

**IT AS AGENT OF SOCIAL CHANGE:
LONXANET AND THE CASE OF THE GALICIAN
ARTISANAL FISHERIES**

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Abstract

Information Technologies (IT) can be used as an agent to foster social change. This case study describes an Internet start-up, Lonxanet, and analyzes its role as catalyst of drastic changes in the Galician (NW Spain) artisanal seafood fisheries. These fisheries are traditionally associated to rural communities of fishers, selling their products in local auction markets known as “lonxas”. Galician seafood is hugely appreciated in the Spanish market, where products can achieve extremely high prices and have luxurious connotations. However, the product passes through a wide array of intermediaries, where lack of transparence prevails, until it finally reaches the market, so fishers achieve just a tiny amount of the potential profits despite assuming all the risks associated to the extractive phase. In order to foster social and economic change, Lonxanet proposes a large e-marketplace initiative integrating marketing and logistic services, partially owned by several fishers’ organizations, and selling directly to restaurants and other final consumers. This change enables fishers to exert control over the full commercial cycle. Consequently, they switch from a “survival” mentality to an “industrial” one, and they become especially interested in the sustainability of the resource, thus achieving environmental benefits.

Keywords

Internet, social change, marketplaces, fishing industry, markets, electronic commerce.
ISRL categories: BD, EI0211.02, HA0702.

Introduction

The Spanish seafood market is extremely complex. It is comprised by a diverse set of species, mainly mollusks, crustaceans and fishes, extracted in many zones along the coast, but competing also with foreign imports. Along these Spanish coastal zones, one in particular possesses intrinsic characteristics that differentiate it from the rest. Galicia is a region with an autonomous government (*Xunta de Galicia*) located in NW Spain (Northeast Atlantic) and with a population of approximately three million inhabitants. It boasts an extensive, irregular coastline (1,295 km) with a series of coastal embayments known as “*rías*”, which in many instances take the form of wide, gentle incoming bodies of water, such as the *Rías Baixas* (in the South) and at other times are smaller in extension and have a more rugged appearance, such as the *Rías Altas* (in the North) (Freire and García-Allut, 2000).

The special morphology of the coastline, in combination with the oceanographic features of the area, favors the emergence of a special type of ecosystem characterized by its cool and nutrient-rich waters, high biological productivity and large biodiversity. As a result, seafood raised in that area have a particular taste and texture, interpreted by the market as a superior quality in relation to seafood fished in other areas.

These physical circumstances enable the emergence of a millenary industry, based on the extraction of resources from the sea. But besides the inherent quality of Galician marine products, social and cultural circumstances accompany the development of Galician fisheries. Before the twentieth century, fishing was as important as any abundant natural resource in an economically depressed region. Considering the lack of industrial alternatives, fishing was, along with agriculture and emigration, a mere survival option. It is in the second half of the twentieth century, with the advent of the refrigeration technologies, when Galician products start to gain a strong reputation for its quality in external markets, and the traditional extractive activity grows substantially.

Additionally, Galician industrial fleets have been operating in distant waters for long periods, so fishing culture appears strongly consolidated. The artisanal industry encompasses from fishers in small ships and vessels, to pure hand-picking from the sand or the rocks, depending on the species (most species inhabit the areas immediately along the coastal line). Goose barnacles, for instance, are hand-harvested from the rocks, while lobsters and crabs are caught in traps; and clams, cockles and other bivalves are semi-cultured in intertidal areas.

The Artisanal Fisheries Industry

As a whole, the industry employs some 40,000 people, with approximately 8,500 vessels. Within the inshore fishery, the artisanal sector is the most numerous. This usually consists of productive units made up of very few fishers who are usually related to each other. In fact, the generic makeup of these types of vessels tends to constitute ideal models such as father-son(s); father-in-law-son(s)-in-law; cousins, brothers-in-law; etc, completing the crew with people who are not related, when the various family households

are unable to supply new members (García-Allut, 1998). However, the total number of people would be much higher if we come to consider other collectives different from the full-time fishers – part-time and amateur fishers, usually not included in official statistics. From an economic perspective, and using official data provided by *Xunta de Galicia*, the fresh weight of captures landed in 1998 amounted to 171,000 tons, and reached a first-sale value of over € 364 million.

