The Expectation-Management-Theory of Sustainable Integration between Marketing and Innovating

Christian, Schaller
Department for Marketing, University of Paderborn
Warburger Str. 100, 33098 Paderborn
Germany
Christian.Schaller@notes.upb.de

Abstract

Both, marketing's and R&D's recent developments in research and practice are similarly formed towards open, network- and relationship-oriented enhanced philosophies and roles. Despite the key importance of the marketing/innovating-interface as critical factor for a firm's market success these changes and the involved grown importance as well as complexity are not yet reflected in the relevant discourses. But how could an effective integration between marketing and R&D in their substantially changed roles be achieved? Researching into an answer on this question is the main purpose of this paper.

Expected altered forms of effective integration as well as taking into consideration the typically neglected change issue recommend a differentiated research perspective, allowing for processual and contextualist in-depth understanding. Consequently for this study an interpretative-relational paradigm was chosen as basic belief system and a conceptual framework as theoretical sensitivity according to the demand in an open, interaction, network and relationship oriented view of marketing, organising and innovating. The study is empirically grounded in a longitudinal process research for over 4 ½ years of the Huber group, one of Europe's leading printing ink manufacturer. The theory developing research strategy is formed by Van Maanen's two step approach of organisational ethnography and detailed by an interpretative version of the grounded theory approach. Using and enhanced version of Strauss' coding paradigm, expectation management at Huber in the relational-network of marketing and innovating emerged as core category out of the (sub-)categories of the causal conditions of in-/effective integration, representing the central phenomenon and integrating all other categories with theoretical saturation and completeness. Via comparison of this core category and the corresponding substantive theory with external references the final goal of an expectation-management-theory of sustainable integration between marketing and innovating was reached.

Based on the theory's ambition and its underlying processual fundament integration scenarios between marketing and innovating in dynamic heterogeneity of traditional and altered roles can become addressed in a holistic manner, integrating arbitrary internal and external marketing and innovating parties, incorporating interdependencies, horizontal and vertical contextuality, as well as formal and informal rules and expectations. Additionally it is a fundamental process and management oriented theory, constitutively incorporating the implementation in terms of processes of first and second order change. Moreover the expectation management theory as planned can become connected to the discourse and process of embedding the core category and emerging theory of relationship marketing in an increasing dense network of relations between its central categories and concepts of relationship, interaction and network.

Keywords: Network-based Relationship Marketing, R&D-Marketing interface, Interpretative-Relational Paradigm, Longitudinal Process Research, Grounded Theory.

Introduction

"During the past 20 years, numerous studies have explored the R&D-marketing interface. (…) Does this mean we have all answers when it comes to ensuring the necessary level of cooperation and integration between R&D and marketing? Of course not." (Griffin and Hauser 1996, p. 191) Despite the importance of an effective integration between marketing and R&D as critical factor for success of new products (e.g. Olson et al. 2001; Gupta, Raj, and Wilemon 1986) it is a rare phenomenon in many organisations (e.g. Gupta and Wilemon 1996; Saghafi, Gupta, and Sheth 1990). Recent developments even more emphasize the key importance of this interface and increase the complexity of its management. With reference to new complex and dynamic macro-environmental forces in the business environment of organisations the roles of marketing and innovation management have substantially changed: Marketing seen as market oriented management and based on interaction within networks of relationships (e.g. Gummesson 2002; Hakansson and Ford 2002; Turnbull, Ford, and Cunningham 1996); R&D seen as innovating in open, multi-organisational and dynamic relationship networks, as ubiquitous phenomenon of systemic and inter-systemic connectedness (e.g. Chesbrough 2003b; Gupta and Wilemon 1996; Turpin, Garrett-Jones, and Rankin 1996).

But how could an effective integration between marketing and R&D in their substantially changed roles be achieved? Basic assumption is that the altered roles of marketing and innovating, their network- and relationship-oriented, dynamic, processual and holistic character will come along with altered forms of effective integration. The status quo of the research interest's discourses in marketing and in innovation management research until now does not adequately reflect these developments. Furthermore, analysing this status quo, underdeveloped (explicated) theoretical framing, methodological hegemony and limited validity must be stated. Although first attempts to apply a network-perspective on researching the marketing/R&D-interface have recently been made (e.g., Gupta, Wilemon, and Atuahene-Gima 2000; Perks 2000) to the best of our knowledge there are no studies consequently taking into consideration these functions changed roles. Aim of this study is to extend the research of the marketing/innovating-interface on the basis of addressing the altered roles of marketing and R&D and the correspondingly required altered forms of effective integration via demanded altered research perspectives and with increased validity. Central research question is how the change of a medium-sized industrial manufacturing firm to sustainable integration between marketing and innovation can be managed. The superordinate scientific goal of this research is on the basis of its innovative and inductive theory generating approach to open the network of established perspectives on industrial marketing and to contribute to the development of the developing (network-based) relationship marketing theory (Gummesson 2002, pp. 300; Möller and Halinen 2000, p. 43).

Our research has important implications for both research and practice. Have Hakansson et al. in the late seventies already highlighted, that organising the marketing function was "(…) the most competitive mean in industrial marketing", organizational issues have still further risen "(…) to the top of the agenda of the future of marketing." (Day 1997, p. 67) And at the very heart of these organisational issues of diverging marketing and innovating activities is obviously that of integration. This study's inductively developed theory is the first in the discourses of the marketing/R&D-integration addressing the changed roles of marketing and innovating in integrated form. Additionally it is the first to research the marketing/innovating-interface truly implementation oriented, with high validity and managerial relevance beyond lip service. And last but not least this theory has evidently the potential for a more general theory of expectation management with high explanatory power – opening further potentialities for research and management addressing the "organisational problem" in a network-based relationship marketing. We begin this paper by deconstructing the research context and then to explicate and develop the theoretical grounding and research design. Following the introduced research process the second section is to step-by-step construct the expectation management theory, before the last section focuses on the conclusion.

Deconstruction and Root Distinctions

Aim of this section is the contextual embedding of the study (Maxwell 1996, p. 25; Miles and Huberman 1994, p. 16-18). This is composed of on the one hand a critical examination of the existing research fields and discourses in the research interest's domain, together with learnings from first pilot studies leading to the identification of central research gaps. And on the other hand this comprises the

reflective explication of the root distinctions of paradigmatic and theoretical pre-understanding informing this study as "theoretical sensitivity" (Glaser 1978; Strauss and Corbin 1990, pp. 41).

Research Context of the Marketing/R&D-Interface

Starting point and basic foundation of the research context, understanding the process of theory construction as disciplined imagination and reflexivity (Weick 1989; Weick 1999), is the author's *critical subjectivity* as reflective treating of his experiential context (e.g., Gummesson 2000, p. xi; Reason 1988, p. 12). Enhancing this context were two *pilot studies* in publicly funded research projects in the fields of relationship marketing and innovation management of services. They not only developed the justification for this study but also informed essential decisions as regards contents and methods of this study. Their key learnings emphasise the relevance of recent developments in marketing and innovation management. The principles and practices of both functions may be interpreted as being affected by the same complex and dynamic macro environmental forces of the business environment, concerning the technological, social, economic and political/legal environment (Palmer 2002; Gupta and Wilemon 1996). And thus substantial similarities in their evolution come along: Marketing is said to undergo a fundamental, epoch breaking change, towards a relational paradigm, and seen as market oriented management and based on interaction within networks of relationships (e.g. Gummesson 2002; Hakansson and Ford 2002; Turnbull, Ford, and Cunningham 1996). And also for R&D, albeit less distinctive, new rules and changing patterns are claimed in contrast to the old paradigm: innovating in open, multi-organisational and dynamic relationship networks, seen as ubiquitous phenomenon of systemic and inter-systemic connectedness (e.g. Brockhoff 2003, Chesbrough 2003b; Gupta and Wilemon 1996).
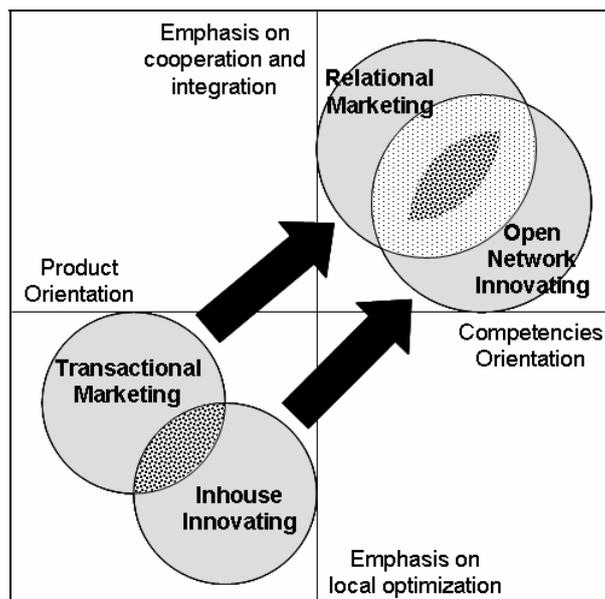

Figure 1: Research interest in the context of recent developments (following Sheth and Parvatiyar 1995, Chesbrough 2003a; Möller and Halinen 2000)

In conclusion (see Figure 1) three issues can be emphasised in both functions' developments. The first is an enhanced application context (depicted via the circles sizes), as described above. The second is – from a perspective on the organisational social structure orientation (vertical axe) – the development from mechanistic, highly formalised, centralised and functional oriented forms of organisation emphasising operative efficiency towards rather organic-flexible forms of internal as external relationship networks emphasising effectiveness and processual aspects of coordination and integration. Thus one doesn't need to wonder that it is repeatedly pointed out that organisational and especially integration issues are rising to the top of the agenda on the future of industrial marketing and R&D management (e.g., Workman, Homburg, and Gruner 1998, …..; ….. -> Quellen?). The third is – from a perspective on the value delivery system orientation (horizontal axe) – the development from a narrow on products and their technical features aligned orientation of the value system of innovations in R&D and their transactional marketing and selling towards more holistic views of in interactive scenarios cooperatively innovated and created value with internal and external partners on the basis on process- and competency-orientation. What follows is the *core thesis* that motivated this

study, namely that these altered roles of marketing and innovating, their increasingly network- and relationship-oriented, dynamic, processual and holistic character is accompanied by altered forms of effective integration. Basically new demands will be made both on the extent and on the content of integrating marketing and innovating.

