

BUILDING A BASIC INTERNATIONAL BUSINESS MARKETING MODEL FOR EMERGING COUNTRY MARKETS

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Hans Jansson

Professor of international marketing
Baltic Business School (BBS), University of Kalmar,
SE-391 82 Kalmar, Sweden
Kalmar
Sweden
E-mail: hans.jansson@hik.se
Tel: +46 480 497180, Mobile: +46 73 310 73 39

Abstract

In this conceptual paper, the main international marketing problem discussed is how business and relationship marketing theories developed for mature industrial markets in Europe and North America can be utilized in business marketing in emerging country markets. The evaluation results in three major aspects, from which business marketing theory is developed further into an international business marketing model relevant for these markets. Two major approaches to business marketing will be taken up, namely the inter-organizational approach and the micro-marketing approach. Recent developments in relationship marketing theory and marketing theory will also be considered to see if these theories are possible to combine with business marketing theory into a basic and integrated business marketing model relevant for emerging country markets.

Keywords: business marketing theory, relationship marketing theory, emerging country markets

Introduction

Existing business and relationship marketing theories might be relevant for emerging country markets if they are possible to adapt. The main purpose is therefore to identify essential conditions for business marketing in emerging country markets and based on these conditions evaluate whether existing business and relationship marketing theories can be used. In this conceptual paper, the main marketing problem discussed is how theories developed for mature industrial markets in Europe and North America can be utilized in business marketing in emerging country markets. The evaluation results in three major aspects, from which business and relationship marketing theory is developed further into a relevant business marketing model.

Two major approaches to business marketing will be taken up, namely the micro-marketing approach and the inter-organizational approach. The two approaches will be described and analyzed: what they look like today, and how they developed. Recent developments in relationship marketing theory and marketing theory will also be considered to see if these theories are possible to combine with business marketing theory into an integrated international business marketing model relevant for emerging country markets.

Emerging Country Markets

Emerging country markets have become increasingly important grounds for the international marketing activities of multinational corporations (MNCs). The advent of China, e.g., has created great business opportunities, which have been taken advantage of by many MNCs. For the Western MNCs this has meant a drastic and rapid change of their international business environment and new conditions for their business marketing. Such emergence of markets is the major characteristic of economies in mainly Eastern Europe, Asia, and Latin America. Emergent markets are defined by Jansson (2007a) as growing markets, which are being transformed from a pre-market stage (either non-pecuniary/traditional or centrally planned economy) to the market stage of the mature Western capitalistic economy, by way of integrated and successful structural reforms of companies, markets and society. This moving towards a market economy through an embedded transformation process takes place through a number of stages and at different paces. Roughly, there are three stages. The early stage is rather homogeneous, rigid, and closed. The concentrated market structure consisting of a limited number of dominating big companies results in low competition. This stage is gradually transformed into a more adolescent market structure, which is heterogeneous, fluid, open, and fragmented. It consists of a larger number of large and small companies, intensifying competition. The low entry barriers in some industries in China for example, created as disorderly competition with variable quality, fierce price competition and a low business morale including counterfeiting, and rough making (Jansson, 2007b). Especially at the low end of the market the price competition was fierce with high risks for underpricing due to overcapacity. This stage is followed by a consolidation phase, which turns the market into the more mature Western type of market.

The main characteristics of emerging country markets are listed in Table 1. The major characteristic of the marketing system is turbulence involving economic growth, complexity, and change (see also e.g. Salmi, 2000). These markets are undergoing liberalization and privatization of ownership, which is part of a general reformation of the whole society. As seen above, the changing product/service market structures are characterized by different degrees of imperfection, and a three-stage change process. Important signs of this change are if rivalry is also changed from being domestic to being global as well as from being supply driven to being demand driven. The unevenly distributed emerging demand is segmented into modern and traditional parts and mixes between traditional and modern consumption behaviours, a mix that changes over time. A major shift of demand is taken place from price orientation to quality orientation. Business is very much based on relationships, where relationships of business networks change from being mainly personal to being impersonal. Commercial practices are different, being a changing mix of old/traditional and modern ingredients. They are generally more personal and socially oriented, as well as more influenced by corruption. The service sector is developing from a

low service to a high service orientation with the rise of the service economy. A major characteristic of emerging economies is the deficient financial markets, which are gradually improved. Government plays a pivotal role in reforming the economy as well as the political system, the legal framework, and the educational system, which is a complicated and sluggish process. For this reason, the legal system, e.g., is generally weak and 'people' oriented during most of the reform period, at least compared to the strong and formally developed system found in Western markets. This is often shown by the lack of laws protecting property rights as well of the problems in enforcing laws through the judiciary system. Having relationships with non-market parties such as various government organizations, non-governmental organizations and other stakeholders become important.

Table 1 Market systems of emerging country markets – some major characteristics

General characteristics

- 1 Growth
- 2 Complex
- 3 Turbulent
- 4 Volatile
- 5 Liberalizing
- 6 Privatizing
- 7 Generally reforming society

Changing market imperfections

- | | | |
|-------------------|----|---------------------|
| 1 Homogeneous | to | heterogeneous |
| 2 Rigid structure | to | fluid structure |
| 3 Closed | to | open |
| 4 Concentrated | to | fragmented |
| 5 Low competition | to | intense competition |

Other market changes

- | | | |
|------------------------------------------------------------|----|--------------------------------------------------------|
| 1 Domestic | to | global |
| 2 Supply driven | to | demand driven |
| 3 Personal business networks | to | impersonal business networks |
| 4 Price orientation | to | quality orientation |
| 5 Highly skewed demand structure | to | skewed demand structure |
| 6 Traditional commercial practices | to | modern commercial practices |
| 7 Low service orientation | to | high service orientation |
| 8 Highly imperfect financial markets | to | imperfect financial markets |
| 9 High government impact | to | low government impact |
| 10 High embeddedness in external institutions and networks | to | low embeddedness in external institutions and networks |

Some major characteristics of the emerging country market environment

- 1 Agricultural sector large but decreasing
 - 2 Social injustice: corruption, criminality, poverty, malnutrition
 - 3 Environmental degradation
 - 4 Changing governance system of the state
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Source: Jansson (2007a, p. 17)

Thus, market change in emerging country markets is entangled with the evolvement of society. Markets do not develop by themselves, but basic support systems need to be in place, e.g. a legal system, a public support system, and suitable values and belief systems. This 'embeddedness' in institutions is a key characteristic of these markets, meaning that not only markets are emerging but more or less the whole society. Thus, the environment is of critical importance for understanding, analyzing, forming and executing relationship marketing in emerging country markets. The differences between emerging economies and Western economies are of such a magnitude to entail very different marketing situations. A network approach is therefore needed for describing these emerging and often distant

markets and how to market there: what the markets look like, how to establish and maintain relationships with various market actors, how to organize marketing activities there, and how to compete. On the whole, strategic issues are more important, where networking and relationship building become more of a strategic than an operational issue.