The industry comprises approximately fifty species harvested for commercial purposes. They are an extremely diverse group from a taxonomical viewpoint: crustaceans (velvet swimming crab, spider crab, prawns and goose barnacle); bivalve mollusks (several species of clams, razor clams, scallops and cockles); cephalopods (octopus, cuttlefish and squid); and fishes (a number of species are exploited but catches are generally low; there are no specific fisheries except in cases such as the bib or conger). Only a few of those species support mono-specific fisheries (consisting, on a global level in Galicia, basically of hake, octopus, spider crab, velvet swimming crab, clams, razor clams and goose barnacle). For the remaining species, fishers' strategy consists in exploiting a specific gear to catch whatever becomes available, since the abundance and commercial value of these species do not allow for further specialization. From an ecological viewpoint, the Galician ecosystem can be defined as clearly overexploited (Freire and García-Allut, 2000). Some facts prove such assertion: the virtual depletion and collapse of several stocks, important in previous years, such as lobster, spiny lobster or bream; the sharp decline in captures showed by other crustacean species; and data on specific fisheries which reveals exploitation rates higher than 90% per fishing season.

From a commercial viewpoint, the situation is as follows: fishers are grouped into fishers' organizations known as "*cofradías*" (equivalent to guilds), originated in the XV century. These organizations are, at a minimum, comprised by a principal, called "*patrón maior*", democratically chosen among the fishers, and an administrator¹. Every *cofradía* exerts its influence over a given part of the littoral. The whole coast of Galicia is divided into 61 *cofradías* of unequal sizes (see Figure 1). Besides representing fishers' interests, *cofradías* run the *lonxa*, the local marketplace where fishers have to sell their catch, in exchange for a small percentage, usually 2-4% over the final amount of the transaction. Selling at a *lonxa* is mandatory; the use of other channels such as direct sell to bars or restaurants is considered illegal.

The efficiency of the *lonxas* as marketplaces depends mostly on their size. By law, all of them operate using a Dutch auction mechanism, and following a set of standard procedures regarding lot size, etc. In general, big *lonxas* are able to attract many buyers, and therefore, the process of price building happens normally. However, the scarce presence of buyers in the small ones typically derives in buyers' driven markets and, consequently, price collapse (see Milgrom and Weber, 1982 for a detailed explanation). When the market goes too low due to the absence of buyers, fishers can ask for a permission or "*guía*" to sell their catch in a different *lonxa*. Even though fishers generally try to avoid this procedure, since it forces them to incur in transportations costs, the permanent lack of qualified buyers has driven the demise and disappearance of some of the small *lonxas* along the coast, thus destroying economic value for the region.

Once the catch is sold at the *lonxa*, a long array of intermediaries follows until it finally reaches the end consumer. The length and variability of channels are enormous, and even include legal and illegal ones. In the shortest version, for instance, the owner of a local restaurant can buy directly at the *lonxa* and serve the seafood right away. In the longest one, a consolidator (*vendeduría*) could buy seafood at the *lonxa*, which is sold to an intermediary, then resold to a wholesaler that transports it to the main markets in, e.g., Madrid, to another public market called *MercaMadrid*ⁱⁱ. Once there, there could even be another wholesaler distributing the seafood to local restaurants and shops, conforming channels with four or even five steps, each of them with healthy commercial margins. As a result, seafood typically suffers increments of over 100% or 150%, depending on the species, between the first price in the *lonxa* and the price paid in the point of final consumption.

