

Missing Theory and Future Directions

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Abstract

There can be absolutely no doubt that the research of the IMP group has radically transformed the understanding of business-to-business marketing and purchasing. The proposal of the interaction approach (Turnbull and Cunningham, 1981, Håkansson, 1982) has to be recognized as a paradigm shift in the field of business-to-business marketing. The focus that this approach places on the dyad can be seen as a limitation along with the static vision of a relationship implied by the interaction model diagram. Although it is actually implicit that the nature of the approach is based upon episodic interactions and that time is implicit in the model. However, it is also recognized that dyads do not exist in isolation and the maturity of the theoretical approach has come with the burgeoning discussion of the industrial network or Actor-Resource-Activity (ARA) approach (Håkansson and Johanson, 1988, Håkansson and Snehota, 1989, 1995, Axelsson and Easton, 1992).

It can be suggested that the evolution of the interaction approach into the network approach leaves some unanswered questions. It can be further suggested that it is because of the lack of answers to these questions that models or approaches to network strategy become very difficult to devise. One such question is how the dynamics of the interaction parameters of environment and atmosphere (which may be considered as key strategic analysis variables) fit into the ARA approach. Obviously, there is some element of atmosphere in the actors' bonds, which lead to the web of actors, and, additionally, there is also some element of atmosphere in the different dimensions to the network that are proposed, particularly the functional dimension. Other questions relate to the consideration of temporality (see Easton and Araujo, 1994, Ford and Håkansson, 2006, for instance). In order to allow our research to develop further and to provide insight for managers, these factors need to be made more explicit and longitudinal data sets need to be collected to provide supporting evidence.

In this paper we develop our ideas about how some of these issues may be addressed, particularly by thinking about levels and dimensions of analysis in a temporal context. This paper is designed to provoke debate and stimulate thinking in this area.

Introduction

The group of researchers affiliated with IMP have, over the last 30 years, given us innovative insight into business-to-business markets, they have moved from interaction to networks through portfolios providing new ways to interpret the business world and motivating many researchers and becoming a self-fulfilling prophecy by generating many successful relationships in an international research network. It can be suggested that their motivation for using the relationship analogy in business-to-business marketing and purchasing was, and is, that relationships are dynamic (change over time), interactive and involve more than one party.

But we are concerned that we are striding forward without pausing to reflect, revisit and reconceptualize what has been done and achieved in light of the new and ever evolving contexts and situations companies are embedded within. How many literature

reviews/research projects are brave enough to really question whether we are actually **still** looking at the right things? 30 years on are the 1970 dimensions of the interaction approach still valid? (We acknowledge the development of the original approach into the ARA perspective but would argue that the initially exposed dimensions of the interaction approach are taken to be the fundamental underlying concepts within this research stream.) Why do more researchers not consider temporality? (Of course this is often implicit rather than explicit, the concept of relationship development is indeed utterly entwined with time but we are still tied to a very two-dimensional appreciation of these constructs. There are pioneers in this area, e.g. Easton and Araujo, 1994, Halinen, 1994, Medlin, 2004.) We need to carefully consider whether the dimensions of a relationship change with time and context. It seems that very often the actuality is that we assume an appearance of a particular dimension as a finite, static item rather than appreciating that there may be intensification of these dimensions or considering what happens when they fade.

Because of the complexity of what we are investigating are we guilty of over-simplifying what we find or even over-simplifying what we investigate? And by so doing are we missing the opportunity of really understanding? And just to muddy the water even more, are we making this difficult by not thinking outside the box – IMP is so powerful because it has always sort to bring in material from a variety of fields. But it could be argued that we have become totally constrained and unimaginative in terms of:

- The methodological assumptions driving our work
- The manner in which we analyze our data
- The way we present our data

So far we have raised many questions, the next step is to begin answering these. We will begin this process by revisiting the interaction approach and using this as a base for a revised research agenda, in which temporality is central. Following on from this we will make suggestions about different research methods and mechanisms for presenting our findings. We will then conclude by summarizing our thoughts on future research directions.

The Interaction Approach Revisited

Thinking back to the interaction approach as outlined in Håkansson, 1982, Turnbull and Valla, 1986, Ford, 1990 etc.