Thus, emerging country markets are highly relationship oriented as firms are part of elaborate and complex networks. However, business networks are not unique to emerging country markets, since firms all over the world are connected through networks. But business networks in emerging country markets differ culturally, organizationally and economically from those in the West at the same time as they undergo strong changes. This means that inter-organizational networks in emerging country markets are more personal and embedded, i.e. over-lapping with other networks in society, while they are more impersonal and confined to the business sector in the Western markets. Actually, on a very general basis, inter-firm relationships in emerging country markets tend to transform from the former state to the latter state. Changes and relationship processes are important.

Three Major Aspects in Business Marketing

It can now be concluded that three aspects stand out as important to consider in business marketing in emerging country markets:

- The network oriented society makes relationships the foundation of marketing activities. The 'embeddedness' of the firm into society also makes relationships with parties outside the market important, government and various stakeholders becoming central in business marketing.

- The environmental aspect of business marketing come more into focus. The business environment of emerging country markets is different and turbulent, which make adaptations of marketing necessary. How to consider such major differences in international environments becomes a major issue in business marketing. The turbulent markets are tightly integrated into society, which increases the strategic importance of the macro environment, e.g. how it is related to the business environment of the MNC. These large differences between international markets make it necessary to develop the international aspects of business marketing, bringing in issues related to the internationalization of firms. For example, international marketing problems in emerging country markets should be solved easier by firms with experience from such countries than those without it. This makes the degree of internationalization of the firm important.

- Strategic issues in business marketing therefore become more important. The discussion above also brings forward strategic marketing issues. The different market conditions make it necessary to adapt marketing at the same time as the strategic importance of emerging country markets relative to other markets has increased for many MNCs. This high demand for local responsiveness requires the location of resources and capabilities to these local markets, which need to be controlled by the MNC.

A basic international business marketing model is developed at the end of the article, building on these major characteristics of emerging country markets. But first we need to find the theories that are most relevant for these markets, fulfilling these characteristics. Before such an evaluation is done, the candidate theories forming a general theoretical base are presented.

The specific theoretical base of this model is the IMP perspective to business marketing or the inter-organizational approach as it is defined in this paper. This group of theories developed from and is related to other major theories in the business marketing field. Based on the common background of these other theories, they will be grouped together under the common name of the micro-marketing approach. These business marketing theories will also be related to more general marketing theories, mainly relationship marketing theories. Initially, the three groups of theories or approaches to business marketing will be presented. Then, these approaches are compared to find similarities and differences between them. The purpose is to see if they can form a common and general base for business marketing in emerging country markets, or if some are more suitable than the others. This analysis of the theories is based on a procedure of first comparing them and then studying how received

business marketing theory is applicable in emerging country markets under these circumstances. Such theory and parts of the newer relationship marketing theory are evaluated based on these four major characteristics of the markets.

The General Theoretical Base

The three groups of theories or approaches to business marketing are presented in this section based on Jansson (2006). The inter-organizational approach will be taken up first, followed by the micro-marketing approach and the relationship marketing approach.

The Inter-Organizational Approach

According to Håkansson & Snehota (1995) a firm's role, development and performance in industrial product/service markets is explained by its ability to develop relationships. Volumes, market share, profits, and growth depend upon how the company handles its relationships. Also most costs and revenues stem from its business relationships. A major rationale for the inter-organizational approach is that the differences between the marketing of industrial products and consumer products are so large and decisive so as to motivate another theoretical approach, and mostly also another methodological stance. The emergence of the inter-organizational approach is very well described in Johanson & Mattsson (2005). It was originally developed in Sweden in the 1970's in close contact between industrial marketing/purchasing research and business practice, where the main research methodology was case studies. The discovery of that marketing theory did not fit with practice led to a broad search for other theories, also outside the marketing field.

The Interaction Aspect

Based on major differences between consumer and industrial product markets and finding out that the prevailing marketing mix approach to marketing of consumer goods were not practiced by the large successful Swedish international industrial companies led to the development of a new approach to industrial marketing (Johanson & Mattsson, 2005). It was originally developed by the industrial marketing and purchasing group (IM-Group) at the Department of Business Administration, Uppsala University, and was later taken up by researchers in England, Germany, and France. These researchers soon came together in what was later to become the first joint European research programme on industrial marketing and purchasing (IMP1). The results of the industrial marketing research of this first period are best summarized in the interaction model found in Håkansson (ed.), 1982. The inter-organizational approach is strongly sociological in its orientation (see, e.g., Håkansson & Östberg, 1975; Håkansson, 1982; Johanson & Mattsson 1987a, 1987b). Originally it was applied to buyer-seller relationships between European firms (Hallén & Johanson, 1989), but was later extended to firms from Asia, North America and Australia (Håkansson & Snehota, 2000). Still, the inter-organizational approach has not spread much beyond Western Europe, which is also confirmed by

While most of the initial frameworks developed within the inter-organizational approach are structural, a process model for how relationships evolve was developed by Ford (1980). Buyer/seller relationships over time are separated into five stages, where the first stage takes up marketing activities before the relationship begins. The next three stages show how direct buyer-seller relationships are established, while the last one is about its end. This development can be described according to a number of relationship factors, e.g. how the experience, commitment and adaptations of the parties increase and how the distance and uncertainty between them are reduced.

The Network Aspect

At the end of the 1970's, the need for a larger perspective on relationships was felt, since it was demonstrated time and time again that the direct buyer/seller relationships were influenced by indirect relationships, e.g. the buyer's customer relationships or the suppliers' supplier relationships. The network aspect of business markets started to be developed, where relationships are seen to evolve through interactions within industrial networks.

Instead of the research being mainly focused on dyadic relationships, it was extended to sets of links within networks. This development can be explained from the specific market structures prevailing in Western Europe in those days. One major characteristic was that they were more imperfect or closed than in the U.S. market. Industrial economics theory, which became popular in the 1970s was used to explain this difference. However, it was found to be insufficient, mainly because it is based on the analysis of one industry, while relationships took place between firms from different industries. Inspired by transaction-cost theory, especially Williamson (1975, 1979) and to some extent systems theory, the 'Markets-as-Networks Approach' (Mattsson, 1997) was developed as an intermediate market form between the neoclassical pure market and the hierarchy.