The habits of consumption suffer from a strong seasonal effect, but, strangely enough, not totally associated with the biological behavior of the species. The Christmas season brings, undoubtedly, the highest demand and the highest prices, since seafood is somehow considered a typical dish for the Christmas table. The summer brings also a peak in demand, associated to the inflow of tourists to Galicia. From a theoretical perspective, every species has its own closure period, as decided by the local government (*Xunta de Galicia*) and communicated through the *cofradías*. The local government can also impose other spatial and temporal closures in cases of scarcity, and regulate other aspects such as the number and type of gears used, the size of the catches, etc. However, according to many scientists, the measures taken are normally more political than ecological, and, combined with the pressure exerted by illegal fishers, do not protect the affected species enough as to guarantee a sustainable exploitation.

An additional problem is related to the lack of information to consumers regarding quality and origin in the majority of the final destinations of the seafood. In general, information about freshness and preservation mode is scarce, even though they greatly affect product quality. This forces Galician seafood, with a higher quality and price, to compete with foreign imports apparently similar, but with uncertain origin and quality. Final buyers, and ultimately, consumers, lack in some cases knowledge and criteria to differentiateⁱⁱⁱ both types of seafood, and even though some initiatives point towards the establishment of a guarantee of origin (as in other products such as wines, cheeses, etc.) no actions have been taken yet.

The final destination points for seafood can be classified into many categories. While there is no doubt about who final customers are, there are of course many instances of consumption: bars or restaurants, hotels, catering services for weddings or celebrations, small fish-markets, supermarkets or even hypermarkets are places where consumers can buy or consume seafood. In most cases, the product reaches those final destinations via long, multi-intermediated, extremely variable channels. Despite some exceptions – restaurants close to ports are able to fulfill their seafood needs by buying directly at the *lonxa* – merchants usually get seafood from a single source, either a central market such as *MercaMadrid* or a specific wholesaler, who carries a wide array of products. Prices are not negotiable and variable, a circumstance that forces restaurants to indicate the price in their menus as “s/m” (“*según mercado*”, meaning “according to market prices”). The

relationship with the source of seafood is, in the case of bars and restaurants, extremely important. They basically value product quality, price and uninterrupted supply. A basic segmentation would split the sample into those who value quality over price (whose customer base is willing to pay for a superior product) and, inversely, those who value price over quality. Uninterrupted supply is key in both cases, being left without product in an important day can be a source of major problems.

Consequences

Accordingly to the aforementioned situation, the main problems identified in the current scenario are:

- Lack of integration of the extractive part of the industry (the fishers) with the commercialization process.
- Lack of qualified buyers in many small markets, which leads many communities and their *cofradías* to economic difficulties and a constant struggle for survival.
- Unstable demand, excessive impact of seasonality.
- Fishers themselves are subjected to the pressure of a survival economy: their income flow is small and unpredictable.
- Excessive time to market, critic for fresh products. Interestingly enough, market's perception is exactly the other way around: they think the product they actually receive could not be fresher, when truth is that average cycle times (from the catch to the restaurant or consumer) are never less than three days, and in many cases and species, much longer^{iv}.
- Lack of transparency: since not all quality attributes are easy to recognize, some intermediaries mix foreign imports with local catches, keep the product for a longer period to favor market scarcity conditions, etc. These practices obviously damage the perception of quality associated to Galician seafood as a whole.
- Over-exploitation of the resource, caused in part by the lack of information about market conditions. In a situation of unstable demand in which fishers cannot calculate the expected value of their catch, the optimum strategy consists in the maximization of that catch under any circumstances. If adequate information about the preferences of the market is offered, fishers could opt for a self-regulation of their captures in order to maximize their economic value under such preferences, maximum value that usually happens at lower levels of capture by conveying an idea of scarcity^v.
- No "brand image" associated to Galician seafood. The product is hard to differentiate from foreign imports, despite its superior characteristics.

