. The whole process have a tendency to develop into a snowball where several sources lead to others. However, Blumberg, Cooper and Schindler (2014) notes that this is a useful way of discovering new sources.

3.4 Case Study

A case-study is a study that conducts empirical research by investigating a modern phenomenon in its real context while the lines between context and phenomenon aren't clearly distinguished (Yin, 2014:16). With its focus, it defines a phenomenon, and it is especially two factors that characterize a case study. This is, according to Johannessen, Christoffersen and Tufte (2011) the case of attention and description where the case study is limited to the given case, and an as-good-as-possible description of the case is given.

The intention of a case is to gather a satisfactory quantity of data of a defined phenomenon through either single-case or multiple-case studies (Yin, 2017). Furthermore, a case study might employ either a single unit of analyses or multiple units of analysis visual shown beneath in Yin's (2014:50) model:

	Single-case designs	Multiple-case design
Holistic (single-unit of analysis)	Gathering data from a single unit within the framework of a single case.	Gathering data from a single unit within the framework of multiple cases.
Embedded (multiple units of analysis)	Gathering data from multiple units within the framework of a single case.	Gathering data from multiple units within the framework of multiple cases.

Table 2: Basic types of case study design (adapted from Yin, 2014)

After the given criteria, I have decided to encompass five different firms to investigate the given research questions. First, to decipher if the generic strategy differentiation is prevalent in the Norwegian salmon farming industry, before assessing the contribution the country of origin effect adds to the salmon. Thus, it made sense to employ a single case-study with multiple analyzed units as I am operating within one industry, with multiple respondents all employed in different firms operating in Norwegian waters.

There exist different opinions of the case study approach in the theoretical universe and many researchers refuse to acknowledge the case study method as a way of gathering empirical data because of the lack of generalizability (Yin, 2014). Researchers argue that the process tends to turn towards anecdotes and personal perceptions with little leeway of a critical analysis of the conclusion. However, Yin (2014:21) argues that the point of a case study is not

to create a generalizable answer to a phenomenon but rather “... expand and support already existing theories with rich contextually data.”

3.5 Data Collection

As pointed out earlier, the research centers around the case of the Norwegian salmon farming industry. Thus, the unit of analysis is the specific firm with people in key management position across firms, and the case is the whole industry (Yin, 2017). As the case isn't limited to the single firm but rather to the industry as a whole, all actors interviewed are deemed equally important. Secondary data have been collected from various organizational interests, both private and governmental (e.g. firms supplementing financial and accounting services – PwC and EY as well as industry specific papers from Marine Harvest, GSI, FromNorway and news articles).

I approached 20 of firms operating in the industry which consists of about 100 different firms. Of these 20, five were able and willing to further participate in the study providing information about the industry through interviews while four responded that they didn't export salmon anymore. The interviews were carried out by phone and audio taped for further analysis, after personal information such as name, company etc. had been omitted.

According to Bryman and Bell (2015) one shouldn't stress the importance of a specific number of units, but rather continue with the research until there isn't much more to discover. Likewise stated by Jacobsen (2005), he adds that there is a point where it wouldn't be efficient to continue, simply because of costs. Due to time constraint and participation, this study ended on five participants all selected through network deemed with necessary knowledge and position and as such, I employed a strategic selection method (Johannessen, Christoffersen and Tufte, 2011; Maxwell, 2012).

The disadvantage with this is that one could end with a strictly homogenously selection where all informants agree on all accounts. However, this is necessary as I am not out to generalized but to expand and increase my understanding of a certain phenomenon (Easterby-Smith, Thorpe and Jackson, 2012). Trying to stay clear of a convenience sample, all interviews have

been, at the least, one degree from my network where the only tie between me and the respondent would be the linkage that connected us.

3.5.1 Method of Collection

The collection of primary data was done through phone interviews as open-ended interviews is particularly suitable for the gathering of in depth data and could lead to additional information through conversation rather than a short answer (Kvale and Brinkmann, 2015). The interviews held a semi constructed theme to keep the respondents close to area of interest, but with an open ending to each question letting them answer as they pleased, creating stories and constructing situations (Creswell and Creswell, 2017).

The respondents all had experience at senior level, usually head of sales and/or marketing working with procurement of customers and maintenance of customers relations, while one of the respondents are classified as an industry expert operating as a senior advisor in a governmental organization. Firms operating with headquarters and/or production facilities outside of Norway have been excluded and thus the biggest players are not represented.

Furthermore, confidentiality prevent the identification of firms, but they are all close to or above 500' in operating income and as such believed to have an enough operational insight for presenting a case study representative for analysis and reflection of the subject.

3.6 Quality of Research

One could say that research will never be able substitute the “real world”, but with its representability it is important to reduce any doubt one would be left with through critical assessment of the assignment (Maxwell, 2012). As a supplement for my thesis I will in the following chapters explain my process to reduce any uncertainty.

By presenting a good foundation for my research topic, it will increase the creditability of my work even though one could always question the work done and its validity. Bosk (1979:193)

states that: “all research done by a single human could lead to the question: why should we believe this work?” and the answer is that we shouldn’t, but it is the researchers task to reduce any source of error as much as possible (Saunders, Lewis and Thornhill, 2009). According to Yin (2014) there is two different main options of assessing a works quality and its contribution to science which is: validity and reliability.

3.6.1 Validity

Validity concerns the researcher’s sincerity and whether valid conclusions can be drawn from the work or not. Johannessen, Christoffersen and Tufte (2011) presents it in the way of how representative the data, or how relevant the data is, for the specific phenomenon researched. Furthermore, it is important to assess if the research have sampled a high enough quota of respondents to address ones’ research to prevent a monotonous viewpoint (Easterby-Smith, Thorpe and Jackson, 2012).