Initial points extracted from the interaction approach, Håkansson (1982)	Where are we now?
Both the buyer and the seller are active participants in the market	Readily accepted, as demonstrated by the plethora of research into networks and the development of the ARA model, e.g. but not limited to: Axelsson and Easton, 1992, Håkansson and Snehota, 1995.
Buyer and seller relationships are often long-term, close and involve a complex pattern of interaction within and between the participating companies	Readily accepted, but much of the extant research does not consider complexity, which results in over-simplistic interpretation of relationships.
The links between buyer and seller can often become institutionalized	Again this is readily accepted. Work into relationship ending and relationship sediments is helping to further develop our understanding in this area, e.g. Halinen and Tahtinen, 2002, Agndal and Axelsson, 2002.
Close relationships are not necessarily limited to companies which are continuously buying/selling but may also evolve in the case of infrequently purchased items such as capital goods	The context in which relationships are being studied perhaps needs closer attention, perhaps this is why the supply chain management literature pertaining to relationships is burgeoning.
The Interaction Process	It is important to note that the interaction

Initial points extracted from the interaction approach, Håkansson (1982)	Where are we now?
<p>Long-term aspects of the relationship derived from individual episodes, factors that impact upon the individual episodes include (but not limited to):</p> <ul style="list-style-type: none"> • How well the product fulfills buyer needs • The amount and type of technological uncertainty • The amount and type of financial uncertainty • etc 	<p>approach always had the interaction process as the central thread. However, we would contend that many researchers forget the dynamics of the process; they do not consider time. How much research actually presents longitudinal data sets or even looks at customers at different points in this process?¹ Associated with an understanding that the process is dynamic, researchers need to consider how the dimensions of a relationship change with time. This needs to be more than a simple consideration of antecedents. It is important to recognize that dimensions are fluid; the role of trust, commitment, power and distance should be expected to change and not simply develop in a linear fashion. Research is needed into the changing importance and relevance of dimensions with time and the temporality of constructs such as trust, commitment and adaptation needs to be emphasised. There is a need to investigate the idea of relationship investments here (see alternative perspectives in Easton and Araujo, 1994 and Anderson and Weitz, 1992). We would also suggest that this approach adds depth to the need to understand relativity suggested by Ford and Håkansson (2006).</p>
<p>Types of exchange:</p> <ul style="list-style-type: none"> • product and/or service exchange • information exchange • financial exchange • social exchange <p>are important for the development of mutual trust and are especially important when the distance between the buyer and the seller is great</p>	<p>What about trust and commitment, note these are in the process element of the model and issues of which is antecedent to the other was not raised; they seem to be viewed as independent variables. We would argue that much of the debate about which precedes the other could be quelled (see Blois, 1999 for a critical review of trust) if temporality and context were seen as situational influences. However, we would also suggest that it may be more fruitful to research honesty or lack of trust than trust itself.</p>
<p>Mutual Adaptation important, often as a response to a dynamic environment, leads to commitment and provide an external demonstration of this commitment. Adaptation can be identified in many different areas, e.g. technology, organization and information/knowledge. Can be formal or informal. May lead to institutionalization and preclude other opportunities. Adaptation may be related to either problem solving or transfer, problem solving needs dynamism and mutual trust while transfer is characterized by the high integration of the relationship and the length of time it takes to develop.</p>	<p>It is important to remember that it is co-creation of value that is central – but what is value? There are many different meanings; this area needs further research to help increase our understanding. It is also important that what is meant by value is likely to change with time and again it would be useful to investigate how value relates to temporality.</p>
<p>The Participants</p>	<p>Initially technology referred to the technology utilized by the companies, now ICT</p>
<p>The role of technology</p>	

¹ A non-scientific search of the IMP paper database on the 9th July resulted in 4 papers (out of 961) with longitudinal in the title and a further 8 with longitudinal in the abstract, 0.4% and 0.8% respectively.

Initial points extracted from the interaction approach, Håkansson (1982)	Where are we now?
Organizational size, structure and strategy, i.e. the framework within which the interaction takes place	<p>developments have totally redefined the role of technology, hence we would suggest that 'shared technology' and levels of sharing technology need to be conceptualized. It can be suggested that technology both opens and protects relationships. The work of Leek et al (2000) supports this call for a reconceptualization of technology.</p> <p>Does the move to the service economy mean that the role of people is even more critical in the interaction process? The aspects relating to the individual interactions within the relationship needs further exploration. Especially with respect to the effects relating to the internal hierarchies with firms.</p> <p>Are there other factors which should be brought into consideration, such as apathy, inertia, intuition, creativity, branding and reputation of both parties?</p> <p>What about adding experience as a key dimension, see Ford, McDowell and Tomkins (1996)?</p>
Organizational experience	
Individuals involved - the aims and experience of the individuals involved are important.	
The Atmosphere	<p>Should we add uncertainty/certainty as a dimension?</p> <p>Is closeness distance still relevant - or should a typology of partnership types be substituted or added?</p> <p>Should Power dependence be expanded to include interdependence (Ford and Håkansson, 2006)?</p>
Economic dimension	
Control dimension	
Power dependence	
Conflict cooperation	
Closeness distance	
The Environment	<p>We need to revisit this outer layer of the approach vis-à-vis all the changes to environment that continue to impact on us. For example:</p> <ul style="list-style-type: none"> • Scarce resources • Climate change • EU directives/regulation, e.g. recycling, safe disposal • Specialization (availability of alternatives) <p>Are the changing demographics of the working population impacting on the social system? Dare we investigate gender effects?</p> <p>How do we take into account multiple channels of distribution? Do these dilute or tighten the network?</p>
Market structure	
Degree of dynamism within both the relationship and the market internationalization of the markets involved	
Position in the manufacturing chain, i.e. position with respect to the primary producer and the final consumer	
Social system	

Future Directions:

We need to find ways of investigating and illustrating complexity within our research.