Description of the Idea and Literature Review

Originally incepted in August 2000 by two university professors, former roommates during their undergraduate studies, the idea was overly simple: put together a number of *cofradías*, and provide them with means to reach the markets using new technologies. One of the original founders, Biology professor at Universidade da Coruña, had spent several years researching the biology of several seafood species, their life histories, population dynamics, migration patterns, etc. For these studies, and other related to

fisheries management, he had to interact with numerous fishers and communities of fishers, and he was well-known in the fishers' social environment. The other founder was a Management professor at Instituto de Empresa, Madrid, who was doing research on *e-marketplaces* and the new economy as a whole. They put together the idea, initially as an avenue that would allow them to do research together. After a while, the idea started to take shape with the incorporation of a third professor, an Anthropologist, also from Universidade da Coruña, who had spent a long time doing anthropological and sociological studies in communities of fishers, and a fourth member, a former executive at a logistics company.

The initial idea was to put together an *e-marketplace*, as an attempt to fix the huge inefficiencies in the market. An *e-marketplace* solution seemed perfect, from a theoretical standpoint, to solve most of the aforementioned problems. Firstly, one big, central electronic market should be much more efficient in the price formation process than some sixty small markets, unconnected among them and distributed along the coastline (see Bakos, 1991 and 1999; Lee 1998). By putting together a larger number of buyers and sellers, the market should allow for a true valuation of the items being sold, isolated from local disturbances. Additionally, it should allow qualified buyers, with a higher willingness to pay, to get the high quality products they are looking for. Secondly, an electronic market could act as friction reducer (Dans, 2002; Garicano and Kaplan, 2000; Kumar and Christiaanse, 1999), in an industry where friction is large enough to cause huge increments in price through intermediaries, logistics, etc. This reduction of friction could allow for redistribution in the industry's value chain. Thirdly, an *e-marketplace* could also cause a reduction in the vast array of intermediaries in the distribution chain (Gurbaxani and Whang, 1991; Katz and Shapiro, 1985), some of which were clearly adding little to no value at all (García-Allut, 1998). Finally, the operative of an *e-marketplace* could determine a reduction in time to market, since products could be sold even before they were disembarked in the port. With the appropriate logistics optimization processes, Lonxanet could deliver an amazing twenty-four hours cycle time (versus the current minimum of two to three days) from the moment of the catch till the product reaches the restaurant.

The original idea was to concentrate activities in species that offered the highest prices, but were also easy to describe through an electronic medium. One of the initially perceived sources of problems was how to replicate the interaction between buyers and sellers at the *lonxa*. In that moment, right before the auction, buyers were usually allowed to closely inspect the catches, in the case of some species even weighting them with their own hands. The number of attributes determining the quality of some species of seafood can be very high, including aspects such as size, relationship between size and weight, color, texture, gender (in most crabs, female individuals are considered of a higher quality than its male counterparts), and even the aspect of certain parts of the animal^{vi}. Replicating such a number of attributes would offer obvious difficulties through the Internet or even through the phone, so a decision was made to focus only in goose barnacles – whose quality was thought to be basically determined by its size^{vii} – and octopus – whose price is determined only by its weight.

Replicating the auction mechanism through an electronic medium was also a tricky part. The Dutch auction^{viii} mechanism used at the *lonxas* required all buyers to be physically present in the moment of the auction, and required also complex mechanisms to determine who pushed the “stop” button first. Instead of trying to replicate the same scheme, the development of the idea pointed towards a new system of “anticipated auction”: buyers would submit their calls via the Internet or a call-center even before fishers left the port, and those orders would be classified according to product and price offered. Later, when fishers returned to the port, bidders would be awarded the lots according to that order previously established. Of course, complete information about previous days’ bidding processes would be available to buyers, so they would be able to figure out their chances when offering a certain price. The system was, following the original auctions terminology (Vickrey, 1961), an electronic implementation of a sealed envelope, first price auction with multiple items.