The network aspect is described according to the three major divisions made in industrial network theory between networks as relationships, as structures, and as a process (Easton, 1992). In the first case, the focus is on the relationships of the network, e.g. what they look like, how they are established, or whether they are direct or indirect. Network structure concerns the number of links and the degree to which the organizations are linked to each other. Relationship processes are divided into sub-processes, where each process consists of a number of stages or phases. Network relationships also concern flows or processes, e.g. the sequence over time of particular activities or that the nodes are connected to each other over time in a specific way. The inter-organizational approach is limited to business relationships and rarely includes the non-market relationship aspect or ancillary connections as they are defined by Blankenburg & Johanson (1992), e.g. government and other stakeholders in the social environment. One exception is Jansson & Saqib & Sharma (1995) and Jansson (2001; 2006).

The most developed industrial network model so far is the activities-resources-actors (ARA) model founded by Håkansson & Johanson (1992). The model mainly focuses on dyadic relationships but also on network structure in the form of sets of links within networks. In the latter case, the relationship focus is mostly kept by looking at the network as a number of direct (the dyadic aspect) and indirect relationships (the network aspect) (e.g. Andersson & Håkansson & Johanson, 1994). Dyads are connected to three major types of networks: activity patterns of links, resource constellations of ties and webs of actor bonds (Håkansson & Snehota, 1995).

For network processes past conditions are essential for the understanding of present and future network relationships, and where a network structure at one point in time is a residue of diverse past processes. This is most obvious in emerging markets or transition economies, where change is more pronounced than stability. E.g. it becomes important to study various types of change in networks and at what levels they take place as well as different search and discovery processes for customers and suppliers (Johanson, 2001).

Main Concepts of the Inter-Organizational Approach

The main concepts of the inter-organizational approach are summarized based on Johanson & Mattsson (1987b, p. 38), Snehota (1990), and Håkansson & Snehota (1995). The buyer/seller relationship model involved concerns relationship marketing and purchasing behaviour. Both the various exchange processes through which relationships develop and the adaptation processes that take place between parties in the continuous evolvement of relationships, e.g. through product modifications, changes in production, delivery routines and other behavioural rules, are analyzed. The central idea is that of establishing of relationships create bonds and dependencies between the parties involved, which make relationships continuous, and stable. The more intensive processes of exchange become, the stronger the reasons are for adapting to each other and not replacing the other party. A mutual orientation is created which results in a preparedness to interact in a dyad. Change takes place within the relationship than of relationships with other parties. A mutual knowledge of and respect for each other's interests is established, which leads to cooperation and solution of conflicts. Mutuality is thus clearly characteristic of business relationships. This reciprocity is largely shaped by social exchange processes but also by business and information exchange. One reason behind the complexity of relationships is

these different types of exchange. Another is the many organizational units and large number of persons normally involved. Different forms of investment in relationships shape the future behaviour of the parties involved, since they affect the parties' access to resources. It is less expensive to trade with companies with which one has relationships than those with which one has none. Aiming at establishing linkages involves realization of the fact that resources are heterogeneous. The same line of reasoning can be applied both to dyadic relationships and to networks of relationships. In the latter case, in particular, it can have a strong systemic impact on the marketing and purchasing possibilities of the firm involved. The firm's interactions are strongly affected by the access it has to resources from different types of networks. For example, how a seller interacts with its buyers depends partly on how the two-party relationships involved are connected to other, indirect linkages within the network or networks to which the seller has access, for instance influencing how the seller relates to its suppliers. Competitive strength is likewise affected by relationships. Within a given network different macro positions (relating to the whole network) and different micro positions (relating to given dyads) can be distinguished (Johanson & Mattsson, 1987b).

A fundamental ingredient of the inter-organizational approach is social exchange theory (Blau, 1964, 1987). Objectives of individual organizations are reached by participating in various networks. This leads to dependency on other networks and subjects an organization to the manipulations and influence of other organizations outside its sphere of control. This dependency creates uncertainty, *inter alia* concerning the organization's capacity to acquire reliable and adequate resources to attain its goals, e.g. to keep up its competitive position. Management of this uncertainty without losing organizational autonomy is a chief concern for individual units within a network.

Resources are a key factor behind these concepts of the inter-organizational approach, where they, *inter alia*, are used to explain power-dependence relations based on social exchange theory (Emerson, 1962; Cook & Emerson, 1984; Pfeffer & Salancik, 1978).

The Micro-Marketing Approach

The adoption of the inter-organizational approach on business marketing in the U.S.A. is low, at least if Ten year index of articles published 1993-2003 in the Journal of Business-to-Business Marketing is used as an indicator. Of the large number of articles published during these 10 years, only 12 articles have an inter-organizational approach, of which 6 were written by American researchers.

Most research on business marketing acknowledges that there are basic differences between the marketing of industrial and consumer products, the main reason often being to motivate business marketing as a separate field in marketing. Based on these differences, the business marketing research field is divided into two major areas: the inter-organizational approach the micro marketing approach. The latter builds on the traditional American approach to marketing, while the former is a newer European branch of marketing. According to the micro-marketing approach, the differences between industrial and traditional consumer marketing are not so large as to motivate a separate research field in marketing with its own theory and methodology. Business and consumer marketing are closely related, and have a common scientific base in economics and behavioural sciences, mainly psychology. E.g. both types of marketing are dominated by the marketing management approach or the managerial school (Sheth & Gardner & Garrett, 1988). Based on El-Ansary (1983), this approach to business marketing is defined as the micro-marketing approach (Jansson, 1994). As found above, the inter-organizational approach differs much more from this traditional scientific base to marketing, and is mainly based on sociology. This is motivated by the fact that differences between business marketing and consumer marketing are so large and decisive that another theoretical foundation is required, *viz.* organization theory rather than marketing theory. In addition, there is also many times a major difference in the research methodology used, where qualitative methods are used alone or together with quantitative methods.

A major impression to be gained from business marketing literature is that most business marketing research in the U.S.A. is not founded on any theory of its own, mainly because no

major differences are seen between the marketing of consumer products and of industrial products. Micro-marketing theory in its conventional form is therefore used both in connection with B2B marketing and B2C marketing. According to El-Ansary (1983), micro-marketing theory involves a theory of product-brand management, a theory of pricing, a theory of promotion, a theory of physical distribution management, a theory of marketing research, a theory of financial aspects of marketing, and a theory of marketing program productivity. Micro-marketing theory can be contrasted with macro-marketing theory, a theory of consumer behaviour, and with different theories concerning distribution channels. It emphasizes marketing management, which so much dominates research on marketing in North America.