Mainly achieved through the case of quantitative research where one could achieve a measurable outcome through a scale or number, it is, in qualitative research, done through the assessment of observations and the question of that it actually reflects the work (Yin, 2017). A valid observation derived from the research is, according to Kvale and Brinkmann (2015), a “reasonable, well-founded, eligible, strong, and convincing argument”.

Assessing the credibility and transferability of the work, the validity concerns how true to the theoretical foundation the work is, and if it’s possible to transfer the case from one context to another while still being valuable.

3.6.2 Reliability

Reliability concerns, according to Kvale and Brinkmann (2015), if the results of your research are concise and dependable. In short, one could say that reliability questions the results and assesses if they are reproduceable later on if the same survey would be carried out by another instance. Important to stay clear of, one should avoid suggestive questions trying to influence the answer but still allow open ended questions.

To enhance the reliability of the study, it uses more than one respondent while comparing results along the way, as well as including an expert's view on the industry. Neither of the respondent was in any way affiliates, except through present in the same industry and the sources are thus independent from each other. Even though the goal is to uncover similarities *and* differences in their surroundings, they have, in general, had a similar response and I thus accept the data as reliable (Saunders, Lewis and Thornhill, 2009).

3.6.3 Method of Triangulation

A useful instrument for addressing quality is the method of triangulation where one would use different strategies, samples, or sources of data to corroborate findings (Saunders, Lewis and Thornhill, 2009). It is important both because it aids the building of arguments, as well as the fact that it could uncover new dimensions to the research (Yin, 2017).

3.7 Sources of Error

Sources of error is something that could happen regardless of how throughout one act. Errors that could alter one results, either directly or indirectly, happens in the case of a qualitative study, usually, through the respondent himself. Coupled with the fact that a researcher could misinterpret other signals such as body language or change in voice, an exploratory study done on other humans could have various errors with it. Furthermore, by implementing interviews, and especially personal interviews, one could encounter what is known as cognitive bias. This could result that the interviewee responds in a way that are "socially required" rather than the what he believes (Johannessen, Christoffersen and Tufte, 2011).

Another source of error could be the case of operating deductively rather than reductively moving from "top till bottom" or from theory to empirical logic implying that what is generally known should be the case of a specific event. This could further lead to a certain "blindness" where the work misses out on what could be classified as important knowledge.

Those who refused to participate could be doing so because of bad experiences with salmon in an international market. As mention earlier, a total of four refused to be a part of the

research because they didn't export salmon anymore. This could mean they weren't able to employ the country of origin effect and as such the data I gathered could be positively skewed (Saunders, Lewis and Thornhill, 2009).

4 Results

This chapter will present the findings from the five different interviews carried out in the spring 2018. Presenting findings of the research, the chapter starts out with sample characteristics of each firm before the results.

Every sound recording of interviews started after the introduction to preserve identity. Additional sources of recognition have been omitted from the recordings. The interviews are characterized by open question used to oversee the general theme, but apart from that the respondents steered the conversation. One important mention is the enthusiasm the different respondents had, all eager to contribute, resulting in a lot of data available.

The Norwegian industry is habited by a significant number of firms with the different parts of the value chain being separated from each other. Although there does exist clusters of firms, they are operating independently from each other and often family owned. By “operating independently” I mean they are responsible for both surplus or deficit and acts in their own best interest. Exporting firms are usually co-owned by several producers but given sovereignty. This is common downstream as well where the producers have connections to fishmeal producers. Table 1 gives a summary of the characteristics of respondents.

Firm	Type of organization	Product innovation and vertical innovation	Marketing Strategy
F1	Governmental organization	Governmental organization standalone from the industry marketing salmon abroad. Operate on a license paid by members.	Finances 12 offices across the world working with enhancing the brand of Norwegian salmon.
F2	Supporting industry	Delivers feed, pharmaceuticals, vaccines, and services to the industry.	

F3	Exporting firm	100% vertically integrated. Fresh and frozen products	Delivering high quality across the world. Exports to e.g. The U.S., Europe and south-eastern Asia.
F4	Exporting firm	Medium size Fresh and frozen products	Link between farmers and markets. High quality delivered to the whole world.
F5	Exporting firm	Medium size Fresh and frozen products	High quality with relationship in focus. Delivers to the whole world.

Table 3: Sample characteristics of firms

4.1 General difference between the production markets

The salmon is in general known as a generic product and there doesn't exist any major differences across the production countries. The manager of F3 states that:

(...) the differences between Norwegian salmon and others are at a minimum. If I would've gotten three different salmons in front of me, all from different countries, I wouldn't have any chance to notice the difference. Maybe, but that is a huge maybe, I could see a small difference, but in the big picture that's a definitive no (...).

The manager of F4 follows up with:

(...) salmon, as it is today, is ultimately a generic product with little difference across producers. I have heard consumers specify that the Chilean one feels a little bit drier. Why I don't know, but that is also at a minimum (...).

Salmon are produced the same way, with minor differences, in all countries. At the first growth stage they are grown inside to approximately 100 grams before moved to sea farms where they get to grow further towards around 4 to 5 kilograms. Thereafter, they are slaughtered, processed and sold. The expert of F1 states that:

Well, the salmon starts out as small eggs, before they are grown as small fingerlings and later moved to other farming facilities used as they grow towards what we sell on the market (...).

A similar description is provided by the manager of F5 who adds that: “The normal “sell” size of the fish is between 4 and 5 kilograms, but we have fishes up towards 7 kilos.”

4.2 Differentiation of the generic product

A generic product is hard to differentiate as it is hard to alter the perception people have towards it compared with others. The respondents believed that the Norwegian salmon had a favorable position internationally, and that they enjoyed an image of high quality saying that the salmon enjoyed above average returns for what it ultimately was. However, some of the respondents believe that the differentiation isn't exclusively tied towards the product itself, and that the processes surrounding the salmon is differentiable as well. For example, the manager of F5 states that:

(...) well, the salmon at its own isn't any different. However, we have a fantastic surrounding operation including growth, people, equipment etc. all working for a better salmon. Add that with firms that take care of their communities and people tend to add some kind of “proudness” towards the fish (...).