What is the status quo concerning answers on the issue of effectively integrating marketing and R&D? How are the above-mentioned suggested developments reflected in these discourses? At first glance, based on standard marketing textbooks, the establishing of (market- or network-based, Möller and Halinen 2000) relationship marketing as discipline(s) seems not yet to have changed the well-known situation of the traditional marketing management concept with its tradition to "(…) downgrade internal managerial and organisational issues" (Brownlie and Saren 1992, p. 37; see also Piercy 1985, p. 15, Möller 1992, p. 211). A systematic literature review in leading international marketing and innovation management journals and keyword-search in several research databases,[1] highlighting publications of the last ten years, is to detail this picture. Altogether integrated in the review were 87 publications dedicatedly addressing this topic in marketing and innovation research, with a noticeable higher prominence in innovation research. Repeatedly stressed are the status quo of suboptimal integration and of strong disharmony between marketing and R&D in many firms (e.g., in marketing research: Gupta and Wilemon 1996, p. 500, Saghafi, Gupta, and Sheth 1990, pp. 89; in innovation research: Souder 1988, pp. 8, Song and Parry 1992, pp. 96) as well as that an effective marketing/R&D integration is strongly correlated with innovation success (e.g., Olson et al. 2001, p. 266, Gupta, Raj, and Wilemon 1986, pp. 13; Griffin and Hauser 1996, p. 193, Leenders and Wierenga 2002, pp. 311). Open issues are especially seen in causes for poor integration and in researching methods for effective integration including context factors (e.g., Saghafi, Gupta, and Sheth 1990, pp. 91, Workman 1993, pp. 413; Song and Parry 1997, pp. 358, Atuahene-Gima and Li 2000, pp. 455). Heyday of the research interest in marketing/R&D-integration was – supported by several research programmes[2], e.g.– between the mid 80s and the mid 90s, strongly influenced by a few very active authors: Gupta, Ruekert, Walker, and Wilemon in marketing research, Moenaert, Parry, Song, and Souder in innovation management research. Publications in both research streams show an expansion of the research interest: In innovation research since the 90s an increased amount of studies about the triade marketing/R&D/production (e.g., Griffin and Hauser 1992, Song, Montoya-Weiss, and Schmidt 1997, Olson et al. 2001), since the new millennium publications with attempts of an coupling to discourses in organisational learning (e.g., Lynn, Simpson, and Souder 1997). In marketing research first studies attempt to study the topic with a network-perspective (e.g., Perks 2000, Gupta, Wilemon, and Atuahene-Gima 2000, Gupta and Wilemon 1996), influenced by research about marketing organisation, service- and industrial marketing.

A critical analysis of this status quo, deconstructing basic principles, needs to claim three issues: its underdeveloped theoretical grounding, its methodical hegemony and limited validity. The first one, the free and easy attitude towards the explicit use of theory, finally leads to the implicit hegemony of certain organisational and managerial preunderstandings and regarding to the understanding of marketing and innovating. Contingency and decision theory understandings in the tradition of rational planning, analytic-linear thinking in relation to organising and managing is dominant. Innovating and marketing usually are seen to happen with pure product focus in specialised departments, structured by in dedicated phases composed R&D-projects and the standards of the marketing management concept. Very few publications were found that try to deploy and benefit from alternative approaches and preunderstandings, e.g. interaction- and relationship-oriented views of activity-based marketing and innovating in open networks (e.g. and rudimentary, in marketing research Perks 2000, Gupta, Wilemon, and Atuahene-Gima 2000, Gupta and Wilemon 1996; in innovation research Lynn, Simpson, and Souder 1997, Sherman, Souder, and Jenssen 2000, Moenaert and Caeldries 1996). Fitting in this picture are the distinct empirical and methodical preferences towards large companies in high-tech industries and management as primary (and mostly exclusive) target group of the surveys. This attitude towards a scientistic-quantitative approach is coloured by standards in the mother disciplines but also strongly affected by research pragmatism as Bush and Lucas mention it: "(…) the study was comprised of the largest companies in America. This group was selected due to the likelihood of the presence of formal marketing and R&D departments and managers in such firms, and the availability

---

[1] The databases were ABI-Inform global/ProQuest, Ebsco Host/Business Source Premier and WISO I & II; the literature research was done from 02-08/2004.
[2] See e.g. the "Innovation Management Program" by Gupta et al. at Syracuse and Ohio University or "INTERPROD" by Souder et al. at the University of Alabama.

of contact names and addresses for such companies." (Bush and Lucas 1988, p. 28) And beyond this aspects already making for reduced validity, studies researching the change process barely exist (rudimentary exceptions e.g., in marketing research: Gupta and Rogers 1991; in innovation research: Souder 1977, Moenaert and Souder 1990, oder Moenaert and Caeldries 1996). In summary to the best of our knowledge there are no studies researching the marketing/innovating-interface taking into consideration their changed roles, the potentially involved changed integration forms with their changed perspectives and allowing for change and managerial relevance beyond lip service.

Theoretical Grounding and Research Design of the Study

The *aim* of this section, in the context of the above-mentioned critics and research gaps, is at a glance to explicate this study's basic understandings and assumptions at the bottom of the chosen paradigm, as well as of the employed theoretical grounding and the research design. Starting point is the desire of being able to empirically grasp the network- and relationship-oriented, dynamic-processual and holistic character of the changed roles of marketing and innovating.

Qualitative methodology in an *interpretative-relational paradigm* was in consequence chosen. The paradigmatic basis – following phenomological and relational social constructivism (e.g., Berger and Luckmann 1973, Hosking, Dachler, and Gergen 1995) – emphasises the embedding of social action in relationship networks and communication processes. With the relational perspective of knowing processes, viewing knowledge as socially constructed and distributed, the possibility is provided to understand human action out of relationships (Hosking, Dachler, and Gergen 1995, p. 4), embedded in the context of corresponding processes of institutionalisation (Berger and Luckmann 1973, p. 72). In coherence the *theoretical grounding*, integrated in a conceptual framework, is developed. As of course "(…) perception without conception is blind" (Weick 1999, p. 803) and interpretative repertoires and conceptions inescapably prestructure findings and interpretations, the conceptual framework was not explicitly referred to in the research process until the last theory developing step. That should have helped keeping the balance between the explorative-inductive claim, the demanded creativity and the scientific claim and according quality factors of transparency, reflexivity, plausibility, and coherence (Strauss and Corbin 1990, p. 44,). In this view the theoretical framework is understood as the summary of concepts informing the researcher's worldview, his theoretical sensitivity (Charmaz 2006, p. 169). The three building blocks are labelled "relational network"-theory of relationship marketing (e.g., Gummesson 2002, Gummesson 1999; Hakansson and Snehota 1995, Möller and Wilson 1995), "enactment theory" of organising (e.g., Weick 1979, Weick 1995, Hosking and Morley 1991, Schreyögg and Noss 1995), and "open innovating"-concept of innovation management (e.g., Ritter 1998, Chesbrough 2003a).

Marketing in the sense of market oriented management is in an activity-based understanding viewed as being "(…) based on interaction within networks of relationships." (Gummesson 2002, p. 3) The understanding follows Gummesson's developing theory of relationship marketing (Gummesson 2002, pp. 300, Gummesson 1987, p. 24) complemented by elements of the "interaction and network approach" of the IMP group (e.g., Axelsson and Easton 1992, Möller and Wilson 1995, Turnbull, Ford, and Cunningham 1996). The network-view of the "complete marketing equilibrium" (Gummesson 1996, p. 41) emphasises beyond interdependencies that the "[t]he distinction between internal and external marketing becomes fluid" (Gummesson 2002, pp. 197, see also e.g., Hakansson and Ford 2002, p. 134).
Relationships as well as *organisations* are seen as social constructs, inherently communicative. Organisational structure is regarded as being "(…) established by regular patterns of interlocked behaviors" (Weick 1979, p. 90). Organising processes basically aim for removing equivocality, by individually and collectively making sense of it (Weick 1995), and accordingly aim for developing mutual prediction to find to coordinated action and to develop collective structures (Weick 1979, p. 100, 134). In conformity with this leadership is viewed processual, participative and pluralistic as "(…) processes in which influential 'acts of organizing' contribute to the structuring of interactions and relationships, activities and sediments" (Hosking 1988, p. 147, see also Dachler 1992). The understanding of *innovating* is adapted to the above-quoted ideas, activity-based innovating in intra- and extra-organisational networks of relationships (Gupta and Wilemon 1996, Chesbrough 2003a), processual-dynamic and pluralistic-participative towards the invention and exploitation of novel means-end-combinations for targeted design-areas of the innovated achievement.