The Marketing-Mix View

Two different branches of the micro-marketing approach are distinguished: the marketing-mix view and the business-to-business marketing view. The first of these treats quite differing marketing perspectives as being essentially similar, through focusing on what is seen as been universal in the aims of marketing, namely consideration of the individual or organizational needs of the customer, needs which are met through a marketing mix. This is the mainstream approach in marketing research. It is defined as the managerial school by Sheth & Gardner & Garrett (1988), which they see as one of twelve schools in marketing. The theoretical bases are micro-economic theory and economic psychology theory (Mattsson, 1997). This marketing-mix approach dominated in the industrial marketing field up to the end of the 1980's, in particular in the U.S.A. It is clearly seen in various textbooks on industrial marketing management from these days, which strongly reflect research and practice in the industrial field. Industrial marketing textbooks of this genre tended to identify major differences between consumer products and industrial products. However, one can contend that such differences are basically no greater than the differences in marketing strategy and marketing mix encountered when marketers of consumer products operate in different environments and have to change their strategies accordingly. Traditional micro-marketing models thus take no basically differing approach to industrial than to consumer marketing.

The Business-to-Business Marketing View

One implication of the customers being fewer and larger in industrial markets is the importance of the buyer/seller relationship. Some researchers emphasized the importance of this relationship early, e.g., Webster (1979) and Jackson (1985). However, this approach started to develop from the beginning of the 1990's, when also the first major journal in the field was launched, viz. the Journal of Business-to-Business Marketing. It is seen as a separate field in the highly specialized American research on marketing that includes both service marketing and industrial marketing. Even if the focus has changed from the marketing mix to the buyer-seller relationship, no specific business marketing theory has been developed. It is more a shift of approach, looking at marketing from another angle. The traditional focus of the micro marketing approach on the customer originating from the new marketing approach as well as the marketing mix is still kept. It has only been refocused and altered to fit with the new relationship orientation, which is still largely valid today. As stressed already by Jackson (1985), industrial marketing is to be explicitly focused on the buyer-seller relationship. This involves the need of a special marketing mix, since customers are committed to few main vendors rather than being able to easily shift purchases from one supplier to another. This industrial marketing literature is largely practically oriented, not being based on any special business marketing theory. Since it draws heavily on mainstream marketing theory, it is placed within the micro-marketing approach, being clearly separated from the inter-organizational approach. This is seen in today's textbooks on business-to-business marketing or business marketing, which very little refer to or are based on the inter-organizational approach. The exception to this rule is Anderson & Narus (2004), which textbook on business marketing management broadly summarizes the state of knowledge

within the business-to-business marketing field today in combination with essential theories from the inter-organizational approach.

The Relationship Marketing Approach

The inter-organizational approach builds on a broad view to relationships, which makes it fundamentally different from most approaches to marketing in general (Sheth & Gardner & Garrett, 1988), relationship marketing (Sheth & Parvatiyar, 2000), inclusive of relationship marketing of services (e.g. Grönroos, 1995, 2000) as well as business-to-business marketing, in which traditional marketing concepts and tools are applied. Relationship marketing is different from “marketing relationships” (El-Ansary, 1997). It describes a certain approach to marketing focusing on cooperative relationships between the firm and its different marketing actors. Marketing relationships is more technical in kind and relates to the actual marketing taken place through relationships. Research on relationship marketing can therefore be divided into a narrow stream of research mainly focusing on customer relationships and a broad stream of research taking up a wider set of relationships. Scholars involved in relationship marketing to consumers (Sheth & Parvatiyar, 2000) as well as in marketing of services often belong to the former narrow view of relationship marketing (e.g. Grönroos, 1995, 2000). The basis of marketing is the customer irrespective of how many factors outside and inside markets that are considered, i.e. how broad the marketing system is. Change in customer behaviour is a main factor behind the shift from transaction marketing to relationship marketing (Sheth & Parvatiyar, 1995). This change is very well summarized by El-Ansary (2004) as a change from transactional selling to relationship marketing. His version of relationship marketing fits well with the emerging service-centered dominant marketing logic developed in Vargo & Lusch (2004). Two of the eight foundational premises build on the integration of the resource-based view into marketing strategy, mainly inspired by Day (1994), and Hunt (2000). This integration of relationship marketing with the firm’s resource base of this emerging marketing logic also opens up possibilities to more relate the business to business marketing approach and the inter-organizational approach to developments in marketing theory in general, even making it possible to develop a more general relationship marketing theory. This possibility is especially promising when these approaches are related to the broad stream of research on relationship marketing, e.g. service management research on value constellations (Normann & Ramirez, 1993; Normann, 2001). Here, the main reason to establish and maintain relationships is to service the needs of various business partners, e.g. customers, suppliers, government units, and various non-governmental organizations. Wealth is obtained through the application and exchange of specialized knowledge and skills, and where the business partners are active participants in relational exchanges and co-production. This is a value constellation established for the temporary task of marketing a product/service package involving a certain combination of competences, e.g. a group of actors representing different units that work together to create value for the customer. It implies that interdependent marketing activities link actors and their competences together.

Comparison of the Approaches to Business Marketing

One major conclusion of the comparison of the approaches is that it is not possible to integrate the various business marketing theories or the different approaches and views into one coherent basic theory. One major indication of this is that the separation between research on business marketing in Europe and the U.S.A. largely remains. The low impact on U.S. marketing research is matched by an equally low impact on European business marketing research. E.g. Ford (2002) has besides the sections including research articles also a separate section on ‘Marketing in Business Networks’, containing nine articles. Only two of these are classified as typical business-to-business marketing articles belonging within the micro-marketing approach. All the interaction taken place between researchers in these two fields through conferences and other types of exchange have not resulted in any major approaches and joint developments of any business marketing theoretical field.

However, there are some developments that might make more integration possible. A recent trend is that consumer marketing is going through a similar development as discussed for the micro marketing approach above as a development from the marketing-mix view to the business-to-business marketing view, i.e. from transaction marketing (or marketing-mix) to relationship marketing (Parvatiyar & Sheth, 2000). This is fundamental change of perspective in mainstream marketing theory, which might also affect developments in business marketing theory. This could lead to a more integrated theoretical development in marketing, for the first time comprising consumer marketing, service marketing, and industrial marketing. Consequently, business marketing according to both the inter-organizational approach and the micro-marketing approach can be seen as a kind of relationship marketing if it is defined according to Morgan & Hunt (1994, p. 22): "relationship marketing refers to all marketing activities directed toward establishing, developing, and maintaining successful relationships". The business-to-business marketing view, in particular, fits within the narrow stream of relationship marketing research, and matches both El-Ansary (2004) and Vargo & Lusch's foundational premises. E.g. this approach is customer focused and based on an integration of industrial marketing and service marketing in the same way as consumer marketing is integrated with service marketing. This is a major conclusion from Parvatiyar and Sheth (2000), who see relationship marketing as a new school in marketing or Vargo & Lusch (2004), who develop a new dominant logic for marketing. These developments can be seen as an addition to the twelve schools earlier identified by Sheth & Gardner & Garrett (1988).