Adding value through surrounding operations is a possibility of accomplishing above average returns by increasing the perceived value of a product. When further asked about differentiation the manager of F4 answers that:

We don't specifically seek out differentiation strategies (...), but we are curious, follow the latest trends closely, and if we notice something being able to affect the bottom line it would be contradictory to not incorporate it as long as we try to run a business (...).

The expert of F1 adds:

(...) a lot of the firms are passionate about fish, and it makes sense that they follow the development. For example, a common trend in Norway is the low usage of antibiotics compared with e.g. Chile because a lot of the farmers do actually want the fish to be healthy (...).

The respondents were aware of different differentiation possibilities and one respondent gave an example with the Scottish salmon and their label rouge status in France where they were the first seafood product to gain this certification. Even though it increased value, this was segmented to a small niche as one line in France's supermarkets and not necessary for everyone.

Adding that the Norwegian government required by law that every fish were vaccinated, the manager of F2 believed that this was a possible way of differentiating the Norwegian salmon from others. This resulted in lower usage of antibiotics, almost nonexistent in the Norwegian market, which made the fish attractive to some segments.

However, when asked about differentiation, it was usually met with more of an it isn't that necessary because of the demand present in today's market. Several respondents notes that even though they would like to focus on and emphasizes the role of differentiation, they concede to the fact that in today's industry they have more than enough with just supplying the amount required to international markets. With the demand today, it is more valuable for firms to focus on simple products, being able to mass produce and thus enjoy economies of scale and as such avoid costly alternative production lines. While their focus isn't necessarily low-cost production, it is this strategy that makes sense as they struggle to supply enough product. The manager of F3 responds:

(...) there isn't any problems selling Norwegian salmon at all. We simply aren't able to produce enough quantity for sale, and as such have to turn down customers and rather keep up relationship with older customers. (...)

The expert of F1 follows up with:

(...) There is an increase in demand for high quality seafood – which Norway is in an excellent position to fill. With the focus on quality, and general consensus, Norway continuously tend to overachieve and outperform other countries as we both possess the most produced and one of the highest qualities (...).

This is further backed by the other respondents as they all agreed in unison that the produced amount isn't enough to supply the demand. Norway is in an extremely favorable position globally with few able to compete at the same level, however this is a little odd when one adds that salmon, as of now, is mostly a commodity produced and sold as a whole fish. As an example of this, the manager of F4 adds:

(...) Luckily, we have a high demand for our products internationally. Actually, we don't produce enough salmon to satisfy the demand, so you could say we have an easy job for now. But we are aware that this phase isn't going to last forever (...).

This results in firm targeting other various differentiation strategies, but not entirely because of a vision of value adding, but rather a simple reason of “it makes sense”. The manager of F2 explains it like: “At a personal level we truly enjoy working with fish, and thus I would like to think we always try to improve”.

On the other hand; some of the respondents shifts the focus over to customers and their needs, stating that it would require a higher demand for value added processes for the given firm to give it any thought. The manager of F3 state that:

(...) we provide what the customers want basically. As of now, they demand whole fish and that's what we export. However, we do have the possibility of more refined products, but these would incur higher costs for us (...).

The manager of F5 states that:

(...) even though there isn't exactly a buyers' market, we provide what the customers ask for. The demand is there, and we work hard to fill it or at least to contribute as much as we can. We have the possibility of reaching almost the whole world, but the costs have to be reimbursed (...).

As such, when asked about the potential of differentiation it was usually met that it isn't necessary and that any effort towards it wouldn't recoup the costs.

4.3 Country of origin effect and the quality of Norwegian salmon

The downplay of differentiation could have a connection to the fact that Norway have naturally been at the forefront of development in the salmon industry. Traditionally, Norway have been a high-quality producer of salmon, and have enjoyed benefits of this position. When it comes to the difference in salmon, there is a unison answer that at the general level there isn't one. The manager of F3 states that:

(...) the demand for Norwegian salmon is so high that we have more than enough work with just supplying different markets across the world. The position it holds is already advertised as a higher quality compared to the others, and we now enjoy those benefits (...).

The differentiation focus could thus be present, but not actively emphasized. Norway as a whole command a position of quality and this is cemented as one of their unique selling propositions in the international market. Given this image, many of the respondents agree that they enjoy a favorable position where the responsibility of marketing and differentiation are carried out by a common system. In the end, the manager of F5 summarizes that there do exist different certifications some justifying an increase in price and others not, but they are mainly used to meet regulations and increase the market size/brokers available to do business with. One firm in particular expressed gratitude towards the governmental organization the Norwegian Seafood Council and their astonishing work internationally. The manager of F4 says that:

(...) the demand met when operating with customers in international markets wouldn't have been where it is today without the Norwegian seafood council and their incredible work. Not only with salmon, but with general seafood as well. While I don't remember it exactly, I think Norway exports to over a hundred countries and that wouldn't be possible to reach with marketing by us alone, nevertheless any others (...).

This is further backed by the manager of F5, albeit not as distinctly, “We've been very lucky here in Norway with the position we've acquired internationally at the start of this century (...)”.

This further developed into the country of origin effect where the respondents, at country level, admitted that a lot of the demand of Norwegian salmon were through the country brand. The collectively resources shared by Norway made the salmon sought after by international markets and words like clean, clear and arctic water are all used across interviews as well as the emphasize of governmental factors adding to the image such as well-run, democratic and focus on health in the general population. The manager of F3 states that:

(...) I think that a lot of what attracts customers towards the Norwegian salmon goes hand in hand with what makes Norway a good country to live in. With Norway's increasing reputation as a fair, environmental and just country, this further extends to the salmon (...).