What research strategy, approach and methods will help to get us the understanding to answer the research questions? This study followed the invitation of Miles and Huberman, "(…) to look behind any apparent formalism and seek out what will be useful in your own work" (Miles and Huberman 1994, p. 5).
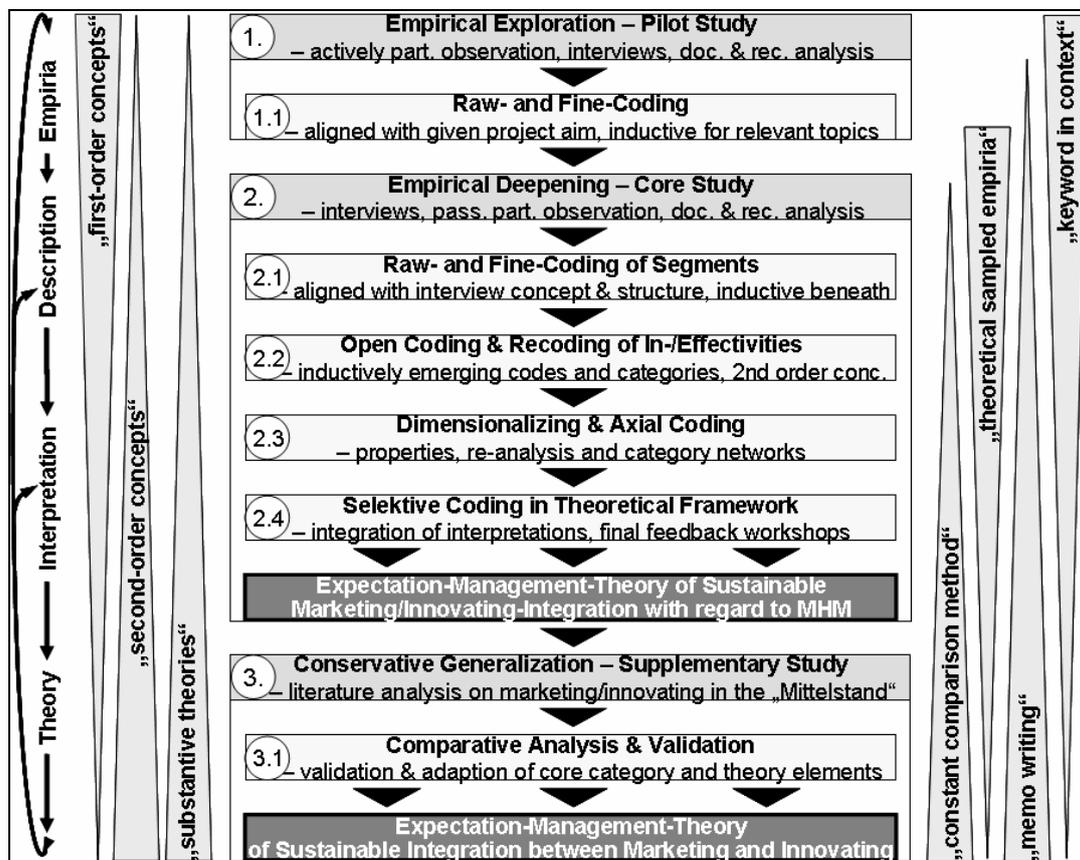

Figure 2: The research process towards the developed expectation management theory

In a top-down proceeding a vantage point for the inductive, theory developing *research process' strategy* are Van Maanen's analytic frame of organisational ethnography (Van Maanen 1983) and Weick's approach of theory construction as disciplined imagination and reflexivity (Weick 1989, Weick 1999). An interpretative version of the grounded theory approach based upon Strauss' version (Strauss and Corbin 1990, Strauss and Corbin 1994) and following Charmaz's hints (Charmaz 2000, Charmaz 2006)[3] could detail the way from second-order conceptions to the theories aspired after. The concrete and practical *design of the research process* now uses Pettigrew's theory of method for conducting longitudinal field research on change processes (Pettigrew 1987, Pettigrew 1990, Pettigrew 1997). The driving assumption behind the involved process thinking is "(…) that social reality is not a ready state. It is a dynamic process." (Pettigrew 1997, p. 338) As "[e]xplanations of change are bound to be holistic and multifaceted", "(…) theoretical sound and practically useful research on change should explore the contexts, content, and process of change together with their interconnections through time." (Pettigrew 1990, p. 269, 268) Following Pettigrew's "guiding assumptions" meant in the empirical research process to collect data that is processual, comparative, pluralist, historical and contextual (Pettigrew 1990, p. 277, Pettigrew 1997, p. 340). The research design of the study reflects these demands. *Empirical basis* formed, as was purposefully sampled on the basis of a pilot study, the German headquarter of the family owned Huber Group, world's no. eight in the printing ink industry, and the researching into its – via two strategic initiatives – change processes in marketing and R&D and the interplay of these two core functions for over 4 ½ years. Using horizontal (eight functional areas, three innovation projects), vertical (four hierarchical levels) and processual (two strategic initiatives as dedicated breakpoints, real time and historical analysis

---

[3] Glaser as well as Strauss and Corbin "(…) endorse a realist ontology and positivist epistemology" (Charmaz 2000, p. 513), e.g. stating that "[t]he data do not lie" (Strauss and Corbin 1994, p. 85) vs. in an interpretative view understanding data as narrative co-constructions (Charmaz 2000, p. 523).

over ten years) theoretical sampling (Strauss and Corbin 1990, pp. 176, Charmaz 2006, pp. 96) in the sense of "'planned opportunism'" (Pettigrew 1990, p. 274), including Huber and main customers (thirteen, active and former ones) were conducted.

As *empirical methods* expert interviews and observations were chosen, complemented by an analysis of written documents and records, as triangulated, integrated approach synergeticly combining the methods' strengths and reducing the risk that the conclusions will reflect only the systematic biases or limitations of a specific method (e.g., Janesick 2000, p. 391, Denzin 1978, Pettigrew 1990, p. 277). Altogether 109 interviews and observations were conducted, resulting in more than 900 pages of full-text transcriptions, field-notes and memos, enhanced by secondary data. The *data analysis approach* finally, detailing the process and employed methods (see Figure 2), formed a eight-step model via three phases.[4] The first phase is based on the empirical exploration of the pilot study, and using "keyword in context"-coding this phase resulted in clarifying the relevance of the research topic for MHM. The second phase, based on the empirical core, deepening and feedback phase, with its descriptive and interpretative coding steps, moved from descriptive raw- and fine-coding, via – in increasing focus – open coding and recoding, axial (following an enhancement of Strauss' and Corbin's coding paradigm (1990, p. 99)) and finally selective coding, towards a theoretically saturated, substantive contextual theory with focus on MHM (… -> zu dieser Theorieform). Finally the third phase, labelled supplementary study, proceeds in the process of "(…) abstraction that takes place over the entire course of the research" (Corbin and Strauss 1990, p. 15), striving for conservative generalisation and an increase in the theory's applicability and explanatory power. It is based on secondary data about marketing and innovating in the medium-sized manufacturing industry in Germany (as a certain part of the "Mittelstand", NACE-numbers 15-36), and employs comparative analysis (Strauss and Corbin 1990, pp. 84) of the emerged core category, embedded in the category's network of the coding paradigm, and of central elements of the contextual theory, resulting in the middle-range substantive expectation management theory of sustainable integration between marketing and innovating.

Construction of the Expectation Management Theory

The process description in the last section was to visualise the overall architecture of the longitudinal research and theory developing process of this study. Aim of this section now is to introduce the final result of this process, i.e. the expectation-management-theory of sustainable integration between marketing and innovating. Before focusing on the final achievement, the theory's contextual embedding and the central categories and concepts, having emerged in developing the substantive contextual theory relating to MHM, will be reconstructed and explained. In the last and fourth sub-section the theory itself will get introduced.

Reconstructing Empirical Context and Strategic Breakpoints at MHM

Michael Huber München (MHM, 600 employees, 110 Mio. € total revenue in 2003), was founded 1765 in Munich, Germany. Today the family owned parent company of the global player named hubergroup (2100 employees, 450 Mio. € total revenue in 2003), is together with its subsidiaries and affiliates in the group one of the world's largest printing ink manufacturers. The Sales and Service program comprises printing inks, varnishes and auxiliaries for commercial and newspaper printing (bulk business) and for packaging printing (specialities business) for the main graphical processes. In former times producing printing inks was a handcraft and an art and during the rapid period of growth after the Second World War, in the seventies the phase of automation has started. Until then the printing ink industry in Europe was medium-sized and local. With the increase in industrialisation and volumes MHM shortly realised, that as purely local company there was no dealing any more, "(…) one needed to grow, otherwise one can't keep up with the fairly big ones." (MHM 2001) Growth and internationalisation intention were mainly technical oriented, as the company itself has always been: "Good printing ink then one can easily sell." (MHM 2002) The *context of the last years* now is characterised by distinctive changes in the printing ink industry. The harsh economic climate and its immediate effect on printing sales (Milmo 2003, p. 8) intensely affected the printing industry as core sales market, that reacted with massive staff reduction, increased price-competition, consolidation and

---

[4] For support of the analysis MAXqda2 was chosen, the successor-version of WinMax, that was tested in one of the above-mentioned pre-projects (see e.g., Miles and Weitzman 1994; Kuckartz 1999).

internationalisation. This after all led to challenging conditions for the printing ink industry, a further squeeze on margins, and structural changes alike the printing industry (e.g., Holland 2003, Tolliver-Nigro 2003). Today *MHM's position* is in the "(…) sandwich position between large-scale chemical industry [as pigment-supplier] and large-scale customers" (MHM 2002). Their main competitors, up to ten times bigger and backwards integrated, can produce the most expensive ingredient of printing ink, the pigments, themselves.