Still the differences are more important than the similarities. The main similarities between relationship marketing and the inter-organizational approach is summarized as that the relationship is of value, that values are created through relationships and that the time dimension of the individual relationships are important (Mattsson, 1997). However, the strong focus on the customer in relationship marketing of the narrow stream of research is too limited a focus for the inter-organizational approach. This approach relates more to the broad stream of research on relationship marketing, e.g. the "multiple markets" perspective that includes relationship marketing in six markets, i.e. besides customer and intermediary markets also supplier and alliance markets, referral markets and influence markets, internal markets and recruitment markets (Peck et al, 1997, Payne, 2000). A similar approach is also taken by Gummesson (1995), who identifies and analyses 30 different types of business relationships. Judging from Sheth & Parvatiyar (2000), El-Ansary (2004), and Vargo & Lusch (2004) relationship marketing mainly belongs to the narrow stream of research, since it builds on more traditional marketing thinking as represented by the managerial (marketing management) school and the (consumer) behaviour school. The inter-organizational approach, however, is more related to the systems school and the organizational dynamics school, which deal with relationships between organizations. It is founded more on inter-organizational theory focusing on the marketing issues between organizations and not on organizations and individuals as in the mainstream marketing theories dealing with marketing of products and services to consumers.

However, the basic difference between the inter-organizational approach and relationship marketing identified by Mattsson (1997) seems to be the main difficulty behind the integration of the theories. The inter-organizational approach is characterised by relationships being embedded in a social structure, mainly a specific market structure in the form of networks. Relationship marketing, on the other hand, does not normally consider this macro dimension, but is a 'taken-for granted' marketing to actors in traditional markets, mainly related to the interests of the selling firm. Thus, relationship marketing is mainly a broadening of the micro-marketing approach to the major marketing theories identified by El-Ansary (1983), but which has not yet integrated with macro-marketing theory. Relationship marketing is therefore not yet to be considered as a paradigmatic shift in marketing.

The first main conclusion is that the three approaches are too different to be able to integrate into one common approach. Even if there is some conversion observed it has not come to a point where this is happening. The second main conclusion from this exercise is that the inter-organizational approach is the best candidate as a theoretical base for business

marketing in emerging country markets. The third main conclusion is that these approaches are under-developed regarding the three major characteristics of emerging country markets taken up at the beginning of the article. This is now elaborated on further.

The Underdeveloped Aspects of the Inter-Organizational Approach

Due to the European origin of the inter-organizational approach, it has certain weaknesses that need to be corrected for, if it is to be suitable to the very different business environment prevailing in emerging country markets. It is underdeveloped in comparison with the requirement set by three major characteristics of these countries, namely the network aspect, the environmental/international aspect, and the strategic aspect. In addition, there are extra demands put on business marketing to be highly responsive to local business environments. This call for local responsiveness and local representation makes the organizational aspect of marketing strategy highly relevant. This aspect is therefore added as a fourth major factor, according to which the inter-organizational approach needs to be developed.

Thus, the demand profile on an international business marketing model relevant for emerging country markets consists of four aspects: the network aspect, the international or environmental aspect, the strategic aspect, and the organizational aspect.

The Network Aspect

The model is based on seeing the MNC as an inter-organizational network consisting of exchange relationships among organizational units. The MNC, markets and society are described from a network perspective, where it is illustrated the network relations between the MNC-network and major external parties in product/service markets.

As seen above, most marketing research based on the inter-organizational approach mainly focuses on dyadic relationships but also on sets of links within networks. In the latter case, the relationship focus is mostly kept by looking at the network as a number of direct (the dyadic aspect) and indirect relationships (the network aspect). Dyads are connected to three major types of networks (activity patterns, resource constellations, actors bonds). This rather simplistic theoretical approach to networks requires the network aspect to be developed. One of the main pitfalls of the network approach is then to be avoided, namely the confusion or confounding of analytic levels. As seen above, a fundamental ingredient of the inter-organizational approach is social exchange theory. This theory tends often to be employed in the same way in analyzing interpersonal as in analyzing inter-organizational exchange. As Blau (1987) observed, there is the danger here of transferring basic concepts from the micro-level to higher levels of analysis. The inter-organizational approach is limited to market relationships and rarely includes the non-market relationship aspect or ancillary connections as they are defined by Blankenburg & Johanson (1992), e.g. government and other stakeholders in the social environment. Relationship marketing in product/service markets is taken up as well as relationship marketing towards stakeholders in more socially based fields, e.g. government. However, the main purpose in product/service markets is different from relationships in non-market environments. Marketing towards customers and suppliers is efficiency-based, i.e. the goal is to sell or buy products/services at a profit. The main purpose in building relationships with stakeholders such as the government, on the other hand, is legitimacy-based, e.g. to get permits to do business in product/service markets. Thus, different rationalities dominate in different organizational fields, which, inter alia, lead to variation in type of relationship established with different types of actors (Jansson, 2007a).

The International Aspect

Even if the international aspect, as we saw above, is normally included as part of the industrial network framework, it is more taken for granted than being incorporated as a key theoretical construct (e.g. Håkansson (ed.), 1982; Hallén, 1982; Ford, 2002; Ford et al, 1998). To develop this aspect, it will be necessary to go more into the environment of industrial networks in different transition countries and study how strategic international relationship marketing is influenced by environmental variation. The external environment is

defined to consist of a number of rule systems or institutions (Jansson, 2007a, Kostova, 1997). As a consequence, relationship marketing is assumed to be directed at identifiable actors in specific organisational fields, for example product/service markets (mainly customers and competitors), financial markets, and government. There is an inter-play between relationship marketing and institutions, where institutions are influencing relationship marketing as well as being influenced by it. Institutions represent broad categories or constraints for how relationship marketing is organised. This institutional network approach is developed in Jansson (2007a).

The international dimension of relationships is developed by integrating relationships into the internationalization processes of firms. Firms are assumed to gain international experience by establishing and developing relationships to business partners. The more relationships that have been established in a foreign country and the more countries this has been done in the more internationally experienced the firm then becomes. This is derived from research on internationalization processes, which has found that how firms respond to changes in international markets largely depends on where in the internationalization process they are found, that is their degree of internationalization.

The Strategy Aspect

Even if the interorganizational approach deals with the strategic issues of relationship marketing (e.g. Axelsson, 1992; Ford, 2002; Håkansson & Snehota, 1995; Snehota, 1990), the strategy aspect needs to be developed further by incorporating more strategy theory, especially the resource-based view. Resources together with activities and actors are the basic factors of many industrial network models. These models need to be penetrated further with the purpose to develop the strategic aspect. As stressed by Gulati & Nohria & Zaheer (2000) the relationships in which firms are embedded profoundly influence their conduct and performance, whereas firms are more properly viewed as connected to each other in multiple strategic networks of resources and other flows.