Even though all of the respondents are full of praise towards the governmental processes and the work of the Norwegian Seafood Council, the most important factor, of course, is the reliance on internal processes. A few characterize their relationships with customers as the most important while others highlight their employees. In light of the resource-based view this is not surprising, and common for the internal resources was the process of responsiveness. As the industry is mostly made up of small- and medium businesses, the respondents stated that their ability to meet customers request and flexibility were arguments for further competitive advantage. The expert of F1 states:

(...) well, at the core of our industry is the people, our resources and processes surrounding the salmon. I believe that these factors is the strength of the reputation we have internationally, with the country image as an icing on the top (...).

Adding to this, The manager of F5 state:

(...) the network I possess, combined with the ... plays a huge part in our exporting. I firmly believe that the relationship I have and that we have more time for each customer helps with both price and predictability of our operations (...).

With this in mind, one of the more accentuated capabilities is the case of logistics. Several respondents mentions their ability to uphold and deliver throughout the year and not being affected by seasonal changes whereas that is one of the more mentioned disabilities when comparing with other exporting nations. Seen as one of the more valuable assets, the logistic ability is further used to explain the emergence of eastern markets. Firm Norwell states:

(...) India could be one of the more exciting markets, but as it stands now they just have a horrible logistically problem. When talking about emerging markets they shouldn't really be compared to China, as the transport opportunities are vastly different (...).

A favoritism towards more basic and standardized, in other word commodities, products were expressed as it incurred fewer costs while satisfying large quantities of customers. However, the respondents were aware of the fact that this potentially excluded potential markets, but nevertheless felt they reached a big enough audience as it was. The expert of F1 adds:

(...) well, even though the industry prefers whole fish as it is easier shipped out and it won't cost as much, the image brand that Norway possess makes up for it partly. The "Norwegian" in Norwegian salmon carries so much strength that it is used for marketing internationally (...).

4.4 The country of origin effect as a resource

Several of the interviews states that there are multiple ways of employing the country of origin effect. While they are aware of the effect, and the position Norway or Norwegian holds in the international market, they are also aware of the need to employ it distinctively. F2 adds:

The reputation for Norwegian salmon exceeds the general firm, but they have to be able to work with it as well.

This is extended by F5 who adds:

We can't just throw the branding of "Norwegian" around and hope it sticks somewhere. The effect needs to be effectively articulated, with proven signs (...) myself, I am so lucky that my reputation now acts as a "second" certification supporting the Norwegian salmon one.

An interesting remark is made by F3, who adds that the effect isn't limited to the product alone:

(...) Moving away from the product, the effect are influential in other ways. One example could be the fact that the buyers know that when dealing with Norwegian salmon, the logistics won't be a problem (...).

This is supported by the expert of F4 who adds:

Yeah, the effect is transferred from the product towards the whole operation. It isn't just the fish that is high quality if it originates from Norway. The general consensus of buyers, and consumers, is that every surrounding operation is of high quality as well – from fish feed, hatcheries, environmental work etc. etc. (...).

Before F4 adds a little praise for the Norwegian Seafood Council as well:

And I think we have to extend a little bit of our gratitude towards the Norwegian Seafood Council as they have done exemplary work in new markets allowing us to reap the benefits later.

The whole industry are able to benefit from the country of origin effect, but F1 states that:

To use the effect, in the sense that you talk about, would probably be when we slap that “made in Norway” sign on it, or the “FromNorway” but some firms are able to distinguish themselves on product line as well. Just look up the SALMA line, which are usually given praise by sushi experts and such (...).

4.5 Sustainability and competition for markets

There was a coherence present, that the market itself is continuously evolving towards sustainable and environmentally produced goods. Even though Europe have lead the development as of recently, other markets are catching up with increased curiosity. More and more chain saturated in the hotels, restaurants and catering industry requires certifications of different kinds reassuring the quality of salmon. However, it was pointed out that it functioned as more of a demand requirement than supply differentiation. Those adhering to the requirements were able to target niche and alternative markets. This, in turn, resulted in the belief that differentiation were used a market penetration strategy rather than for profit. A strategy intended for market expansion could thus be to gain access and insight through a chain of restaurants or hotels.

When asked about the development of different markets, the respondents characterized Europe as one of the more saturated where salmon now experienced maturity. At this stage they felt that relationships between buyers and sellers were of greater importance than either low-cost strategy or differentiation. The manager of F3 adds that:

(...) My connections and relationships in the market are about all that I am able devote time to. We´ve had customer for so long that they know we provide quality, and in return they pay a little more for our fish (...).

Nevertheless, differentiation were believed to be valuable in other emerging markets, with the Eastern ones mainly receiving attention alongside smaller segments such as the middle eastern ones. There was a cohort result where the interviewees felt that there were bigger room for strategies related to differentiation. The respondents affirmed that environmental and organic factors were both desirable factors and responsible for share of market. However, it

was also noted that the development had just recently begun. Several of the importers were interested and curious about the differentiated salmon, but once the talks evolved towards price, the interest usually fiddled. The manager of F2 states that:

(...) The case of vaccines and certifications related to fish health is seen as a requirement in the Western market, and as an opportunity in the eastern markets, in general. An example could be the American market where customers demand antibiotics usage at a minimum, or even non-existent, whereas in Singapore, the customer finds it interesting how the salmon stems from crystal clear waters (...).