Until the start of this study the *strategic approach of MHM*, their "'survival strategy'" (MHM 2000), was characterised by being small and fine, and to attach importance on quality and on technology. As missing elements amongst others marketing and innovation were named. *Two strategic initiatives*, "Reorganising R&D" in 1998 and "Vision 2000" in 2000, focused on as dedicated breakpoints in this study (Pettigrew 1990, p. 272), were accordingly started to address these issues. "*Reorganising R&D"* mainly tried to break open the formerly highly specialised and personally related functional silos. This was to be reached via establishing topic-oriented D(evelopment)-projects in a matrix-organisation and the prior pure specialists technically wider oriented as a resource pool for that projects organised in competence centres, labelled central laboratory (CL). Clearer dissociation to the group named application technology (APT), the operational development group with intensive customer contact, should free them from daily routine jobs. The steering of those D-projects was to be carried out by the newly established Technical Steering Committee (TSC). The processual reconstruction (in 2004) of an innovating scenario showed, spanned by two scenario-forms, innovating on the one hand with a wide variety of included parties but with separated D- and M(arketing)-subprojects, and on the other hand with central orientation on customers and key account managers (KAMs) as their megaphone towards the organisation, frequently without mentioning the steering committees TSC or M(arketing)SC. Both scenarios had CL and APT in central role for the design-build-test(DBT)-phase. MSC and respectively KAM or technical/commercial field service (TFS/CFS) are said to be in charge for the market launch-phase. The "*Vision 2000"*, betoken as initiative for sustainable strategic change, highlighted differentiating from competition via three core elements (instead of a pure growth strategy): maintaining quality leadership, taking over marketing leadership and changing from manufacturer to service provider. Leadership by the managing director and owner is meant in accordance with the term leading, i.e. "(…) if by and large that happens, what we have decided to do, (…) that we reach what we intended to do." (MHM 2004) Measures as a consequence of the "Vision 2000" emphasise the range as well as the significance of the intended cultural and structural changes: new leadership principles get introduced, the cultural change picked out as a central theme, and via the "organisation 2001" leadership by steering committees is introduced. Besides the already above-mentioned TSC the MSC gets established, filled with sales directors of group companies. As goals by the MSC communicated were to develop an "integrated marketing as firm-wide market-oriented leadership concept", "marketing as culture at MHM" (MHM 2001). The processual reconstruction (in 2004) of a daily routine scenario – in contrast to and overlapping with the innovation one(s) above – showed besides the MSC and KAM as already mentioned and recently introduced parties and roles CFS, Sales Administration (SA), but also APT and its field service part TFS. Internal interplay can also be seen as spanned by two forms of this scenario: one with SA as the "hub of action" (MHM 2004), centrally coordinating the sales force (KAMs/CFS) and APT/TFS according to the customers' requirements, and on the other hand, based on the informal, lived hierarchy KAM->CFS/TFS->SA->APT, one emphasising – according to the customers' technical consulting requirements – mainly APT/TFS as the customers' contact party, secondly KAM (depending on their individual technical competencies) with SA as their – and their customers' – office.

In-/Effectivities in Marketing, Innovating and their Interplay at MHM

On the way to discuss *central in-/effectivities in marketing, innovating and their interplay* it may help to step back and firstly introduce the three "in-vivo"-codes (Glaser 1978, p. 70) that emerged out of the pilot study and clarified the relevance of the research topic for MHM (see Figure 2, step 1.1): "extortion-free customer relationships", "existing culture of the classic printing ink sales force", i.e. KAM/CFS, and "strategy-chance change". In the pilot phase an "Ink Academy" (IA) got installed, as open training and interacting platform, innovating platform for continuous and cooperative learning about and with manifold parties of the value network, and last but not least as an "enabling context" (Von Krogh, Ichijo, and Nonaka 2000, p. 7) to "(…) establish customer-supplier-terms of different quality" (MHM 2002). This should have helped, as "(…) school of life for the sales force", who "(…) always has shown great respect for customers" (both MHM 2004) and perceived customer relationships as extortionate. IA (in that phase primarily seen as an agent of innovating) and the sales

force (seen as an agent of marketing) now, at the end of the pilot study, were not on friendly terms as the latter had repeatedly attempted to exploit the IA for his purposes and resented the IA's neutrality-claim. The third "in-vivo"-code just stressed the management directors' assessment of scope and expected difficulties in the activated change process.

Supported that in essence this study's research interest and MHM as suitable research partner, it also helps to understand the following categories of in-/effectivities in marketing, innovating and their interplay. As already open recoded categories they are formulated as second-order conceptions, i.e. already using own "conceptions of what is going on" (Van Maanen 1983, p. 39) of the researcher but still keeping back in referring to the theoretical framework (see Figure 2, step 2.2). The *first category*, labelled "no effective marketing", is based on MHM's extreme customer-orientation, and that MHM traditionally conceived this selling-orientation as marketing. Employees characterise MHM as down-to-earth, traditional and honest. Raised claim has always been to be technically brilliant, falderal in addition was not needed. The MST is not yet able to play its part. The *second category*, "too much customer paradise", is reflecting the mentioned tradition of fulfilling customers every desire, the formula for the success of the "Mittelstand" and medium-sized printing ink manufacturers for decades. Especially KAMs were missing self-confidence and courage and finally APT had to pay for. But also the latter, after its above-mentioned separation from CL, not yet has the required competencies to play its central role. The *third category*, "reactive problem solving as innovating", refers to the critics that D-projects often get reactively started without strategic farsightedness or plan from the sales force or MSC, just following the "sales fraction's" (i.e. KM/CFS, SA, MSC) desire after technical differentiation, after no more coercion to deploy the "sales mode", i.e. do obedient selling. From the "technology fraction's" (i.e. APT/TFS, CL, TSC) view the "sales fraction" had to act straighter, more consequent and forceful. The *fourth category*, "project-matrix without leadership and dual-orientation", relates to former, first-order ones about matrix-innovating and project management. The claim to work on projects additionally to the daily routine typically leads to massive delays, realisation problems and internal tensions because of varying participation in projects. Especially sales force parties are rarely actively integrated in project work. Additionally project management followed the tradition of "(…) muddling along forward with rule-of-thumb" (MHM 2003). Projects present themselves without leadership or goal-settings, with accordingly diffuse roles of MSC, TSC, their interplay, or separated innovation projects in technical-internal oriented D-projects, handed over to the MSC or the "sales fraction" for the rollout via a M-project. The *fifth category*, "half-baked implementation of technical realisations", refers to testing and rollout. Especially giving rise to criticism is the played role of the "sales fraction". Testing newly developed printing inks is highly complex, important and customers and their printing machines thereby needed. The sales force's main interest contrary to fathom new products' potentialities and limits was not to disturb the peace. The sales force and customers are mainly interested in problem solving and volume. Coming along, supported by the separated D- and M-projects, are e.g. either problem-fixing sellings of not sufficiently tested products or conservative-reluctant behaviour without "big bang"-market launch. The *sixth category*, "resistances to the leading of change", finally addresses the persistence tendencies in the organisation and the management's astonishment about the unexpected length of time needed for change and about resistances coming out. For grown structures and the subculture in the sales force was mentioned one needed to change the basic attitudes, people had fear. "That's sheer madness how stiff and little flexible such an organisation is, how much it is attached to the traditional." (MHM 2003)

Core Category and Processual Basis for Effective Marketing/Innovating-Integration

These above-mentioned categories of in-/effectivities in marketing, innovating and their interplay at MHM now provided the basis for the next step of axial coding (see Figure 2, step 2.3). A modified version of Strauss' coding paradigm helped in this phase to relate sub-categories according to their character as causal condition, consequence or action strategy to the well-known categories of in-/effectivities. The main interested of course lies in the causal conditions of the emerged phenomenons of in-/effectivities in marketing, innovating and their interplay, as those sub-categories are to form the basis for the emerging future core category. By means of this core-category, so is the basic idea, it shall be possible, to overcome the causal roots of the central ineffectivities of the integration of marketing and innovating and support those of the effectivities. Foundation for that will be which processes underlie this core category (see Figure 3 for the accordingly expanded coding paradigm model). Lastly these processes are the very basis where the emerging theories to develop will have to be put onto.
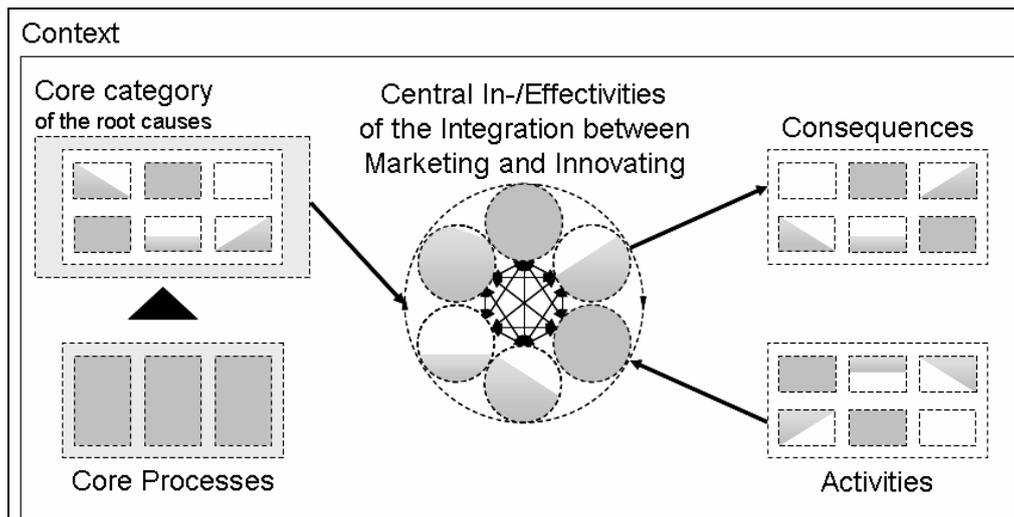
Figure 3: Expanded coding paradigm model to develop the core category and identify its basic processes

But one step is still missing until the core category can be introduced, that is to clarify what we mean by integrating. Based on the holistic and context-sensitive paradigmatic grounding and accordant open-network- and relationship-oriented understanding of marketing and innovating a wide focus on the research interest was deliberately kept until now: In-/effectivities of marketing, innovating and their interplay instead of the subset of in-/effectivities of integrating marketing and innovating. Grounded in the empirical basis and status quo in marketing and innovating at MHM and the central in-/effectivities above-mentioned a both empirically grounded and in this study's organisational understanding united view of the integration concept is to be developed. Analysing the status quo of *marketing and innovating* at MHM shows *philosophies* directed towards and conforming to the initially expected developments (see Figure 1): Both functions are e.g. not to be institutionalised in dedicated departments but in an activity-based, open understanding to be lived "all-around in the company" (MHM 2001). Marketing- and innovating-*practices* on the other hand show great diversity, some already according to the management's philosophies, some still attached to tradition and some in between. Accordingly and also following the involved organisational perspectives (e.g., Hatch 1997, pp. 21) *marketing and innovating intertwine in several layers at MHM*, also conforming to in-/effective interplay – and the corresponding categories – between both parties and roles: From a classic *functional* integration of specialised marketing/innovating organisational units, via a *processual* integration between and inside of innovating-process steps, an *activity-based* integration in a matrix of marketing-routine- and innovational special-case-scenarios, and finally a *dual-role* integration between marketing- and innovating-expectation-contexts in a network-oriented relationship view. The first one was at MHM found e.g. between "technology fraction" and "sales fraction" and each fraction's departments, the second one e.g. between APT/TFS and KM/CFS in the test & piloting-phase of a D-project or between D- and M-projects, the third one e.g. between the sales-routine of KMs and their role in a D-project and the corresponding expectations in KMs playing and trying to fulfill their roles with all their options and inconsistencies, and the fourth one e.g. between the expectation context innovating of the KMs or TFS (concerning their role, e.g. as collaborator in a D-project's test & piloting-phase), their corresponding expectation of the customers' role and behaviour, and the expectation context getting-supplied or –helped of the customers (concerning e.g. their routine-role) and in-turn their corresponding expectations of the KMs' or TFS role and behaviour. Enhancing the third one here also all participating parties (i.e. e.g. also customers) for themselves have each to integrate the expectation contexts of their dual-roles and corresponding behavioural expectation-discrepancies (Luhmann 1984, p. 412).