The resources and capabilities of the MNC are organized through the internal network organization, implying that successful industrial marketing is shaped by managerial processes within network structures, and governed by various controls. Thus, the internal side of strategy is also important, i.e. the organization of relationship marketing strategy. The perspective is changed from focusing on the formation of strategy to concentrating on the implementation of strategy. The local/regional network organization of the MNC consisting of highly adapted relationships need to be analysed and also how this network is 'plugged into' the wider global marketing and product network of the group. To be able to analyse the linkage between local and global network organisation, the network organisation of the group is developed as a critical capability for achieving competitive advantages.

This approach to resources still dominates the inter-organizational approach, which, inter alia, is seen in how strategic issues are taken up. The inter-organizational approach deals with strategy (e.g. Axelsson, 1992; Ford, 2002; Håkansson & Snehota, 1995; Snehota, 1990), and resources are the basic factors of the ARA model. This fits with Gulati & Nohria & Zaheer (2000), who stress that the relationships in which firms are embedded profoundly influence their conduct and performance, whereas firms are more properly viewed as connected to each other in multiple strategic networks of resources and other flows. Still, the dominant strategy theory developed during the last 20 years has not been incorporated, i.e. the resource-based view. The main reason for this seems to be that this view is based on economics, which conflicts with the sociology base of the approach, e.g. expressed through its base in exchange theory and power-dependency (Axelsson & Easton, 1992; Håkansson & Johanson, 1992; Håkansson & Snehota, 1995; Ford, 2002; Ford et al 1998).

The Organization Aspect

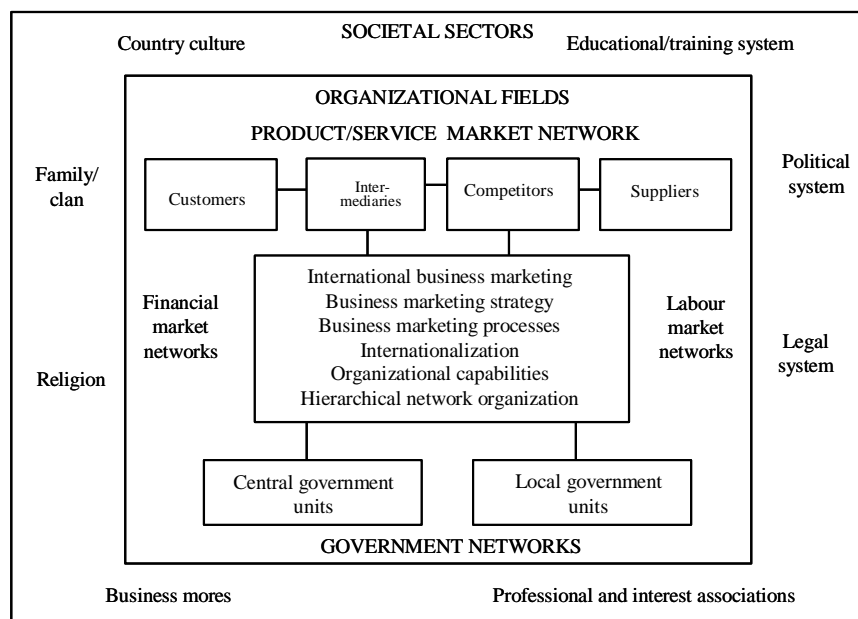
Organizational issues also become more important. The three issues above are very much related to the organization of the MNC and its environment. For example, there is need for an organization that controls business marketing and uses the relevant resources and capabilities in an efficient way.

The Basic International Business Marketing Model

The basic model is grounded in seeing the MNC as an inter-organizational network consisting of exchange relationships among organizational units. The MNC, markets and society are described from a network perspective, where it is illustrated the network relations between the MNC-network and major external parties in product/service markets. The IBM model is built on the institutional network approach. The internal network of the MNC and its external network in markets are influenced by institutional structures ('macro rules'), determining what goes on inside the networks. Although the IBM model is mainly based on the inter-organizational approach, it can be seen to be part of the paradigm change in marketing from transaction to relationship marketing and has been developed in accordance with the emerging service-centered dominant marketing logic. The eight foundational premises of this marketing logic are also valid for the IBM model.

Based on the evaluation above in relation to the three major characteristics of emerging country markets, a basic network model for relationship marketing is developed and illustrated in Figure 2 relevant for emerging country markets. The model is developed in more detail and applied in Jansson (2007b). According to this model, the MNC is operating in a number of market networks, which in their turn are surrounded by macro factors. The environment is turned into a playing field, where markets and societies are looked upon as rule systems that the MNC is following. The rules inform about the conditions under which marketing and purchasing relationships are organised. Networks are influenced by "macro rules", for example foreign direct investment rules decided by government or behaviour rules in business originating from the culture of a country, or "relationships rights" expressed as systems of property rights and other legal rules such as judicial and penal systems. Other examples of important 'macro rules' are found in other societal sectors, for example family, clan, ethnicity, religion, culture, political system in general, trade unions, business associations, and business morale and conventions. The state holds a special position, since it participates both directly in the network and indirectly, by being seen as a separate rule system outside the network influencing relationships. In a similar vein, religious norms might encourage or inhibit incentives for innovation and entrepreneurial activities. This is also true of rule systems more proximate to the firm, in which actors are embedded, i.e. markets. The rule systems of a specific market might facilitate or hinder relationship marketing moves to be implemented.

Figure 2 The international business marketing model



Source: Jansson (2007b, p. 42)

Thus, the external environment is defined to consist of a number of rule systems or institutions. As a consequence, relationship marketing is directed at identifiable actors in specific organisational fields, for example product/service markets (mainly customers and competitors), financial markets, and government. Such bridging strategies between actors, by establishing agreements through relationships, are influenced by institutional factors in organisational fields and societal sectors. There is an inter-play between relationship marketing and institutions, where institutions are influencing relationship marketing as well as being influenced by relationship marketing. Institutions represent broad categories or constraints for how relationship marketing is formed and implemented (organised). Relationship marketing therefore bridges gaps at three levels: organisations, organisational fields and societal sectors.

External networks include activities taking place through relationships with the purpose to bridge gaps between organizational actors in organizational fields. The main purpose in product/service markets is efficiency-based, i.e. to sell or buy products/services at a profit. The main purpose in the government field, however, is legitimacy-based, e.g. to get permits for doing business in product/service markets. Thus, different rationalities dominate in different organizational fields, which, inter alia, lead to variation in type of relationship established with various sorts of actors.