Further questions about the future wind up in different answers, but all yielding the same outcome of positivity. Whether they characterize the most important market as Asian, European or American they all described a beneficial development of the industry trying to reach the demand experienced today. However, there was also raised some concerns towards policies where the respondents were afraid that they wouldn't be able to produce as much as they believed. Every firm pressed assumption that the demand would grow at a higher rate than the supply, and thus price would increase. Some of the firms thought this would lead to a swap between markets where the purchasing power is rising with a desire for western standard. On the other hand, some firms were confident that they could handle the increased demand incrementally by continuously devoting production exceeding today's standard. The expert of F1 states that:

(...) we spot an increase in Asian markets and notice that they enjoy red fleshed fish a lot. With the increase in purchasing power and size of market, I believe that the focus of Norwegian salmon will gradually change, but this depends on firm factors such as strategy, network and relationship and whereas they would likely pursue or not (...).

In the end, the firms felt that in a five-year time period, the volume would increase and felt that the governmental policies had to ease up as they hampered export. Paradoxically, increasing amount of salmon produced would further strain the surroundings, already a target for non-governmental organizations concerned about nature and governmental forces focusing on a sustainable production. While the industry now employ a traffic, light-based system with green, yellow and red zones, the industry called out for a more dynamic system throughout the year. When counting for biomass, the system doesn't differentiate between

size and as such firms end up with being way below limits in the first two quarters and above in the two last generally speaking.

In addition to strategies surrounding the internal resources, Norwegian exporters reported that even though they had targeted specific markets for further growth, they experienced that prominent markets all over the globe were generally open, and with sufficient work would be attractive with the Norwegian salmon's brand. In the same vein, they didn't feel threatened by international competitors as they all faced some difficulties the Norwegian industry now had overcome. However, the respondents assured that this didn't necessarily made them docile but rather made them turn to their own home-country for competition.

The geographical position of Norway was one of the arguments for the ease of markets as well. In general, the respondents noted that Norway was in proximity of all valuable markets by either air-based, sea-based or land-based transport not experiencing any unjustifiable shipping costs and that this would be, mostly, covered by either lower profits or higher price for customers. As noted by the manager of F4:

(...) We are favorably positioned in the world as we reach both China and the U.S. equally easily. As long as the demand for Norwegian salmon is there, we are able to export whereas example Chile would incur vastly higher transport cost if trying to enter the Chinese market (...).

5 Discussion

The purpose of this chapter is to connect the theory towards empirical findings, as well as connecting the results towards my research proposition.

5.1 The resource-based view and competitive advantage

At the start of this thesis, I introduce the concept of the resource-based view, and how Barney (1991) stresses the importance of internal skills and resources rather than suitable market and low entry barriers. Adamant that their competitive advantages are derived from internal resources, this is in line with the resource-based view.

The findings suggests that the firms are all aware of the generic product a salmon is. Words like “generic”, “commodity”, and “mature” are all used willingly, with no one claiming their own product far superior to others in the Norwegian industry. Furthermore, the respondents all agree that their sources of advantage stem from their skills and exploitation of resources although they recognize their position as the leading producer of farmed salmon and the advantages that follows this position.

Armstrong and Baron (2002) states that the resource-based view indicates that a competitive advantage is not created by common best practices but rather capabilities unique to the specific firm. While the industry does benchmark themselves against others, there are a common agreement that the Norwegian firms tend to outperform others through capabilities, one better at a specific trait than the others. While F3 exemplifies their fully integrated business, making them able of total quality control of product, F5 bring forward the opposite where they are able to focus on the export and the producers handle the quality. While firm 5 aren't exactly afraid of loss in quality, this shows how different aspects may suit different firms.

Furthermore, strategic resources are another important mention as they makes it easier to obtain a competitive advantage. According to ... There are some reoccurrence of products or

services that elevates the Norwegian industry from others. An example is the case of vaccines and supporting pharmaceutical industry mentioned by F2.

Another resource not available for other producing nations are the ice-cold waters and natural environment mentioned as something giving a unique edge to the Norwegian salmon. Not possible for others to replicate, it contributes to a harsh environment, but being able to produce in these waters apparently enhances the salmon's nutritional value.

Although all countries participating in the farmed salmon industry being able to ship a satisfactory product, the Norwegian industry tends to outperform the others in satisfaction according to the respondents partly confirming that the industry are, to some degree, differentiated from the others.

5.2 Differentiation as a means for competitive advantage

Porter (1980) states that, in general, there exist two different generic strategies: namely cost-advantage or differentiation. The strategic direction of differentiation is present throughout the interviews and they all state that they wish to compete through differentiation, but it isn't necessary with the current demand. This could be of a differentiated position already being present, as the firms all state that research and development are something focused on in the Norwegian industry.

In line with Day and Wensley (1988) the firms all believe that the advantage they currently possess is sustainable but will suffer from increased competition from other producing countries. This means that they will have to increase their attention towards in the future as a means of keeping it sustainable.

However, a little surprising is the nonchalant approach towards either price- or differentiation competition. Neither seems to have a superior position towards the other, where the firms happily compete on price while it is as high as it is, all the while their focus on superior skills and resources are prevalent. To ultimately compete against other nations, it would seem like

the Norwegian industry would favorize the differentiation strategy, close with the ties in research and development.

A positive sign is the various differentiation possibilities available for the Norwegian industry. Already high in quality they have the possibility of some “hit-and-misses” and a generally lower required grade of achievement.

In the end, the industry seems to accept the commoditization of the farmed salmon (Matthysens and Vandenbempt, 2008). However, there seem to be an agreement that the Norwegian industry are able to compete with whoever tries at the current time where the industry focuses on market expansion and price maximization.