It is easily recognised that the latter integration forms are beyond traditional, instrumental organisation theories' grasp. In an uniting view *integrating* in this study ought to be understood as the process of coordinated aligning of separated behaviour towards the overall assignment and the organisation's objectives. In this study's theoretical framework this incorporates three aspects. *Firstly* it includes interlocked behaviours of collective structures and their institutionalising processes (Weick 1979, pp. 90, Berger and Luckmann 1973, pp. 65). *Secondly* comprised are underlying processes of sensemaking, i.e. removing equivocalities by individually and collectively making sense of them (Weick 1995, Weick, Sutcliffe, and Obstfeld 2005, p. 409) – and accordingly aim for developing mutual

prediction to find to coordinated action and to develop collective structures (what ties this second process together with the first one). And *thirdly* incorporated, intertwined with the latter one(s) in iterative and reciprocal fashion, are processes of sensegiving (Weick, Sutcliffe, and Obstfeld 2005), i.e. processes of relational leadership, "(…) of attempting to influence the sensemaking and meaning constructions of others towards a preferred redefinition of organizational reality" (Gioia and Chittipeddi 1991, p. 442, similar e.g., Dachler 1992, p. 176). Another cycle of recoding based on this integrating view differentiated between nucleus- and context-phenomenons of central in-/effectivities, with the further focus on the first ones (the dark-grey marked areas in Figure 3). The core of these *nucleus-phenomenons' root causes* now comprises four areas: firstly aspects of horizontal contextualism, i.e. market-related like e.g. differentiation by quality, support and customer relationships, and internally related like e.g. the technical orientation or the need for harmony; secondly the characterisation and role understandings of the fractions technology (e.g. developer and technician ambition) and sales (e.g. identification with customer problems, tactical-technical reacting); thirdly leadership and communication in the tradition of improvisation and without obligation, operationalisation, steering and control; and lastly the innovation organisation with diffuse roles and processes. The *core context* is characterised by the customers' expectations, as well as those of the management board, and e.g. of the fractions technology and sales (that are for each group itself startling homogenous). *Core consequences* are besides internal and external tensions, few and tactical-reactive innovations, marketing transactional-reactive and adynamic, and realisation problems concerning insistence, professionalism and deadlines. *Core activities* so far are the above-mentioned strategic initiatives.

Now, what is the *core category* of the emerged root-cause-categories in the above category-network? Its goal is "(…) theoretical completeness, accounting for as much variation in a pattern and behaviour with as few concepts as possible, thereby maximising the theory's parsimony and scope." (Strauss 1984, p. 31) Be its story (Strauss and Corbin 1990, p. 119), developed by selective coding in this study's conceptual framework (see Figure 2, step 2.4), taken directly out of a theoretical memo: "(…) from my perspective marketing and innovating in a activity-based, network- and relationship-oriented understanding at MHM happens in networks of expectations respectively in with expectations loaded relationships that act on the particular roles. (…) The employees need ultimately to orientate themselves in this ocean of ambiguous, vague and inconsistent, internal and external expectation-relationships relating to marketing and innovating, and to find to meaningful behaviour. And depending on this expectation-netting and the dealing with it, be it on operational or on leadership level, this behaviour will then be more or less effectively integrating." Leading question on the core-category's development was: if, how and which expectations for connectable, i.e. mutual predictive, behaviour for the participating actors are met? As mostly behaviour has fallen short on of the management board's explicitly formulated formal (but usually underspecified) behavioural expectations. Which expectations then developed (informal) structural character in that zone of indifference at MHM, that has grown out of the routinised lack of obligation? In the centre of an answer, according to MHM's extreme form of customer orientation, are of course expectations of their printing industry's customers. But also relevant are, in historical anchorage (e.g., Berger and Luckmann 1973, p. 72), self- and role-conceptions of participating parties, especially of the fractions technology and sales. In accordance to the above-mentioned leadership perspective, then the core category can be labelled as follows: Expectation management at MHM in the relationship network of marketing and innovating. The *processual basis* of this core category, in reference to this study's above developed integration view, is then formed by the two interlocked processes of on the one hand behaviour, i.e. the discursive and recursive enactment and institutionalising of expectation structures, with the steps of specification, generalisation and respecification (Berger and Luckmann 1973; Weick 1979), and on the other hand sensemaking, with the by a feedback-loop interconnected steps of scanning, interpretation and learning (Daft and Weick 1984, Weick, Sutcliffe, and Obstfeld 2005). In summary, in an interdependent and recursive cycle emphasising both the system's meaning and action dimension, address the two core processes, relevant for coordinated marketing/innovating-interacting. The *acting dimension* highlights the process of emerging and via reciprocal typification institutionalising behavioural expectations. Behaviour at the same time delivers the input for the second process. The *meaning dimension* highlights the process of "(…) deal[ing] with uncertainty and ambiguity by creating rational accounts of the world that enable action." (Maitlis 2005, p. 21) Emerging and recursively enacted interpretation schemas at the same time have informal structural character, contingently affection behaviour (Daft and Weick 1984, p. 286). Both dimensions can be seen as the two sides of a coin, each emphasising a different perspective (Cyert and March 2004, p. 226).

Expectation-Management-Theory of Sustainable Marketing/Innovating-Integration

In this section the last few steps will be done to introduce this study's final outcome, the expectation-management-theory of sustainable integration between marketing and innovating. Not to lastly loose the process view of an empirically grounded theory the central elements of the "substantive contextual theory" with focus on MHM will at first be introduced. Afterwards it will briefly be discussed how these elements possibly have to become adapted for an answer on the research question, how the change to a sustainable integration between marketing and innovating in a medium-sized industrial firm can be managed. Then the theory as answer on that question will be introduced.

The core category up to now and its processual fundament form the basis to address the central in-/effectivities concerning the marketing/innovating-integration at MHM. But although this pivotal building block is already fundamentally processual it is still open, by what means *the change process* to sustainable and effective integration between marketing and innovating can be managed. The relevance of – beyond trivialising management recommendations – taking change and realisation seriously is – upon the research's status quo and its criticised limited validity – forcefully supported by MHM's distinct weakness in exactly that challenge. Despite most of the identified in-/effectivities in marketing and innovating have already been addressed by change initiatives during the last years, the strategic demand from the management board normally shows to be not realised, many times even is explicitly entitled as problem by employees. Based on this study's theoretical framework with an understanding of organisations as communicative, social constructs in permanent re-construction, organisational change is the endogenous normal case. (*Strategic) Change* – in the following – shall be seen as change of the organisational reference frame(s) for behaviour and sensemaking, i.e. its formal and informal behavioural expectation-structures and their corresponding organisational interpretation schemas (e.g., Daft and Weick 1984, Poole, Gioia, and Gray 1989, Rüegg-Stürm 2001). On that basis change is consequently considered a communication-based and communication-driven phenomenon: "(…) [c]hange is a phenomenon that occurs within communication. (…) [it] is a recursive process of social construction in which new realities are created, sustained, and modified in the process of communication." (Ford and Ford 1995, p. 542, see also e.g., Barrett, Thomas, and Hocevar 1995, Rüegg-Stürm 1999). However change is not only a discoursive and recursive phenomenon but also one that is fundamentally based on reflexivity: As the reflexion of disruptions and inconsistencies as irritation events (either those of acute frictions or those from intentional change impulses) can be seen as origin of change, and as the coherent further change process assumes – in an adequate combination of stability (trust) and change (distrust) – reflexion of the gained experience (Daft and Weick 1984, Schreyögg and Noss 1995).

Central elements of the "substantive contextual theory" with focus on MHM to be introduced in the following are the change locations on the one hand and the three layers of the theory on the other hand. Like leadership in the theoretical framework viewed processual, participative and pluralistic on the basis of influential acts also "(…) any separation of subject and object in an organisational change process in not very helpful." (Rüegg-Stürm 1999, p. 41) In such a perspective where change "(…) leaders emerge in the course of interaction" all as *change locations* included parties are to be seen as active change process actors. At MHM as relevant parties and roles included were management board and TSC/MSC as the "management", "technology fraction" and "sales fraction" and "customers/printers", embedded in a network of relationships, between and inside of the parties, comprising intertwined processes both of interlocked behaviour and of sensemaking. The three *layers of the expectation management theory* now comprise context, process, and content layer, in correspondence to Pettigrew's framework (e.g., Pettigrew 1987, p. 657).

The *context layer* builds the vertical and horizontal contextualism of MHM and all relevant change locations. To visualise the latter's development one could also divide it in a current expectation structure and one to-be expectation structure part.