Thus, the external environment is defined to consist of a number of rule systems or institutions (Jansson, 2007). As a consequence, business marketing is directed at identifiable actors in specific organisational fields, for example product/service markets (mainly customers and competitors), financial markets and government. Such bridging strategies between actors, by establishing agreements through relationships, are influenced by institutional factors in organisational fields and societal sectors. There is an inter-play among business marketing and institutions, where institutions are influencing business marketing as well as being influenced by business marketing. Institutions represent broad categories or constraints for how business marketing is formed and implemented. Business marketing therefore bridges gaps at three levels: organisations, organisational fields and societal sectors.

Internal networks organize the resources and the capabilities of the interacting parties. Such local and regional networks condition business marketing by their ability to shape the outcome, for example competitive advantages in product/service markets. Resources together with activities and actors are then basic factors of the international business marketing strategy model.

Major International Business Marketing Factors

One group of factors concerns business marketing strategy, where network strategy, linkage strategy, and competitive strategy form three basic sub strategies. A second group of factors relates to the business marketing process, which is divided into the relationship process, the marketing process, and the product/service process. A third group of factors relate to the international dimension of business marketing strategy, namely entry strategy into emerging country markets and the globalization of business marketing and firms. A fourth group of factors concerns the resources and capabilities behind the IBM strategy and processes, namely network capability profiles and trustworthiness. A fifth group of factors is about how business strategy and strategic processes are organized into various type of hierarchical networks at the group, regional, and local levels as well as in the form of action and organization networks.

Business Marketing Strategy

The business marketing strategy consists of three basic substrategies: the network strategy, the linkage strategy and the competitive strategy. The network strategy is about how the MNC relates itself to the whole market network, inclusive of buyers, distributors, competitors, suppliers and financiers. The linkage strategy, on the other hand, concerns how the seller creates and maintains direct relationships with individual parties within the network. The competitive strategy, finally, primarily focuses on networks involving competitors. Unlike the

linkage strategy, it does not involve direct relationships with parties, rather the position the seller takes or possesses in the competitors' network. It concentrates on how competitive the offer is. This means that the competitive strategy relates to horizontal competition in the horizontal market network, while the linkage strategy involves vertical competition in the vertical market network.

Business Marketing Processes

Three network processes are distinguished: the relationship process, the marketing process, and the product/service process. Based on Ford (1980; 2002) and Ford et al (1998), the relationship process is split up into various stages, starting with the pre-relationship stage and ending with the final stage. The marketing process concerns the time order of the type of exchange or the activities going on within the network, for instance marketing and influencing activities. This process is divided into a number of cycles and phases, where the number of cycles will vary with type of marketing activity. In such cases, how relationships develop and persist and what the marketing activities look like over time depend on type of product exchanged. This means that network processes also vary with what is exchanged, in product/service markets mainly type of product. This major content of the relationships in turn depend on the need satisfied or the type of solution demanded. This is the product/service process, which is about how the exchange of solutions (products/services) for customer needs is organized over time. It is divided into a number of periods. The more complex the product/service, the longer is this process and the more periods exist. The exchange process for large projects, for example, consists of four periods: the formation period, the bidding period, the execution period and the termination period. Marketing and product/service processes are mainly relevant in connection with the selling of projects.

Thus the relationship process is divided into a number of stages, the marketing process into a number of cycles and the product/service process into a number of periods. Collective action according to these three processes occurs through the mobilization of various actors and resources. In project marketing, for example, action networks are formed around project teams, through which the resources and capabilities are mobilized.

Entry Strategy

Internationalization is divided into two aspects: entry strategy and internationalization process. When entering a local market network, four major factors are critical for the business marketing strategy. The entry mode has to do with how the MNC organizes its business marketing during the initial period in the foreign market, for example a subsidiary, joint venture or collaborating with an outside organization such as an agent or distributor. The entry node relates to how the MNC plugs into the local market network, whether it sells directly to the customers or indirectly through a dealer or agent. The entry process concerns how relationships are established and maintained with actors of importance to the firm. The entry role relates to what commercial role the MNC plays the local network: seller, buyer, and/or manufacturer.

Internationalization Process

Globalization processes take up how business marketing and firms spread between emerging country markets, regionally and globally, that is the overall internationalization process of the firm. Based on the experiential knowledge process, internationalization processes are often divided into different degrees of internationalization or stages. During the first stage, firms have a domestic market focus. Next follows the pre-export stage, when the firm evaluates the possibilities to start exporting. The third stage is experimental involvement, when exporting is a marginal activity. The fourth stage is active involvement, when international business is a normal activity, for example an important share of the turnover is exported. A suitable organization structure is also in place for this activity. The fifth and last stage involves committed involvement in exporting. The firm can now be called international, since it is heavily involved in markets abroad.

Network (Organizational) Capability Profiles

How business marketing is executed depends upon which organizational capabilities that the firm has at its disposal. The IBM strategy is effectuated through its organizational capabilities, shaped by its resources and constrained by its external environments. Four network capability profiles provide the connection between the external and the internal network. A customer specialist has a competence to tailor make customer solutions by operating through specialized networks, while a product specialist solve problems customers have in common through having direct and more standardized network linkages. Two major types of competence relates to intermediaries. A distribution specialist can deal with customers both directly and indirectly through a distribution network, while a distributor network specialist more has a competence to cater for the problems of distributors, through which there is an indirect and often distant coupling to the customer.

The network capability profile influences the possible range of entry strategies open to a MNC, for example if it should enter through an agent or a subsidiary, that is what entry mode to select. In the former situation, it is a question of establishing indirect relationships to the customers via the intermediary, for which a distributor network specialist capability is required. In the latter situation, it could be a question of going for direct relationships with customers through establishing an own entry node in the form of a distribution network, for which a distribution specialist capability is required.

Trustworthiness

Establishing trustful relationships is a critical part of IBM, whereas trustworthiness becomes a key ingredient of every network capability profile. The term trustworthiness signifies that trust is defined as a capability of the firm (Jansson, 2007a). Trustworthiness is a major norm of the social capital that constitutes a social organizational capability established from the resource base of the firm in the form of relationships. Trustworthiness is a major norm in the social organization of the network. Being a trustworthy seller, for example, creates expectations at the buyer that the seller behaves in a specific way, for example producing reliable products. That the seller can be trusted also makes the buyer to act in a certain way towards the seller. The behavior following from this ability to be trustworthy takes place through network relationships. The social capital consisting of relationships based norms (that is trust) is divided into social resources in the form of relationships and social capabilities in the form of trustworthiness.

