

Table of Contents

	Page
Acknowledgments	0
Table of Contents	ii
List of Figures	iv
List of Tables	v
Acronyms and Abbreviations	vi
1 Introduction.....	7
2 To Long-Term Relationships.....	9
2.1 Theories Related to Long-Term Relationships	9
2.1.1 The Neoclassical Microeconomic Theory.....	10
2.1.2 The Relational Exchange Theory.....	10
2.1.3 The Relational Contracting Theory	11
2.1.3.1 The Discrete and Relational Contract Norms	12
2.1.4 The Commitment-Trust Theory	13
2.2 The Concept of Agribusiness and the Contractual Agreements in Agribusiness	15
2.2.1 Spot Markets.....	16
2.2.2 Contract Farming.....	17
2.2.3 Vertical Integration	18
2.3 Norms	18
2.4 Long-Term Relationships	19
2.5 Hierarchy of Cultures	20
2.5.1 National Culture	21
2.5.2 Industry Culture	23
2.5.3 Organizational Culture.....	24
2.6 Relationship Quality	29
2.6.1 Trust.....	29
2.6.2 Commitment	30
2.6.3 Satisfaction	31
3 The Floriculture Sector.....	34
3.1 The International Market for Flowers.....	34

3.2 The European Market for Flowers	35
3.3 The Supply Chain.....	36
3.3.1 Actors in the Supply Chain for Flowers.....	37
3.4 Industry Characteristics	37
3.5 The Industry: Development of the Colombian Cut Flower Sector	38
3.5.1 The Current Situation.....	40
3.5.2 Perspectives	41
3.6 The Colombian Companies	41
4 Research Design and Data Collection	53
4.1 Problem Formulation	54
4.2 Conceptual Framework.....	54
4.3 Objectives.....	57
4.4 Research Questions	58
4.5 Hypothesis	58
5 Analysis and Discussion	60
5.1 Contractual and Relational Contracts in the Floricultural Colombian Sector	60
5.2 Cultural Dimensions	62
5.2.1 National Culture	62
5.2.2 Comparison Between Colombia and the Average European Union.....	65
5.3 Industry Culture	67
5.4 Organizational Culture.....	70
5.4.1 Organizational Values.....	71
5.5 Norms and Communication Between Enterprises	73
5.6 Relationship Quality	75
5.6.1 On Going Relationships	75
5.6.2 Trust, Commitment and Satisfaction Among Firms	76
5.6.3 Comparison Among Firms	78
5.6.4 Increasing Relationships	79
5.7 Entrance Barriers to the EU Market.....	80
5.8 SWOT Analysis	81
6 Conclusions and Recommendations.....	83
References	87
Annexes	96

List of Figures

Figure	Page
Figure 1: Original Commitment-Trust Model.....	14
Figure 2: Industry business challenges.....	23
Figure 3: Two-dimensional MDS of 54 OCP - items; boundary curves according to apriori assignment of items to the basic value dimensions defined by Schwartz (1992).....	27
Figure 4: Intra-European exchange of fresh cut flowers.....	35
Figure 5: The cut flower chain with Europe	36
Figure 6: Volume and value of Colombian flowers exports.....	39
Figure 7: Main regions for Flowers production in Colombia	40
Figure 8: C.I Los Aromas Farms structure.....	44
Figure 9: C.I Grupo Capiro structure	46
Figure 10: C.I Multiflora structure	47
Figure 11: Conceptual Model for the relationship quality.....	55
Figure 12: Graphical representation of the conceptual framework.....	57
Figure 13: Hofstede Dimensions of Colombia and the most important European markets	62
Figure 14: Comparison between Colombia and the average European Union.	65

List of Tables

Table	Page
Table 1: Contract Farming advantages and problems	17
Table 2: Dimensions of Industry Culture	24
Table 3: OCP Items defined by Schwartz (1992)	26
Table 4: Success factor in the flower industry Van Liemt (2000)	38
Table 5: Comparison between the studied companies (2007)	42
Table 6: Production centers – C.I Grupo Capiro	45
Table 7: Dimensional comparison between Colombia and the average European Union	66
Table 8: Industry culture dimensions	68
Table 9: Companies - Client values (According to Asocolflores)	69
Table 10: Companies – Asocolflores values (According to Asocolflores)	69
Table 11: Most important company’s values	71
Table 12: Most important client’s values (from the exporter’s point of view)	72
Table 13: Shared values between Colombian exporters and European importers	72
Table 14: Factors regarding to Trust, Commitment and Satisfaction	78
Table 15: SWOT analysis	82

Acronyms and Abbreviations

BANREP	National Colombian Bank
Col\$	Colombian Peso
DANE	National Statistics Department
ETI	Ethical Training Initiative
EU	European Union
FAO	Food and Agricultural Organization
Ha	Hectare
IMF	International Monetary Fund
Klg	Kilograms
M.E	Middle East
OCP	Organizational Culture Profile
SENA	National Learning Service
SWOT	Strengths, Weaknesses, Opportunities and Treats
TN	Tons
Us\$	United States Dollar
U.K	United Kingdom
USA	Unite States of America
USDA	United States Department of Agriculture