The *process layer* now, differentiated in three dimensions, models the (change-)management approach of MHM to sustainable integration between marketing and innovating. Its concrete operationalisation is to be done in the content layer. The *"change management process" dimension* in accordance to the developed perspective above models the management of strategic change to marketing/innovating-integration at MHM as a process with three steps: from the reflective analysis of the status quo, via the discoursive development of change initiative and concept (including the process and target logic of the change), till the processual stabilisation and successive recalibration of the change initiative (Rüegg-Stürm 1999, p. 274). The latter via its recursive and reflexive design in the sense of reflexive learning processes will additionally ensure the competence transfer between

change and routine arena, connecting learning and structure. This formulates the *second dimension, named "learning process"*. Core element of the process layer as of the theory itself now is the third, the *"expectation management process" dimension*. Basis of this dimension's concept are the above developed conclusions that both in integrating marketing and innovating and in strategic change the discursive, reflexive and recursive processual treatment and removal of equivocalities are centric (Weick 1979, Weick, Sutcliffe, and Obstfeld 2005, Rüegg-Stürm 2001). In the first case equivocalities of the overlapping expectation contexts of marketing and innovating are to be focused, in the second case those of the irritation events of the change process to integrate marketing and innovating. The challenge now to realise this process of equivocality removal lies in the demands that it should firstly regard this study's open and network-oriented marketing and innovating perspective and secondly its participative and pluralistic perspective on leadership and change. In consequence the core element is modelled as discursive-polycentric process of sequential and reciprocal cycles of sensemaking (for self) and sensegiving (for others) to and in expanding audiences of marketing and innovating actors in MHM's relevant change locations (Gioia and Chittipeddi 1991, p. 443, Westley 1998, p. 350).

The *content layer* finally addresses the operationalisation of the change management process (layer), i.e. what is to be changed for sustainable integration between marketing and innovating at MHM and how is that to be reached in a processual perspective. The concrete specification of the content layer therefore is intimately intertwined with the change management dimension of the process layer. Based on the input of e.g. this process' first phase, the reflective analysis, the change management foci concerning especially the target and process logic are to be detailed. In the case of MHM, where this reflective analysis has already been done, this has meant e.g. as practical, guiding principles of the *target logic* (Rüegg-Stürm 1999, p. 280) of an effective marketing/innovating-integration: more leadership in reducing equivocalities, i.e. basically a more active leadership and communication of management board and MSC/TSC, more emancipation from customers, i.e. from the current pass-reactive interpretation mode towards an actively and self(-confident) enacting of the market environment (Daft and Weick 1984, p. 288), and more process orientation, i.e. primary the communicative and reflective netting of the fractions technology and sales. Strategically demanded and marketing and innovating effectively integrating, compatible interpretation schemas and behavioural patterns formulate the aim. However global and complete compatibility is neither realistic nor needed for – from MHM's perspective – effective integration and for compatible and connectable, i.e. mutual predictive, behaviour of the participating actors in marketing and innovating. Realistic goal therefore should be collectively enacted compatible expectation-predictabilities (Weick 1979, p. 100, Kieser, Hegele, and Klimmer 1998, p. 139, Rüegg-Stürm 1999, p. 204, Luhmann 1984, p. 179) between marketing and innovating actors. Guiding principles for the *process logic* of the change process at MHM were e.g. more communication and relationships in the leadership of change, i.e. basically extending the MHM's management interconnectedness with the relevant change location (see e.g. Kieser 1999, p. 306, Poole, Gioia, and Gray 1989, Ford and Ford 1995), selective change in integrated logic, i.e. primary suitably staging change of e.g. the necessity of the change motive and the feasibility of the change concept, and change also of the change resistances. The last aspect addresses the issue, that the effectiveness and sustainability of strategic change is highly affected by an organisation's habit of treating the corresponding irritation events (Rüegg-Stürm 2001, p. 324). The empirical reconstruction and several emerged ineffectivities showed considerable change resistances at MHM, especially low systemic irritation tolerance, i.e. basically the low quality of relationship- and communication-processes, and reciprocally interdependent low reflexive organisational consciousness. The second one e.g. shows in the unreflective treatment of expectation-disappointments in consequence of customers exerting increasing pressure on the sales fraction. In MHM's leadership vacuum that usually led to personalisation, i.e. e.g. the MSC will solve it, or the traditionally proven solution strategy of "more of the same", i.e. more "customer paradise" – further increasing conflicts at the marketing/innovating-interface.

The final middle-range substantive expectation-management-theory of sustainable integration between marketing and innovating is reached via "*comparative analysis*" (see Figure 2, step 3.1) of the above introduced embedded core category, its core phenomenons of in-/effective integration, its corresponding integration layers and root causes, and of the just discussed central elements of the substantive-contextual theory. Comparing MHM's status quo in marketing and innovating with external references explicitly addressing medium-sized companies of the "Mittelstand" corresponds with MHM's practices of both functions. Aspects typically pointed out are e.g. the low degree of institutionalising of the marketing and R&D (e.g., Piercy 1986, p. 269, Beise et al. 1999, p. 20), with marketing as tactical-reactive ending-element of the value chain, typically equated with sales (e.g., Wolf 1994, p. 15), and with R&D highly informal and rather incremental "market-pull"-oriented with a dominant role of the

customers (e.g., Herstatt, Lüthje, and Verworn 2001, p. 151). In summary comparable heterogeneity in marketing and innovating practices, and correspondingly potential integration layers and in-/effectivities between marketing and innovating can be assumed. And also the emerged root causes are supported as frequently reported typical characteristics of the "Mittelstand" (e.g., Pfohl 1990). Adaptability is required in peculiarities of marketing- and innovating-practices according to the initially discussed developments (see Figure 1), peculiar context factors as e.g. MHM's high relevance of testing in innovation projects, and e.g. the case that MHM is in quantitative selection criteria big for a medium-sized firm so that partly reported potential root causes regarding limited delegation and authoritarian leadership style (Herstatt, Lüthje, and Verworn 2001, p. 161) were not found relevant for MHM.
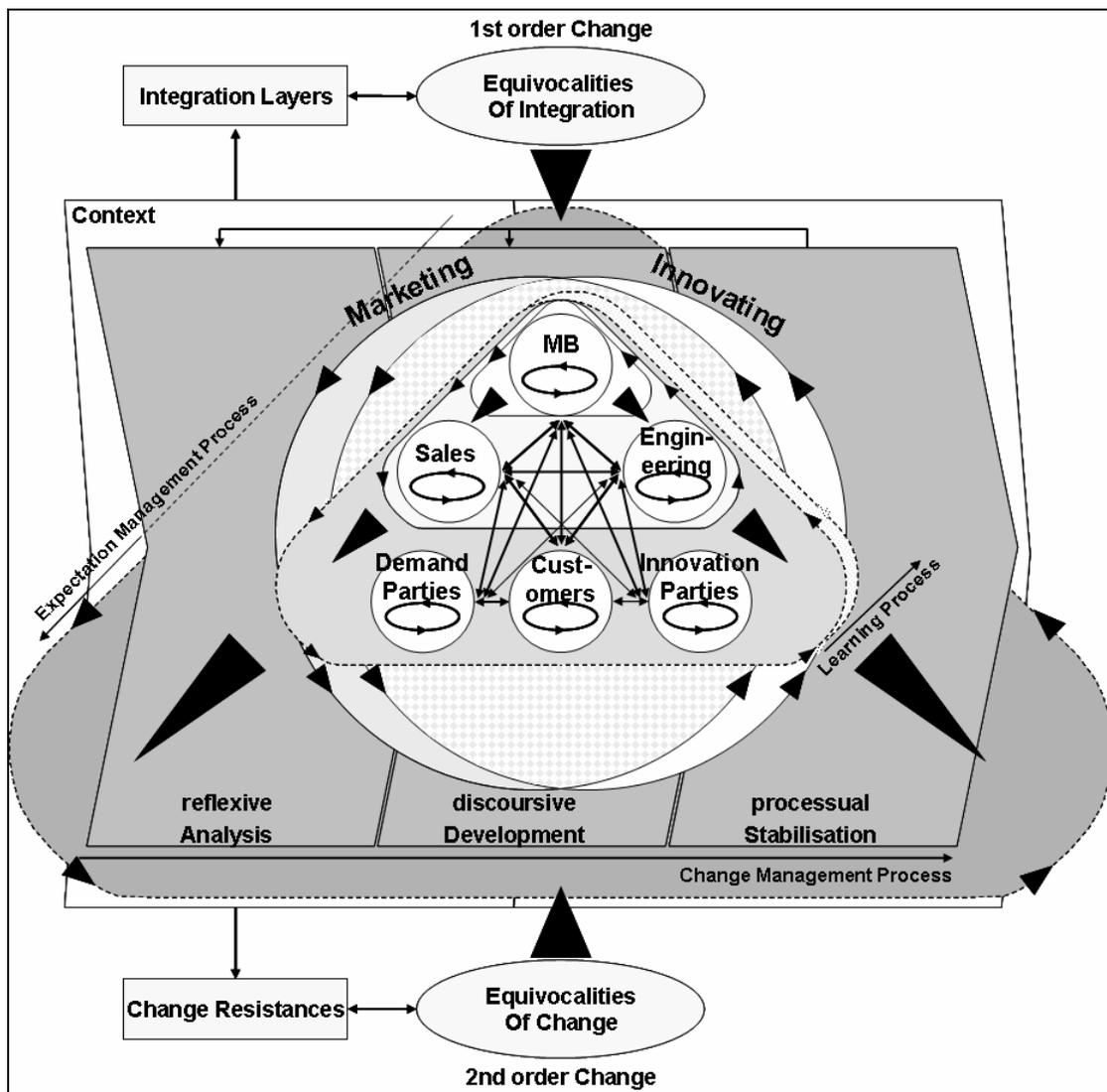

Figure 4: The expectation-management-theory of sustainable integration between marketing and innovating

As central elements of the substantive-contextual theory to be taken without need for further adaptation are the logical structure, comprising context, process, and content layer, and the above-mentioned embodiment of the context and the process layer. What remains to be comparatively analysed are the change locations and the design of the content layer. According to the above mentioned typical low degree of institutionalisation and technical as well as sales orientation in the "Mittelstand" management board and technology and sales parties as change locations of MHM get supported. TSC/MSC as MHM specific can be omitted, the pure external focus on direct customers should be widened to include also possible additional innovation or demand parties. And also the content layer's first order change – based on the above validation of the core category, its integration layers and root causes – can be accepted for the augmented application context. Change resistances as last missing element, low systemic irritation tolerance and low reflexive organisational

consciousness get strong support by external references (e.g.,). Only one part of the first resistance, MHM's low quality of leadership related relationship- and communication-processes, in small medium-sized firms is usually seen differently, i.e. depending of the firm's size change resistances will be differently accentuated.