Trustworthiness is related to the social organization of the network, where a distinction is made between organizational trustworthiness and individual trustworthiness. Organizational trustworthiness concerns the organization, for example a buyer trusting the selling organization to keep promises given on quality and delivery time. This is a relation between an individual and an organization, that is impersonal and formal. Individual trustworthiness regards persons and the friendship among them. One type of individual trustworthiness is related to the individual as a representative of his or her company. This type of trustworthiness is defined as professional trustworthiness, since it has to do with how tasks are completed together with other individuals, and is more instrumental than emotional. This relationship is personal and formal. Another kind of trustworthiness is related to other individuals as persons. It has another friendship base than business, for example personal traits, membership of a social or cultural group, or the like. This is called social trustworthiness, since persons associate because they like each other, or because they belong to the same social or cultural group.

Hierarchical Network Organization

The internal network organization of the firm is defined as a hierarchical network, since there is a formal authority directly present within the network controlling it. The opposite is the arms-length network, where relations take place between autonomous organizations in situations, where there is no formal authority to impose coordination, for example relationships between buyers and sellers in market networks. When the authority is the backbone of the network, type of authority and execution of authority becomes vital. This

approach, where the MNC consists of exchange relationships among organizational units, is a relatively recent phenomenon (Ghoshal and Bartlett, 1990; Forsgren et al, 2006; Jansson et al., 1995). One main advantage with a network approach, stressed by Ghoshal and Bartlett (1990), is that the contingency aspect of the MNC organization can be developed considerably by combining an internal network with its various external networks. Due to how various types of hierarchical networks have developed internationally, a distinction is made between three types of internationally developed hierarchies: the Ethnocentric MNC, the Polycentric MNC, and the Geocentric MNC. These fully internationalized major types of firms are contrasted to the internationalizing firm and the domestic firm, which is entirely operating on the home market. A distinction is made between the basic organization of the MNC, which is defined as an organization network and the organization of projects, which is defined as action networks. The local network organization is defined as a hub organization, which is mainly seen to be set up to control dyads and/or triads. A distinction is thereby made between local hubs found in emerging country markets and regional hubs controlling spokes spreading out to market networks in a particular group of countries.

Conclusions

A major conclusion from the evaluation is that the inter-organizational approach builds on a broad view to relationships, whereas it consists of a more relevant basis for developing a relationship marketing framework valid in emerging country markets. Relationship marketing is viewed as an inter-organizational matter and it is regarded as fruitful to treat both the marketing and the buying behaviour of firms as organizational issues. Interaction is viewed as taking place between the two parties to this relationship or between several parties in a market network. The network aspect is described according to the three major divisions made between networks as relationships, as structures, and as processes.

The broad stream of relationship marketing is more relevant for emerging country markets than the narrow stream. The reason is that it focuses on a wider set of relationships and thereby marketing issues, also including the business-to-business marketing approach. However, the inter-organizational approach, as a whole, is harder to fit into this evolving theoretical framework. The separation between research on business marketing in Europe and the U.S.A. largely remains, despite the large similarities between the broader stream of research in relationship marketing and the inter-organizational approach. Rather, the main difficulty behind the integration of the theories is that the inter-organizational approach is characterised by relationships being embedded in a social structure, mainly a specific market structure in the form of networks. Relationship marketing, on the other hand, does not normally consider this macro dimension, whereas relationship marketing mainly is an extension of the micro-marketing approach to the major marketing theories except for macro-marketing theory. However, some major trends in the global markets might lead to more convergence, mainly the globalization of marketing involving emerging country markets, and the integration of European markets.

The network aspect is considered for developing international business marketing model by viewing the MNC to operate in a number of external networks: product/service market network, financial market network, labour market network and government network. The international aspect is included by looking on markets and societies as rule systems under which marketing and purchasing relationships are organised. Networks are influenced by "macro rules" in societal sectors such as family, clan, ethnicity, religion, culture, political system in general, trade unions, business associations, and business morale. Business marketing strategy is also influenced by 'relationships rights' expressed as systems of property rights and other legal rules such as judicial and penal systems. The strategy aspect of business marketing is developed in a number of ways. A first group of factors concerns strategy and network relationships. A second group of factors combines strategy and the international dimension of strategy, namely entry strategy into emerging country markets and the globalization of business marketing and firms. A third group of factors concerns the resources and capabilities behind IBM strategy, namely network capability profiles and trustworthiness. The organizational aspect is developed by combining the internal network

aspect and strategy aspect by taking up how business strategy and strategic processes are organized into various types of hierarchical networks at the group, regional, and local levels as well as in the form of action and organization networks. The non-market aspect is considered by broadening the relationship strategy to be relevant for non-market actors such as various stakeholders, e.g. government. The internal network aspect is included in the model, focusing on the local and regional network organization of the MNC.

The IBM strategy consists of three basic sub-strategies, namely the network strategy, the linkage strategy and the competitive strategy. The three business marketing processes are the relationship process, the marketing process, the product/service process. These processes are divided into sub-processes, where each process consists of a number of stages, cycles or periods involving different degrees of change and mobilization of resources and capabilities. Further developing the international aspect, four major factors are found to be critical for the business marketing strategy when entering a local market network, namely entry mode, entry node, entry process, and entry role. Another international aspect concerns the globalization process. Trustworthiness is a major norm of the social capital that constitutes a social organizational capability established from the resource base of the firm in the form of relationships. It also gives a capacity to have and develop new relationships with other parties. This norm or behavioral rule expresses an established ability to behave in a certain way. How IBM strategy is executed depends upon how the network is organized. The internal network organization of the firm is described as a hierarchical network. A distinction is made between the basic organization of the MNC, which is defined as an organization network and the organization of projects, which is defined as action networks. Due to how various types of hierarchical networks have developed internationally, a distinction is made between three types of globally developed hierarchies: the Ethnocentric MNC, the Polycentric MNC, and the Geocentric MNC. These fully internationalized major types of firms are compared to the internationalizing firm and the domestic firm. The focus of the international organization of the firm is the local and regional organization networks.

The inter-organizational approach and the business-to-business marketing approach are part of the fundamental change in marketing from transaction to relationship marketing and are possible to develop further in accordance with the emerging service-centered dominant marketing logic. The eight foundational premises of this marketing logic are also valid for these frameworks. E.g. the integration of relationship marketing and the firm's resource base makes it possible to generalize these frameworks to such general developments in marketing theory. The humanistic, relationship-based aspects are thereby developed instead of the functional, mechanistic, and production-oriented aspects. It integrates production and consumption through a network of relationships, where customer value is created through co-production of offerings. It combines tangible products with intangible services. The task of marketing is not to take products to the markets but to assist the buyer in the process of specialization and value creation. Operant resources, mainly knowledge and competence, are developed and coordinated through networks to provide desired benefits for customers. Firms are network integrators that both compete and cooperate when managing the network relationships. The marketing function is mainly seen as a partner-consulting function, where communication is two-way and characterized by dialogue rather than the supply of information.

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