It was clearly assumed that the only way to make the system work should be based on trust. Any intentional or unintentional mistake in the product classification could cause a major damage in the brand image, as the buyer was giving up its right to inspect the product and relaxing his or her criteria into someone else.

With the system in place, fishers would know in advance (the day before) the market conditions for each of the species being fished. They could plan their efforts accordingly, at least to the extent an unpredictable activity such as fishing can be planned, and their catches would not go to the *lonxa*. Instead, they would be classified and specially packed for the logistic operator to pick them up. All classification and packing operations would be developed and controlled by the *cofradía*. Ownership of the firm was also carefully studied: even though *cofradías* would not be forced to contribute with any money to incorporate the society, they would be given one third of the shares in exchange for the use of their port infrastructure and personnel. Feeling themselves as owners and definitely interested in the survival of the system, *cofradías* would have a clear incentive to avoid intentional mistakes in the classification procedures, thus ensuring satisfaction in the buyers’ side.

Environmental considerations played also a fundamental part in the idea. According to the founders’ original plan, the new scheme would make fishers switch from a “survival mode”, in which they need to catch basically whatever is available (and even engage in illegal practices such as commercializing individuals smaller than the minimum size through irregular channels), to a “sustainability mode”. With such mentality, they would collectively realize that they could get much higher prices if they fish according to the rules and to the demand predictions made by Lonxanet. For instance, there would be no point in catching a small individual since fishers would be better off returning it to the sea to fish it again later, when it has reached the minimum size and a much higher price. Lonxanet would also engage in training activities for fishers in conjunction with the *cofradías* in order to help the diffusion of the sustainability idea.

On the logistics side, the plan included a partnership with a logistic company. This company had to have an urgent delivery service, in twenty-four hours to anywhere in Spain, and refrigerated vehicles^{ix}. The company would pick up lots, packed according to

buyers' requirements, at the *cofradía*'s premises in each of the ports. Lonxanet would provide the *cofradía* with the specific packages as indicated by the logistic company, but with the Lonxanet logo, and they would be taken directly to their final destination in less than twenty-four hours. Lonxanet was also thinking in partnering with the restaurants to advertise the superior quality of their seafood and the "sustainable fishing" idea in the restaurant's menu, and perhaps even provide other elements such as product guides, etc. to promote the creation of a brand associated to high quality seafood, and a seal conveying the idea of "seafood fished according to sustainability standards".

Public funds and grants were also expected, since the idea was promoting not only social goals, but also environmental ones. Empowering the previously depressed fishers' communities should be a clearly desirable goal from the autonomous government's viewpoint, as it should also be to create a brand linked to the Galician origin of a high quality product. The autonomous government is only starting nowadays to promote the establishment of a guarantee of origin for products such as the goose barnacle, and its implementation seems difficult. Therefore, any chance to promote differentiation would undoubtedly be welcomed. Finally, the sustainable, environmentally friendly consequence of the idea could also be capitalized as a cause for the public support of the project.

Lonxanet

Lonxanet was incorporated in July 2001, after a one-year period of incubation and maturation of the idea. The project had been carefully tested with several business school professors in different areas, with executives in the electronic commerce arena and in different positions in the food industry, and, finally, with customers. The commercial efforts would target restaurants and supermarkets in non-Galician cities, mainly in the big ones: Barcelona, Madrid and Valencia. There would also be a small, non-advertised business-to-consumer initiative through the website, although it was not thought to be overly popular.

One of the first conclusions of the market tests was that the penetration of the Internet within customers was extremely low. Practically no bars or restaurants had an Internet connection, and they were extremely used to do all their purchases via traditional media: in person, by telephone or via fax. Their inclination to put a computer in their premises was also rather low. This fact had two main consequences: first, restaurants would have to be marketed via sales force, in the traditional way. Second, the need for a call-center was extremely clear.