In Figure 4 the final outcome of this study, the expectation-management-theory of sustainable integration between marketing and innovating is visualised. As all its central elements have already been developed and empirically grounded above a brief summary of its basic structure and functionality as well as its prominent characteristics are to complete and finalise the inductive, theory-developing research process of this study.

The *basic structure of the theory* is characterised by its *three layers*. The context layer in the background, split in current and to-be expectation structure, integrates vertical and horizontal contextualism. The process layer, in the centre of the figure, addresses via its three dimensions the change management process and its phases (horizontal), the expectation management processes of incrementally expanding and reciprocal sensemaking-sensegiving-cycles (vertical), and the dimension of reflexive learning processes (special backwards). And finally the content layer is to operationalise the change management process, here with focus on medium-sized firms. This is done via flexibly addressing integration layers (in the top) and change resistances (at the bottom) as well as marketing and innovating practices (via the two circles) in their contextualistic heterogeneity.

The *theory's core concept*, uniting the two central issues of integrating marketing and innovating and of strategic change to sustainable integration, including first and second order change, is the expectation management process. For both issues the removal of equivocalities emerged to be centric, for MHM and the medium-sized manufacturing industry. In a participative and pluralistic perspective this expectation management process as a kind of incremental integration and qualification process is modelled as discursive-polycentric process of sequential and reciprocal sensemaking-sensegiving-cycles to and in expanding audiences of marketing and innovating actors in the relevant change locations. Practical tests of the collaboratively enacted sensemaking and behaviour alternatives via the phase of processual stabilisation and respecification lead to recalibrating cycles of a reflexive expectation management – embedding the processual stabilisation itself in a compensating learning process of dynamic stability.

The *prominent characteristics of the theory* are its reflexivity, discoursivity, processuality and holisticity. Its holisticity is based on activity-based, network and relationship oriented and dynamic view of leadership and change, and of marketing and innovating, connecting firm and environment in an inclusive network (e.g., Gummesson 2002, p. 275). Additionally incorporated are formal as well as informal behavioural expectations, as well as first and second order change. The theory is processual as based on its organisational understanding and the core category's processual fundament it models all relevant aspects as e.g. leadership, integrating and strategic change in a fundamental processual perspective. The theory is discoursive as it models integrating and (management of) strategic change in uniting form at the most element level as discursive communication-based and communication-driven phenomenons (e.g., Weick, Sutcliffe, and Obstfeld 2005, Ford and Ford 1995). And finally the theory is reflexive as its central goal is to introduce routine and change processes in a collective, in communication embodied reflexion, as lastly the systemic activation of discursive consciousness is focused on (e.g. Rüegg-Stürm 2001, p. 168).

Conclusion

„A scientist should be curious and courageous. (…) We need more in-depth research", once said Evert Gummesson at a conference (ICRM, 01.10.2002, Kaiserslautern, Germany). Following his invitation this study had ambitious goals: On the basis of a longitudinal process study the discipline-spanning question of the integration of marketing and innovating was to be answered, with high validity and reflecting those functions' altered roles. Additionally on the basis of the inductively constructed theory in this study it was intended to contribute to the development of the developing (network-based) relationship marketing theory.

This study's inductively developed and empirically grounded theory now is the first in the discourses of the marketing/R&D-integration addressing the changed roles of marketing and innovating in integrated form. Additionally it is the first to research the marketing/innovating-interface truly implementation oriented, with high validity and managerial relevance beyond lip service. Beyond that this study was also able to contribute to the developing (network-based) relationship marketing theory. Using the

"relationship eye-glasses" of the marketing-theoretical grounding as theoretical sensitivity it could carry on with the process of embedding the core category of the developing theory of relationship marketing in an increasingly dense network of relations between its central categories and concepts of relationship, interaction, and network.

References

Atuahene-Gima, Kwaku and Haiyang Li (2000), "Marketing's influence tactics in new product development: A study of high technology firms in china," *Journal of Product Innovation Management*, 17 (6), 451-70.

Axelsson, Björn and Geoffrey Easton Eds. (1992), *Industrial networks: A new view of reality*. London: Routledge.

Barrett, Frank J., Gail F. Thomas, and Susan P. Hocevar (1995), "The central role of discourse in large-scale change: A social construction perspective," *Journal of Applied Behavioral Science*, 31 (3), 352-72.

Beise, Marian, Günther Ebling, Norbert Janz, Georg Licht, and Hiltrud Niggemann (1999), "Innovationsaktivitäten im Verarbeitenden Gewerbe - Ergebnisse der Innovationserhebung 1997," in *Innovationsaktivitäten in der deutschen Wirtschaft: Analyse der Mannheimer Innovationspanels im Verarbeitenden Gewerbe und im Dienstleistungssektor; Band 41*, Norbert Janz and Georg Licht, Eds. Baden-Baden: Nomos.

Berger, Peter L. and Thomas Luckmann (1973), *The social construction of reality*. London: Penguin Books.

Brockhoff, Klaus (2003), "A utopian view of R&D functions," *R&D Management*, 33 (1), 31-36.

Brownlie, Douglas and Michael Saren (1992), "The four P's of the marketing concept: Prescriptive, polemical, permanent and problematical," *European Journal of Marketing*, 26 (4), 34-47.

Bush, Alan J. and George H. Jr. Lucas (1988), "Personality profiles of marketing vs. R&D managers," *Psychology & Marketing*, 5 (1), 17-32.

Charmaz, Kathy (2006), *Constructing grounded theory: A practical guide through qualitative analysis*. London: Sage.

---- (2000), "Grounded theory: Objectivist and constructivist methods," in *Handbook of qualitative research*, Norman K. Denzin and Yvonna S. Lincoln, Eds. Vol. 2. Thousand Oaks: Sage.

Chesbrough, Henry (2003a), "The logic of open innovation: Managing intellectual property," *California Management Review*, 45 (3), 33-58.

Chesbrough, Henry W. (2003b), "The era of open innovation," *MIT Sloan Management Review*, 44 (3), 35-41.

Corbin, Juliet and Anselm Strauss (1990), "Grounded theory research: Procedures, canons, and evaluative criteria," *Qualitative Sociology*, 13 (1), 3-21.

Cyert, Richard M. and James G. March (2004), *A behavioral theory of the firm*. Cambridge, Mass.: Blackwell.

Dachler, H. Peter (1992), "Management and leadership as relational phenomena," in *Social representations and the social bases of knowledge*, Mario Von Cranach and Willem Doise and Gabriel Mugny, Eds. Lewiston: Hofgrefe & Huber.

Daft, Richard L. and Karl E. Weick (1984), "Toward a model of organizations as interpretation systems," *Academy of Management Review*, 9 (2), 284-95.

Day, George S. (1997), "Aligning the organization to the market," in *Reflections on the futures of marketing*, Donald R. Lehmann and Katherine E. Jocz, Eds. Cambridge, MA: Marketing Science Institute.

Denzin, Norman K. (1978), *The research act: A theoretical introduction to sociological methods*. New York: McGraw-Hill.

Ford, Jeffrey D. and Laurie W. Ford (1995), "The role of conversations in producing intentional change in organizations," *Academy of Management Review*, 20 (3), 541-70.

Gioia, Dennis A. and Kumar Chittipeddi (1991), "Sensemaking and sensegiving in strategic change initiation," *Strategic Management Journal*, 12 (5), 433-48.

Glaser, Barney G. (1978), *Theoretical sensitivity: Advances in the methodology of grounded theory*. Mill Valley, CA: Sociology Press.

Griffin, Abbie and John R. Hauser (1996), "Integrating R&D and marketing: A review and analysis of the literature," *Journal of Product Innovation Management*, 13 (3), 191-215.

---- (1992), "Patterns of communication among marketing, engineering and manufacturing: A comparison between two new product teams," *Management Science*, 38 (3), 360-73.

Gummesson, Evert (1987), "*Marketing - a long term interactive relationship: Contributions to a new marketing theory*." Stockholm: Marketing Technology Center.

---- (2000), *Qualitative methods in management research*. Thousand Oaks: Sage.

---- (1996), "Relationship marketing and imaginary organisations: A synthesis," *European Journal of Marketing*, 30 (2), 31-44.

---- (1999), "Total relationship marketing: Experimenting with a synthesis of research frontiers," *Australasian Marketing Journal*, 7 (1), 72-85.

---- (2002), *Total relationship marketing: Marketing management, relationship strategy and CRM approaches for the network economy*. Oxford: Butterworth-Heinemann.

Gupta, Ashok K., S. P. Raj, and David Wilemon (1986), "A model for studying R&D - marketing interface in the product innovation process," *Journal of Marketing*, 50 (2), 7-17.

Gupta, Ashok K. and Everett M. Rogers (1991), "Internal marketing: Integrating R&D and marketing within the organization," *The Journal of Services Marketing*, 5 (2), 55-68.

Gupta, Ashok K. and David Wilemon (1996), "Changing patterns in industrial R&D management," *Journal of Product Innovation Management*, 13 (6), 497-511.

Gupta, Ashok K., David Wilemon, and Kwaku Atuahene-Gima (2000), "Excelling in R&D," *Research Technology Management*, 43 (3), 52-58.

Hakansson, Hakan and David Ford (2002), "How should companies interact in business networks?," *Journal of Business Research*, 55 (2), 133-39.

Hakansson, Hakan and Ivan Snehota (1995), *Developing relationships in business networks*. London: Routledge.

Hatch, Mary Jo (1997), *Organization theory: Modern symbolic and postmodern perspectives*. Oxford: Oxford University.

Herstatt, Cornelius, Christian Lüthje, and Birgit Verworn (2001), "Die Gestaltung von Innovationsprozessen in kleinen und mittleren Unternehmen," in *Innovationsmanagement in kleinen und mittlerern Unternehmen: Jahrbuch der KMU-Forschung 2001*, Jörn-Axel Meyer, Ed. München: Franz Vahlen.

