

2<sup>nd</sup> International Congress and Expo on**Biofuels & Bioenergy**

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**Expanding wood chip exports via long-term international relationships: Trust and commitment relationships - developing enduring transactions**

This presentation focuses on factors motivating the trend toward the enhanced duration of a buyer-seller relationship which will lead to long-term contractual relationships in an effort to contribute to a better understanding of the driving forces of trust and commitment. It will also focus on their impact on the importing firms' performance in an exponentially expanding market context. Traditional sales of wood chips exported from mostly North American suppliers who are concluded as discrete transactions or spot market transactions. In the business world and in academia, the reference to a discreet transaction is one that relationships can be built upon, however, it is in its pure form, one that transpires having had no history between the parties, and nothing ever has been nor ever will be. This is akin to there being money on one side of the ocean and the commodity (Wood Chips) on the other and the one discrete transaction in the offering (spot sale) and no more expectation to follow. At the core of trust and commitment, marketing is the exchange that is profitable to parties involved in the exchange. The concept of exchanges as it applies to trust and commitment marketing is viewed from either a transaction cost analysis approach or a social exchange theory approach. The ultimate goal in developing the enduring relationship is to foster and maintain a competitive advantage over rival firms in the industry.

**Biography**

Arthur T House is the Exporter of Phytosanitized Wood Chips for Combined Heat and Power (CHP) and High Quality Wood Chips for paper manufacturing. He recently earned the Maine Woods Biomass Exports (MWBE) contract and Phytosanitary Approval Certificate from USDA-APHIS. MWBE is under long-term (12 – 15 year) contract for the supply of Heat Treated Phytosanitized Wood Chips for CHP use. Output also includes a trademarked energy wood chip, E = MC<sup>3</sup> for CHP to be exported as compressed bales at a density approaching wood pellets.

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