We need to be more explicit about the context of our research and from this move towards understanding of the factors that result in the growth of similar relationships and/or networks. This means that we need more research that examines large data sets – thus we suggest that there is urgent need for collaborative research involving a large group of researchers to enable the understanding of our discipline to continue to innovate.

We are constrained by the way we present a multi-faceted, emotionally-bound, intangible and temporal process – the business relationship – by two-dimensional presentation media – we need new ways of seeing just as the book and TV programme in the 1970s by John Berger transformed the way in which art and the history of art are viewed, we need a shift in our means of interpretation and presentation. Ford and Håkansson, 2006, posit that 'interaction is difficult to delimit in time. It has no easily identifiable beginning or end', pg 10, but this should not be seen as a barrier or excuse, we have to look at time periods and may, through longitudinal investigation, begin to unravel some understanding of changing aspects that are related to time periods, even forcing us back to considering a stages/phases analogy for relationship development. However, by thinking outside the box, we may be able to include non-linear models of development, ones than include regression or unexpected and radical change.

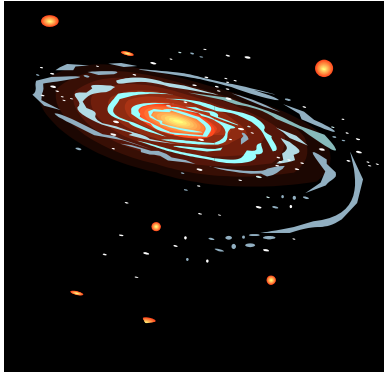
Cunningham (2004) has already called for new pictures and new ways of approaching relationships. He suggests that tribes (Cova and Cova, 2002, cited in Cunningham, 2004) may be one analogy that could be used successfully to further develop our understanding of business relationships and strategy. Indeed what else can we learn from consumer behaviour, Wilson (2000) has already questioned why consumer and organizational behaviour should be divided. There is yet another interesting response needed to this, or is there?

We need to be much more flexible in our interpretation of what constitutes marketing and purchasing from an interaction and network perspective, services and internationalization have always been at the heart of the interaction perspective, they do not need to be separated out, they are not independent entities to be treated separately – as with all relationships it is the fundamental interactions between the user and provider that is critical. A point illustrated succinctly by Araujo and Spring (2005). In the same vein, retailing and the channels literature should not be considered as a separate entity, a composite understanding of the interactions, relationships and networks in this arena is necessary to allow us to fully synthesize our ideas.

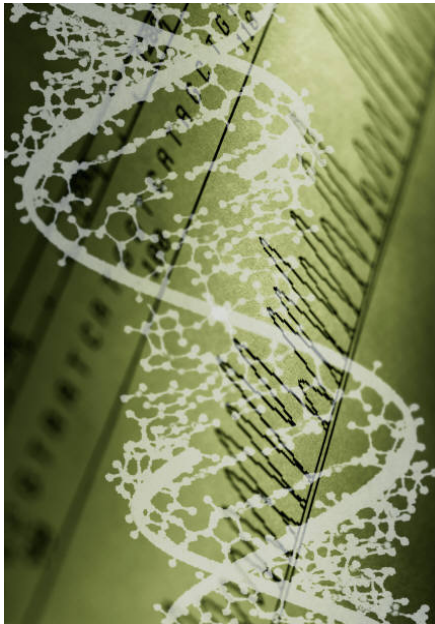
We need insights from other disciplines, there are many other analogies that we could use to expand our descriptions and broaden our perspectives, what about physics, biology, organic and inorganic chemistry and astronomy as areas to provide more pertinent analogies. Consider the following:



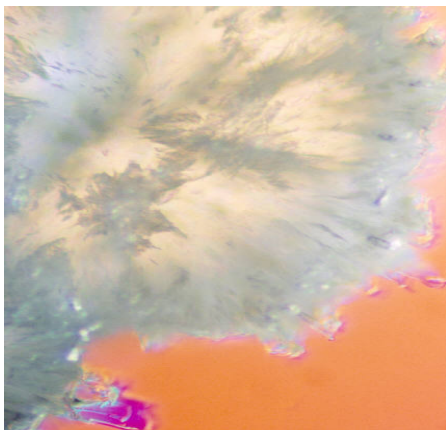
We should look for ripples and eddies in relationships, and develop a language which emphasises the temporality of what we are researching. Additionally, we need to think about speed and rates of change in relationships.