Holland, Caryl (2003), "*The European challenge*," in Ink Maker.

Hosking, Dian-Marie (1988), "Organizing, leadership and skilful process," *Journal of Management Studies*, 25 (2), 147-66.

Hosking, Dian-Marie, H. Peter Dachler, and Kenneth J. Gergen (1995), *Management and organization: Relational alternatives to individualism*. Aldershot: Avebury.

Hosking, Dian-Marie and Ian E. Morley (1991), *A social psychology of organizing: People, processes and contexts*. New York: Harvester Wheatsheaf.

Janesick, Valerie J. (2000), "The choreography of qualitative research design," in *Handbook of qualitative research*, Norman K. Denzin and Yvonna S. Lincoln, Eds. Vol. 2. Thousand Oaks: Sage.

Kieser, Alfred (1999), "Konstruktivistische Ansätze," in *Organisationstheorien*, Alfred Kieser, Ed. Vol. 3. Stuttgart: Kohlhammer.

Kieser, Alfred, Cornelia Hegele, and Matthias Klimmer (1998), *Kommunikation im organisatorischen Wandel*. Stuttgart: Schäffer-Poeschel.

Leenders, Mark and Berend Wierenga (2002), "The effectiveness of different mechanisms for integrating marketing and R&D," *Journal of Product Innovation Management*, 19 (4), 305-17.

Luhmann, Niklas (1984), *Soziale Systeme: Grundriss einer allgemeinen Theorie*. Frankfurt: Suhrkamp.

Lynn, Gary S., James T. Simpson, and William E. Souder (1997), "Effects of organizational learning and information-processing behaviors on new product success," *Marketing Letters*, 8 (1), 33-39.

Maitlis, Sally (2005), "The social processes of organizational sensemaking," *Academy of Management Journal*, 48 (1), 21-49.

Maxwell, Joseph A. (1996), *Qualitative research design: An interactive approach*. Thousand Oaks: Sage.

Miles, Matthew B. and A. Michael Huberman (1994), *Qualitative data analysis: An expanded sourcebook*. Thousand Oaks: Sage.

Milmo, Sean (2003), "*European ink market faces another challenging year in 2003*," in Ink World.

Moenaert, Rudy K. and Filip Caeldries (1996), "Architectural redesign, interpersonal communication, and learning in R&D," *Journal of Product Innovation Management*, 13 (4), 296-310.

Moenaert, Rudy K. and William E. Souder (1990), "An information transfer model for integrating marketing and R&D personnel in new product development projects," *Journal of Product Innovation Management*, 7 (2), 91-107.

Möller, Kristian (1992), "Research traditions in marketing: Theoretical notes," in *Economics and marketing: Essays in honour of Gösta Mickwitz*, H. C. Blomqvist and Christian Grönroos and Lars-Johan Lindqvist, Eds. Helsinfors: Swedish School of Economics and Business Administration, Finland.

Möller, Kristian and Aino Halinen (2000), "Relationship marketing theory: Its roots and directions," *Journal of Marketing Management*, 16 (1-3), 29-54.

Möller, Kristian and David T. Wilson Eds. (1995), *Business marketing: An interaction and network perspective*. Boston: Kluwer.

Olson, Eric M., Orville C. Jr. Walker, Robert W. Ruekert, and Joseph M. Bonner (2001), "Patterns of cooperation during new product development among marketing, operations and R&D: Implications for project performance," *Journal of Product Innovation Management*, 18 (4), 258-71.

Palmer, Adrian (2002), "The evolution of an idea: An environmental explanation of relationship marketing," *Journal of Relationship Marketing*, 1 (1), 79-94.

Perks, Helen (2000), "Marketing information exchange mechanisms in collaborative new product development," *Industrial Marketing Management*, 29 (2), 179-89.

Pettigrew, Andrew M. (1987), "Context and action in the transformation of the firm," *Journal of Management Studies*, 24 (6), 649-70.

---- (1990), "Longitudinal field research on change: Theory and practice," *Organization Science*, 1 (3), 267-92.

---- (1997), "What is a processual analysis?," *Scandinavian Journal of Management*, 13 (4), 337-48.

Pfohl, H.-Chr. Ed. (1990), *Betriebswirtschaftslehre der Mittel- und Kleinbetriebe: Größenspezifische Probleme und Möglichkeiten zu ihrer Lösung*. Berlin: Erich Schmidt.

Piercy, Nigel F. (1985), *Marketing organisation: An analysis of information processing, power and politics*. London: George Allen & Unwin.

---- (1986), "The role and function of the chief marketing executive and the marketing department," *Journal of Marketing Management*, 1 (3), 265-89.

Poole, Peter P., Dennis A. Gioia, and Barbara Gray (1989), "Influence modes, schema change, and organizational transformation," *Journal of Applied Behavioral Science*, 25 (3), 271-89.

Reason, Peter (1988), "Introduction," in *Human inquiry in action: Developments in new paradigm research*, Peter Reason, Ed. London: Sage.

Ritter, Thomas (1998), *Innovationserfolg durch Netzwerk-Kompetenz: Effektives Management von Unternehmensnetzwerken*. Wiesbaden: Gabler.

Rüegg-Stürm, Johannes (2001), *Organisation und organisationaler Wandel: Eine theoretische Erkundung aus konstruktivistischer Sicht*. Wiesbaden: Westdeutscher Verlag.

---- (1999), "Towards a relational-constructionist perspective of organisational change processes," in *Présentation des traveaux des cinq lauréats*, Fondation Latsis Internationale, Ed. Genève: Fondation Latsis Internationale.

Saghafi, Massoud M., Ashok K. Gupta, and Jagdish N. Sheth (1990), "R&D/marketing interfaces in the telecommunications industry," *Industrial Marketing Management*, 19 (1), 87-94.

Schreyögg, Georg and Christian Noss (1995), "Organisatorischer Wandel: Von der Organisationsentwicklung zur lernenden Organisation," *Die Betriebswirtschaft*, 55 (2), 169-85.

Sherman, Daniel J., William E. Souder, and Svenn A. Jenssen (2000), "Differential effects of the primary forms of cross functional integration on product development cycle time," *Journal of Product Innovation Management*, 17 (4), 257-67.

Sheth, Jagdish N. and Atul Parvatiyar (1995), "The Evolution of relationship marketing," *International Business Review*, 4 (4), 397-418.

Song, Michael X., Mitzi M. Montoya-Weiss, and Jeffrey B. Schmidt (1997), "Antecedents and consequences of cross-functional cooperation: A comparison of R&D, manufacturing, and marketing perspectives," *Journal of Product Innovation Management*, 14 (1), 35-47.

Song, Michael X. and Mark E. Parry (1992), "The R&D -marketing interface in japanese high-technology firms," *Journal of Product Innovation Management*, 9 (2), 91-112.

Song, X. M. and Mark E. Parry (1997), "Teamwork barriers in japanese high-technology firms: The sociocultural differences between R&D and marketing managers," *Journal of Product Innovation Management*, 14 (5), 356-67.

Souder, William E. (1977), "Effectiveness of nominal and interacting group decision processes for integrating R&D and marketing," *Management Science*, 23 (6), 595-605.

---- (1988), "Managing relations between R&D and marketing in new product development projects," *Journal of Product Innovation Management*, 5 (1), 6-19.

Strauss, Anselm L. (1984), *Qualitative analysis in social research: Grounded theory methodology (part two)*. Hagen: FB Erziehungs- und Sozialwissenschaften der Fernuniversität Hagen.

Strauss, Anselm L. and Juliet Corbin (1990), *Basics of qualitative research: Grounded theory procedures and techniques*. Newbury Park: Sage.

---- (1994), "Grounded theory methodology: An overview," in *Handbook of qualitative research*, Norman K. Denzin and Yvonna S. Lincoln, Eds. Thousans Oaks: Sage.

Tolliver-Nigro, Heidi (2003), "*State of the ink industry*," in Ink Maker.

Turnbull, Peter, David Ford, and Malcolm Cunningham (1996), "Interaction, relationships and networks in business markets: An evolving perspective," *The Journal of Business & Industrial Marketing*, 11 (3/4), 44-58.

Turpin, Tim, Sam Garrett-Jones, and Nicole Rankin (1996), "Bricoleurs and boundary riders: Managing basic research and innovation knowledge networks," *R&D Management*, 26 (3), 267-82.

Van Maanen, John (1983), "The fact of fiction in organizational ethnography," in *Qualitative methodology*, John Van Maanen, Ed. Beverly Hills: Sage.

Von Krogh, Georg, Kazuo Ichijo, and Ikujiro Nonaka (2000), *Enabling knowledge creation*. New York: Oxford University.

Weick, Karl E. (1995), *Sensemaking in organizations*. London: Sage.

---- (1979), *The social psychology of organizing*. Reading: Addison-Wesley.

---- (1989), "Theory construction as disciplined imagination," *Academy of Management Review*, 14 (4), 516-31.

---- (1999), "Theory construction as disciplined reflexivity: Tradeoffs in the 90s," *Academy of Management Review*, 24 (4), 797-806.

Weick, Karl E., Kathleen M. Sutcliffe, and David Obstfeld (2005), "Organizing and the process of sensemaking," *Organization Science*, 16 (4), 409-21.

Westley, Frances R. (1998), "Middle managers and strategy: Microdynamics of inclusion," *Strategic Management Journal*, 11 (5), 337-51.

Wolf, Jakob (1994), *Marketing für den Mittelstand: Professionelle Absatzkonzepte in Eigenregie: Für Konsumgüterhersteller, High-Tech-Betriebe, Dienstleister und Handelsunternehmen*. München: Wilhelm Heyne.

Workman, John P. Jr. (1993), "Marketing's limited role in new product development in one computer systems firm," *Journal of Marketing Research*, 30 (4), 405-21.

Workman, John P. Jr., Christian Homburg, and Kjell Gruner (1998), "Marketing organization: An integrative framework of dimensions and determinants," *Journal of Marketing*, 62 (3), 21-41.