5.3 The country of origin effect as a source for competitive advantage

Absolutely a widespread source of advantage, the firms all contributed some of their success towards the country of origin effect, especially as something that makes their salmon different from the others. As Papadopoulos and Heslop (2014) mentions the effect gives an additional value to the salmon being soon, or even now, compared with the likes of wine and Italy or France and bread. Norwegian seafood, irrelevant of which, seem to have a favorable position internationally and this should be exploited (Kleppe, Iversen, and Stensaker, 2002). This is in line with the respondents as well, where the general agreement is that the country of origin effect absolutely helps them distinguish themselves from others and F3 even states:

(...) the demand for Norwegian salmon is so high that we have more than enough work with just supplying different markets across the world. The position it holds is already advertised as a higher quality compared to the others, and we now enjoy those benefits (...).

As Barney (1997) mentions it is important that the resource wished to exploit is valuable. Throughout the study, the respondents have been attentive to the fact that the effect is valuable. It commands a price premium in an international market, and would, in certain places, command a luxury price as it is offered as a higher-grade fish compared to others

Suter, Borini et al., (47:2018) mentions that the country of origin effect is developed by both country and firm. Throughout this study, there have been an overall consensus that the Norwegian Seafood Council does an incredible job doing all the preliminary work before firms are able to exploit the benefits. F3, F4, and F5 all agree that they have benefitted from it and would like to continue so in the future extending their gratitude for the development of this effect. As F4 states:

(...) once it is known that the fish originate from Norway, you could probably increase the price with 10-20% from the start (...).

A similar view is expressed by F5: “Some places operate with double the price for Norwegian salmon compared to other.”

Thus, one could state that the country of origin effect works as a resource for the firms, enabling them to achieve a sustainable competitive advantage against other producing countries, commanding a higher price than if the effect wouldn't be present.

5.4 Discussion of results compared to previous study done in Chile

This study was carried out as a comparative study to Felzensztein and Gimmon (2014) study on the Chilean salmon farming industry. Their research question dealt with what might be the nature and extent of differentiation strategies used in a mature market. In general, their interviewees responded that they preferred cost advantage strategies opposed to differentiation strategies as it was easier and less risky to achieve as well as the gains are easier to measure short term. This further extended towards the commoditization of a product and the researchers believed that the industry might erode the profits the cost advantage strategies yielded in the future, in light of previous research (Matthyssens and Vandenbempt, 2008; Wirtz and Ehret, 2009).

First of all, there exist a difference in industry structure as Norway, historically, have been a case of many small players and even though bigger companies have emerged, through consolidation and market entry, there are still a number of small and medium firms operating.

Furthermore, Norwegian firms have started expanding internationally and there are companies present in all major producing countries with Norwegian ties. Chile, on the other hand, have a smaller level of fragmentation as the government have put fewer demands in controlling the industry structure as a strategy for industry growth as well as not having the same presence in other productional countries such as Norway.

The desire to differentiate was both present in Chile and Norway, and theoretically the given prepositions in both studies could be classified as correct. Managers in both countries expressed an ambition of competing through differentiation rather than price, justifying this with the reason that they felt their fish was of high quality and an environmentally sound product. However, due to circumstances surrounding the industry this wasn't possible for Chile, who struggled with recouping previous market share lost because of a serious case of virus infection almost eradicating the stock and they've since had to rebuild their industry. On a vastly different note, the Norwegian industry felt they didn't had enough supply to cover the additional demand encounter if one would focus on value added products as well as whole fish. Thus, they didn't feel the necessity of doing anything related to differentiation as of now, but did mention that this was because of earlier work, and that they would very much like to uphold the current status.

Both industries admitted that the fish itself wasn't any different (except antibiotics usage). Throughout the interviews it became apparent that the salmon, on its own, is ultimately a generic product sharing similar attributes across firm, and country, borders. This is, in other words, universally agreed in the studies and represents a few issues moving forward for the industry as a whole in regard to profit erosion, sustainability and positionality of advantages. A distinct difference is, as mentioned, the usage of antibiotics which the Chilean salmon farming industry is notably known for. This reputation is rather dreadful for the Chilean industry but represents an opportunity for the Norwegian one being able to differentiate themselves as a healthier option, and reported as something important, usually for the western customers as they tend to demand an environmentally sustainable produced salmon.

The Norwegian industry reported an outlook of positivity on growth. In the foreseeable future, firms responded that they believed the eastern markets to gain traction and increase in size, as well as the generally more mature markets being stable in demand, if not enjoy a small increase additionally. In addition to this, the various firms acknowledged Russia as a

large market, which previously would've been dominant, but didn't recognize it as one as it was under sanctions.

The Chilean industry reported a positive outlook on growth as well in Felzensztein and Gimmon's (2014) study. By emphasizing the geographical distance to the South American market as one of the main contributors to the growing demand with their middle class experiencing higher elasticity in purchasing power, especially in Brazil as noted by one of their respondents. Serving as a parallel to the emerging eastern markets, this area represents an interesting market coupled together with Argentina. A more uncertain market is, in light of the sanctions on European fish, the Russian market for Chilean salmon.

Chilean is in a unique position where they've gone through a virus infection, and now are at the rebuilding phase. This has, according to the respondents in Felzensztein and Gimmon's (2014) study, resulted in major structural adjustments where transnational operators have withdrawn their operations and national operators have culminated opening up positions for the firms left to make a considerable amount of growth in others' dismay.

The overall impression of the Chilean salmon industry remains as one of low cost supply. They reported that the importance of this image and that they would like to keep it in the coming years as it is seen as one of the key assumptions of reacquiring their position as one of the international suppliers of salmon in the world. In addition, the firms report the need to lower costs in production to retain earnings and to prevent the ever-increasing cost of production with more and more required certifications and fish health. The Norwegian industry, on the other hand, reported an impression of high quality and that the Norwegian salmon was highly desired resulting in little need of price competition. The overall demand was so high, and no one thought it would scale down so to make use of cost advantage strategies made no sense according to the respondents.