Are black holes a useful analogy?



What about the evolutionary aspects of DNA or the manner in which crystals grow? Do these move us away from the notion of linear flows which constrain our thinking so tightly (Ford and Håkansson, 2006)?



It is time to reconsider and revisit many of the constructs we accept without question, are they still relevant and if so how do we develop a deeper and more widely understood appreciation of the complexity of the phenomena? In order to facilitate this, we suggest that we also need to reconsider our methodological approaches and methods.

Research Methods

The last couple of years have shown that there is room in IMP for revolutionary research methods. The showing of films at the last couple of conferences caused intense debate and excitement. It may be that with this method and the advances in technology we may be able to include film excerpts in our papers, ICT should facilitate this. There is a need for innovative observational ways of collecting data to allow us to understand the dyad and the wider network. More controversially we could suggest that this would be more appropriate than mathematical interpretation.

Challenges that we face include:

- history is all we have access to
- the investment needed to collect longitudinal data
- how to collect enough data to ensure that we have some form of representation
- access to and identification of key informants
- researching dimensions that are difficult to uncover, cf. dimensions that are easy to observe
- looking at more than one side (indeed, Ford and Håkansson, 2006, note that interaction must include more than one perspective)
- blurred and fuzzy boundaries
- working as groups of researchers to avoid subjective interpretation from a single actor perspective (Ford and Håkansson, 2006), we would contend that this is just as applicable for the researcher as for the organizational perspective.
- borrowing from consumer behaviour (e.g. Cova and Cova (2002) cited in Cunningham (2004) if we feel it is appropriate
- delving into postmodernism (e.g. Gomez Arias and Acebrón (2001)

What options are available: action research, grounded theory and ethnography? How easy it is to become a participant observer. If you collect qualitative data how do you cope with the time consuming nature of its analysis and then convince reviewers that analysis has been conducted rigorously. Can we bring in diaries ask participants to keep them? Should we spend days in the purchasing, sales and technical offices of the organizations we aim to research? Ford and Håkansson, 2006, suggest that taking a critical incident technique approach to investigating interaction could be useful to understand periods of intense interaction. However, it could be contended that in doing so you seeing problems rather than looking at how the interaction evolves under 'normal' periods – without viewing both you cannot identify which provides the cohesion to the relationship.

Implicit within this discussion is a discussion of what level of analysis and/or unit of analysis should be applied. We are recommending any over the other, simply that whichever position you take you are aware of the effects that are implicit from the other levels, i.e. intra-organizational relationships are never isolated from effects from inter-organizational relationships and the wider portfolio or network of relationships. Indeed, network effects of commitment or power or any other variable are areas that need much greater exploration.

Data Analysis and Presentation

We would contend that there is a need to contemplate our methods of analysis. It is all too easy to input data into Lisrel or SPSS, yet we never question their accuracy, we assume that the software is right, but is it? On the same level there seems to be an implicit assumption that qualitative data that has not been through NVivo or another similar package is not accurate. We must fight to ensure that people remember the GIGO principle, garbage in garbage out – the skill of the qualitative researcher is very much in the analysis, in being able

to extract similarities, differences and meanings, NVivo is only a mechanism for automating this and is of course very useful on large projects, but it is only ever as good as the interpretations and coding guidelines made by the users. SO remember qualitative analysis packages gain their strengths from the intellect of the user, they do not remove the need for independent analysis, cf quantitative packages.

So how do we improve presentation of our data? Simple suggestions include adding colour (but be careful about the use of red and green), use more diagrams and simple tables, more pictures. Think about how to add dimensionality how do we move away from two-dimensional representations? At a workshop² recently we were treated to drama – the enactment of a services interaction, in real time with real actors, does this provide us with new avenues for presentation?

Conclusions

Our conclusions are simple, this is a document to spark discussion, so let us move over to you. Take the challenge, dare to be different and bring new vibrance to the field that we all care so passionately about.

Aim for what can we do that is new and different. Beware the constraints implicit 'contribution' it is all too easy to be forced into developing irrelevant and unremarkable niches. Why not revisit and retest.

Consider putting forward dynamic models, which identify the dimensions that evolve and the different rates that they evolve. Think about new analogies and a clearer language that makes time explicit rather than implicit, Ford and Håkansson, 2006, have started this process by introducing: time, interdependence, jointness (which could be conceptualised as position, Johanson and Mattsson, 1992), relativity and subjective interpretation to the discussion. And finally, enjoy the challenges the evolving business world present.

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² Service Marketing Workshop, University of Liverpool, November 2004. (Steve Baron and Kim Harris have written extensively on the use of theatre in services.)

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