A second, and apparently bigger problem was the inclination of restaurants towards having a single weekly source for many different products. Practically all seafood, including fishes and shellfishes usually came from a single vendor. Even though restaurants could have different alternative vendors, they require each of them to carry a wide catalog of products in order to be in their consideration set. Accordingly, most restaurants said they would not be inclined to open a new channel to just source one or two products. A circumstance like that forced Lonxanet to extend its line of products to virtually any of the commercial species, instead of the few initially thought to be easy to

describe. Accordingly, Lonxanet started operations with a catalog of nineteen species, covering practically the whole traditional Galician seafood spectrum.

However, the main change in the concept came from a legal restriction: the first sale of the products had to be necessarily done at the *lonxa*. Therefore, no product could be previously retired in order to auction it electronically at Lonxanet. The way to circumvent this legal restriction was via an electronic catalog. It clearly didn't have too much sense to have a first auction at the *lonxa* and a second one at Lonxanet. Therefore, Lonxanet was structured as a fixed price catalog, with an open possibility to negotiate volume discounts. The main attractive of Lonxanet for restaurants would then be the possibility of buying directly from the *lonxa*, receiving the product in less than twenty-four hours and being able to choose quality ranking from average to very high. In principle, no low quality seafood was available at Lonxanet.

Recent History

The initial requests for development proposals from potential technology partners started in June 2001, right after incorporating the society. During July and August, Lonxanet started a round of meetings with *cofradías* to present the business plan and negotiate agreements. Simultaneously, they started presentations to potential partners. The initial objective was to get €180,000 to cover financial needs until April 2002. Although they did contact institutional and public investors, they decided to discard them due to their slow decision-making. Instead, they reached agreements with individual investors, most of them linked to the logistic company. These investors have been of course key in the development of the crucial relationship Lonxanet has with the logistic company.

Besides looking for investors, Lonxanet started hiring: initially, a Commercial Director, an Operations Director and two interns. Their role was to get in touch with the first target market, Madrid, and to design the operations with the *cofradías*. Seven *cofradías* agreed initially to join Lonxanet, although, for operative reasons, only four of them started right away. Being not used to this type of deals, their entrance was extremely complicated from a legal perspective.

In October 2001, Lonxanet went to its first financing round: the technology partner and individual investors contributed to the expected goal, and the four *cofradías* entered via non-monetary contribution^x. At the same time, they started contacting the first customers, and they fine tune operations and logistics. The web page was launched: although originally non-transactional, its role was key as a communication vehicle – some five hundred visits per day – and to support the back-office operations with the logistic company and the *cofradías*. By that time, a public relations campaign produced the first press releases in Galician media, pointing out the socio-economical aspects of the project and its potential implications for Galicia and the Galician fisheries industry.

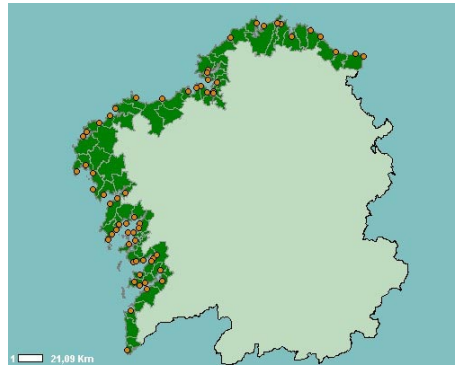
January 2002 marks the beginning of the commercial operations. Despite some coordination problems with the *cofradías* and some misunderstandings with customers^{xi}, they start to gain knowledge about customers' behavior, etc. and they start creating the "feeling of belonging to a common project". On each of the *cofradías*, two key persons are designated in charge of the relationship with Lonxanet: the *patron maior* or the administrator, and an employee, dedicated almost exclusively to that role.