On country of origin image Chile responded that they've desired one, while Norway was eternally grateful it did exist. Chilean producers felt that the country of origin effect contributed to higher prices for their Norwegian counterpart. Furthermore, one of their respondents believed that the introduction of a brand, e.g. SalmonChile, would result in a higher price because customers could identify higher quality through the brand's requirements of less antibiotics, general pay to workers, and lower densities of fish in each farm.

While Chile should probably, according to research done on the country of origin effect, downplay their country of origin as it seems like the connection to Chilean salmon is antibiotics and virus infections, the Norwegian one on the other hand reports strong country of origin effect where they have a strong image abroad according to the respondents. With reports of high innovation through research and development and an exemplary environmental and health focus of the salmon adds to a country image ideal for incorporating in the marketing of Norwegian salmon.

6 Conclusion

This study contributes to the theoretical literature by researching the importance of differentiation in an international context and its relationship towards a generic product; in this case, a natural resource-based industry of salmon farming in a developed home-market, Norway.

With regards to my research question about whether or not the firms differentiate the salmon rather than to compete on cost leadership, this study supports the case of differentiation as the respondents believe their salmon receives a higher perceived quality compared to other producing country's salmon. The result thus confirms the proposition:

Competitive advantage in the salmon industry is believed to be pursued through differentiation as it is more robust than cost-leadership.

The firms responded that to compete on cost wasn't something they deemed necessary, and that they believed that this would continue into future as the quality of the fish would in no way drop, and they continuously worked with developing the infrastructure around the product salmon itself.

However, if a differentiation strategy would be carried out, they all assumed this would be done through, mostly, environmental and health products for the salmon itself. They also had the opportunity to differentiate different parts of the salmon, as well as upping the quality with premium lines.

Furthermore, the firms all stated that the country of origin effect is important. The effect is a powerful tool for the industry, both in early stages for firms and existing firms, as it acts a collectively quality approval for the salmon irrelevant of firm origin. However, it is uncertain how sustainable it is with firms being vary of competition and notice how competing firms close in on the perceived quality of Norwegian salmon. The results thus partly confirm the proposition:

The country of origin effect is believed to be important for the Norwegian industry and the effect is believed to be a sustainable competitive advantage.

The results of interviews affirmed that they all believe to experience a positive growth the following years but varied to an extent in the case of location. There wasn't a single respondent reporting a decline in the coming years, and all believed that Norway would continue dominating the salmon industry. However, the results varied in regard to competition but whether Chile, the U.S or another producer caught up, they were confident that Norway could seize and fend off competitors pursuing their high-quality image.

There is a universal agreement that the country of origin is a usable differentiation technique. Furthermore, it is valuable, rare, inimitable and useful for the organization. There is an expressed value of the country of origin effect as it provides the firms with an advantage when dealing with customers internationally. As stated by the firms, they enjoy higher profits because of the demand of "Norwegian" salmon, it is clearly marketable and used in both advertising, packaging and brand communications.

There exist arguments for claiming that the country of origin effect isn't necessarily rare as it is accessible to all firms operating in a country and not exclusive to any of them (Cuervo-Cazurra and Un, 2015). However, it is a difference between being able to exploit it and having access to it. Furthermore, when competing internationally it is exclusive to those operating from the same country. Evident from the previous study done by Felzensztein and Gimmon (2014) where a respondent states that the price of salmon could increase 10% - just because it is Norwegian.

One can argue that the country of origin effect is inimitable as well. For a product to achieve the country of origin effect it has to be produced in the same country, and thus the advantage is resilient towards other international producers. However, the effect itself is possible to surpass by other countries. The effect isn't static and others may catch up or move ahead the Norwegian country effect.

The last stage requires the firms to be knowledgeable about it and present it towards international markets which is done across all firms. All interviewees report a gratification

towards the Norwegian seafood council for their work with the brand and admit using the brand to differentiate themselves from international competitors.

All firms are adamant that the processes surrounding the export of salmon is heavily influenced by relationships, network and personnel working in the different firms. Their competitiveness is because of internal resources rather than being present in a market with low competition, and thus the study confirms the resource-based view. The external factors are of course important and they all state that they follow the market situations, but the internal factors are what makes the competitive advantage the Norwegian industry possess as of now.

At last, the results yield an impression that Norway, as a salmon producer, would continue being a high-quality producer, rather differentiating through value and quality than low-cost. The firms were clearly focused, and proud, on the achievement and status as of today, but were all expecting to further contribute towards the general agreement that of Norwegian salmons' quality.

6.1 Implications and limitations

As the research is done through a case study the findings have some practical implications for firms operating in the salmon industry. The research focuses on the explicit knowledge of operators, comparing them against others to find generalizable data advising and/or confirming practices for firms.

Drawing from previous literature (Bush and Sinclair, 1992; Felzensztein and Gimmon, 2014; Felzensztein, Stringer, Benson-Rea and Freeman, 2014; Matthyssens and Vandenbempt, 2008) it is advisable for firms to focus on differentiation for gaining a competitive advantage even though it is considered riskier and/or more expensive. It is generally stated that a cost leadership is not advised as the advantage erodes over time. The position the Norwegian salmon holds is, according to the respondents, a product of differentiation and it is advisable to continue to develop this strategy.

Furthermore, the firms in the Norwegian industry is recommended to further develop their advantage regarding their knowledge and skills to environmentally produced products, as well as research, because of their image as one of the leaders in the industry (Ferrier, Smith, and Grimm, 1999).

The limitations of this study are in the nature of qualitative studies. Although it present rich and contextually strong findings, it is in need of further quantitative studies validating the findings presented in this study. Especially the importance of the notion country of origin effect would benefit of qualitative validation as well as comparative studies in other countries or industries. Further studies might also shed light on other firms operating in the natural resource-based industry of salmon and the importance of differentiation of mature products for achieving a competitive advantage.

The study uses the industry itself as respondents and asks about their own experience with their own product which could skew the results in a favorable direction for the respondents, as they would be more likely to report positive results of their own business surroundings and negative results from their competitors.

Case specific limitations could be the gap between studies carried out. While this is done in the spring of 2018, the Chilean one done by Felzensztein and Gimmon (2014) is carried out in 2014 and could prove to be significant as Chile just recently, at the time, had come out of a troublesome situation which they could, in the timeframe of this study, have been successfully managed and propelled themselves towards a perception of higher quality.

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8 Appendix

Appendix 1: Interview guide

Generell oppfatning av produkt?	Objektive forskjeller? Subjektive forskjeller? Konkurransen?	Hva? Hvordan?
Ressurser	Interne? Eksterne? Mennesker?	Hva? Hvordan? Andre aktører?
Differensiering	Hva gjøres? Hvordan? Forskjellige måter å differensiere på?	Hvilken verdi gir det? Kvalitet?
Bedrift	Omgivelser? Verdikjede? Samarbeid?	Hva? Hvordan? Hvem?
Naturvern og miljø	Bærekraft? For? Nærmiljø?	Hva? Hvordan? Hvorfor?
Opprinnelsesland	Opplevd nytte? Aktivt bruk? Forskjellige klassifikasjoner?	Hva? Hvordan?
Verdi?	Hva gir verdi? Ekstra produkter? Ekstra egenskaper?	Hva? Hvordan?
Markeder	Hvilke er aktuelle i dag? Aktuelle i fremtiden? Konkurransen opp mot andre produksjonsland?	Hvorfor? Mest spennende? Trekke ut? Konkurransen i hvert marked?
Problemer	Generelt? Norsk laks? Hva gjøres?	Hvordan? Hvorfor? Hvordan?
Sykdom og vaksiner	Problem i Norge? Hvordan motvirke?	Hva? Hvordan?

	Lakselus? Virusinfeksjon?	Motvirke? Livssyklus for laks
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Appendix 2: Reflection Note

The main theme of my thesis have been centered around the Norwegian salmon industry and how the industry fares abroad. Carried out as a case study, I interviewed key personnel in various export and supporting firms asking about their thoughts of Norwegian salmon in an internationally context. Focusing on the case of differentiation, the case study addresses how the firms try to achieve a better value for their product either through market share, profitability, satisfaction and/or loyalty. Furthermore, it specifically addresses the case of the country of origin effect, as a previous study done on Chilean salmon (Felzensztein and Gimmon, 2014), and how this effect is valued internationally.

My findings suggest that the firms are well aware of the possibility of differentiation, but they don't feel like assigning resources for it as it isn't deemed necessary. This is because of the already strong position Norwegian salmon holds, and the firms all expressed a desire to reap these benefits. However, this doesn't diminish the differentiation done, but the firms expressed an attitude towards it as something that happens even though we actively focus on it or not. This is because the employees of the firm are all interested, often grew up around and quite enjoy the industry where they will continuously try to perform, and/or gain experience which helps them excel.

Furthermore, the country of origin effect is strong for the Norwegian salmon and all interviewees state that the current position that the salmon holds is partly because of this effect. Simply put, it commands a higher price for the salmon. The respondents expressed a gratitude towards the Norwegian seafood council for their previous work and hoped that they would continue their work far into the future.

The conclusion for my thesis is that the industry is well aware of the possibility of differentiation, but at the given point it is not something they focus on as they have trouble meeting the present demand. In the future, it is something they would do more, and they believe that the Norwegian salmon is of high quality, with a strong reputation, and the value-added products made from Norwegian salmon would do well in an international context.

The country of origin effect is important. It is an effect highly usable for the industry and they reap benefits of it now after a long period of building it. The effect is reported to give entry to

markets, higher prices and higher satisfaction for customers, and as such provide a competitive advantage for the firms being able to use it as a firm resource.

International trends

The industry chosen for review is facing a vast amount of opportunities with an increase in both technological and operational areas, as well as new markets and an increased attention towards a healthy and environmentally focused life across the world. The industry have a highly favorable outlook as global challenges such as access to food, increased pollution and animal welfare. Being able to produce sustainable food accessible for all is one of the main problems in today's world, and fish/seafood are often hailed as one of the better ways facing this problem.

Some grim predictions as well, as the rising protectionism becomes a problem when dealing internationally. One example is the Russian market which is regarding as huge for the Norwegian industry is locked down with sanctions and thus unavailable for Norway. This decreases the competition and other nations firms (e.g. Chile and Faroe Island) are able to strengthen their position without much fight.

The situation in China seems to develop positively, with less and less sanctions. A potential huge market for the Norwegian salmon with its reputation and country of origin effect, as it opens up and more and more people enters the relatively wealthy middle class.

Innovation

My thesis doesn't take innovation into account per se but shed light on it though the case of differentiation. While it doesn't describe it directly, the respondent all agree that innovation is something that sets them apart from other countries, where Norway is seen as a forefront figure in both research and development. It addresses how the firms might employ the country of origin effect, and through this might innovate their product with various certifications and such. Furthermore, all firms have various patents pending and dialogue with the government with hopes of increasing their total volume of fish produced through either innovation in operations or fewer fish dying from sickness and viruses.

Responsibility

A central theme for my thesis, as this is the path my case industry evolves towards. Moving towards environmental products, able to satisfy a huge amount of people with way less used space, the industry are considered one of the “winners” of the future. However, the industry might face problems as well with the increased focus on profit as they might neglect the natural environment or fish health for short term gain.

Surroundings are an important mention as well with the industry making claim of different small communities, providing jobs, opportunities and education for them. On the other hand, they can be ruthless, operate with resource ostracization and in general fail to include the environment. There seem to be an enlightened consensus that they should all provide in return to the local communities, and a lot of the industry focuses on sponsorships etc. for children.