In April 2002, Lonxanet starts its second round of financing, aiming to raise €330,000, enough for one year of operations. The initial investors and some new ones show their interest to participate, and two new *cofradías* join the initiative. Lonxanet is featured several times in Galician and national media. After being featured in national TV, the visits to the website skyrocketed to 30,000. They put together a call-center and they continue growing and hiring. At the moment, some 30 people work for Lonxanet, including employees with partial dedication such as those at the *cofradías* and the founders.

Conclusions

This case study shows how IT and communication technologies can be used for fostering social change and transformation in a particular industry. Although is too early to draw conclusions about the success or failure of the initiative, the steady increase of sales and the growing confidence shown by *cofradías*, customers and investors appear as good signals for the future. Whether or not the future brings new horizons for the company is yet to be seen. However, the experience as is constitutes an interesting example of how an academically incepted initiative becomes real, and tries to influence the social structure of economically depressed communities, and to alter the value chain in a whole industry to generate more resources and economic value to the fishers, the ones who ultimately generate that value and who really take the risks.

Figure 1: Map of Galicia (NW Spain). The dots along the coast represent *Cofradías*.



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Footnotes

- 1 The administrator can be a public officer (paid by the Autonomous Government), or an independent professional hired by the *cofradía*. This fact has a great deal of importance not only in the relationship *cofradías* have with the public administration (more fluent when a public employee is leading it), but also in the administrator's skills (public employees have limited management skills, and their duties do not include business management activities). Larger *cofradías* can also have a biologist, other administrative personnel, etc. Recently, some *cofradías* have adopted a more business-oriented mentality, and their management can include professional managers in charge of different areas such as the marketplace, commercial activities, etc.
- 2 There are equivalents in most of the main Spanish cities, *MercaBarna* (Barcelona), *MercaValencia*, *MercaSevilla*, etc.
- 3 Exists, though, a small segment of affluent customers who really appreciate the special characteristics of Galician seafood, and with a high willingness to pay for it, so one of the main problems is how to allocate a scarce production to make it available precisely to this customer segment.
- 4 Certain species, such as most crabs, can be maintained alive and stored in special premises for periods even longer than a month. However, they cannot be fed due to water quality problems, so the process reduces the overall quality of the product. In other cases, such as most fishes, the product can be preserved in cold, without freezing it (freezing it would classify it as a lower quality and thus lower price product) for several weeks.
- 5 Obtaining higher prices by bringing fewer products to the market could be considered a tricky strategy. However, in this case, the scarcity is real, since offering more products could effectively threaten the survival of these fisheries.
- 6 In the spider crab, the color and appearance of a certain part of the abdominal region, visible only when the abdomen is raised, is used to determine quality. In this case, traditional knowledge is supported by a true biological fact: the observed color is conditioned by the thickness of the periabdominal muscles, whose development is related to the moment of the last moulting.
- 7 In fact, quality perceptions in goose barnacles are much more complex, and are based on length, thickness, coloration, extraction mode, type of cut, etc.).
- 8 Dutch auctions are continuous descending auction: bidders can see current price and must decide if they wish to purchase at that price or wait until it drops. Winner is first bidder who stops the auction at a given price (Dans, 2001)
- 9 However, this was not a critic element. It is actually possible to refrigerate seafood introducing freezer gel capsules into specially insulated boxes. In fact, both systems are combined now: the logistic company uses refrigerated vehicles in most of its routes, whilst Lonxanet puts freezer gel capsules inside their packages.
- 10 The agreement with the *cofradías* included keeping a total participation and control of one-third of the shares, independently of new capital increases being made and new *cofradías* joining the system. Such participation is complex, and considers the economic value of the rights to use the *cofradías*' infrastructure and personnel at the port.
- 11 A specially interesting problem came to light when a certain customer complained about the lack of freshness of the product. After thorough research, it turned out that the customer was not used to get the products "so fresh": once fishes are caught, they maintain a "soft" appearance that lasts several hours, until they acquire a characteristic firm touch commonly identified as an attribute of freshness.