Role Change and its Influence on Business Network Dynamics

Work-in-progress

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Abstract

The paper deals with business network dynamics as a result of role change. Role alteration and role transition are processes that have the capacity to change network structure and force new roles upon business network members. The paper investigates change in roles and its subsequent change in business network composition through a case study of the media and telecommunications sectors in Finland. Role theory applied in the industrial network approach is reviewed and discussed in the light of business network dynamics and role alteration.

Key words: role, position, change, business network, Finland, MTV Media

1. Introduction

The concept of role has been researched mainly within the fields of psychology and sociology (cf. Biddle & Thomas, 1966) but also within organizational studies (Katz & Kahn, 1978). Most role theorists focus on a triad of concepts that constitute social structure and are defined in relation to each other (Biddle, 1986). These concepts are *role*, *position* and *characteristic behavior*. Specifically, a role is defined as a set of behaviors that are characteristic (i.e. expected) of a person in a given social position (Parsons, 1951; Merton, 1957). Position, on the other hand, refers to the parts that an actor (individual, organization etc.) occupy in a social system and that are located relative to each other in a status order (Parsons, 1951; Nadel, 1957). Role therefore refers to a set of behavioral scripts that delineate actions performed by actors who occupy these parts (Biddle, 1986). The third concept, characteristic expectation, forms one social structural unit together with role and position and is used to explain why people enact roles. Lamertz (2005) points out that actors enact role behavior because they perceive normative pressure to behave in accordance with the scripts for people in their position (see also Parsons, 1951; Merton, 1957) or because they strategically perform select scripts that they know are legitimate for such actors (Baker & Faulkner, 1991). Enactment may involve regularly occurring actions and interactions with others occupying the same or another position (Nadel, 1957).

Role theory mainly uses the individual as the primary unit of analysis, but recently organizational actors have also been used as the unit of analysis in role theory (cf. Heikkinen, Mainela, Still & Tähtinen, 2006). This study explores further the field of organizations as role possessors by combining role theory with the industrial network approach (INA), developed mainly within the Industrial Marketing and Purchasing Group (IMP). The concept of role within the INA is mainly associated with position, which Johanson and Mattsson (1985) referred to as a framework for action. Position was then, and still is, used as a tool to analyze network dynamics in order to understand how networks evolve. Anderson, Havila, Andersen and Halinen (1998) view position as an important measure for the structure of a network and that it is possible to describe change by comparing an actor's position at time t_0 and time t_1. The concept of role has later on been added to the discussion illustrating the dynamic aspect of position, and implying that an actor may act in several roles simultaneously. The role dimension thus represents the subjective and creative character of the actor, meaning that an actor has a position but acts in a role. Role is seen as a concept for describing what the actors intend, how they construct meaning in their situation and how they want to change it. It has been recognized that an actor possesses a position in the network (cf. Johanson & Mattsson, 1985; Henders, 1992) and acts according to role(s) (cf. Henders, 1992; Havila, 1996). However, the potential in using the concept of role in understanding business network dynamics has not been explored to its full potential. For instance, what happens in the larger business network if an actor's role is changed through a process of role alteration or role transition (either voluntary or involuntary)? How can role theory drawn from psychology, sociology and organizational studies help us understand change dynamics in business networks? Is it possible for a network actor to strategize using role and position, and in such a case, on which premises and with which kind of outcomes? Which kind of managerial implications can be extracted from a discussion and analysis of role and position in business networks? The questions are many and unanswered when it comes to role and position in business networks. Therefore, the paper discusses change in actor roles as a process of business network dynamics. The aim of the paper is to combine role theory with the INA in order to explore whether role change causes change in the business network composition and/or underlying structure. The relation between role alteration and role conflict will be investigated further in the paper.

1.1 Research approach and structure of the paper

The paper starts with an introduction to role theory and places role theory in a business network context. Business network change is discussed through the concepts of role and position in order to understand their relevance in studying change dynamics within industrial markets. A case study

exemplifies the issue of change in role and how it affects the surrounding environment of actors in business networks. The case has been chosen based on the fact that it offers an opportunity to learn something new (Stake, 2000). The case is based on interviews with a representative of the company under investigation, media company MTV Media (MTV) in Finland and representatives of actors, with whom MTV established business relationships. These partners, to a large degree, constitute telecommunications actors and players in the media field. All informants were promised full anonymity and will therefore not be described further in the study. The interviews were conducted between February 2006 and April 2007 as a part of a larger study of the Finnish telecommunications sector from an industrial network perspective. Nine out of 39 interviews, as well as secondary sources, have been used in constructing the case description and analysis. Critical event analysis (Angelides, 2001; Edvardsson & Roos, 2001; Gremler, 2004) is applied in the case analysis as a means to identify the processual character of change. Pettigrew (1990) also noted that processual research requires interpretation of patterns in events, which makes processual case study approach applicable with critical event analysis. The idea is therefore to study cases as a process and implement critical event analysis on the processes identified in the case studies. Ontological assumptions of social reality guiding the processual research include recognition that change is multifaceted and that social reality is a dynamic process (Sztompka, 1991). The unit of analysis is change occurring in relationships and networks around a focal actor, namely MTV .

2. Role theory applied in industrial networks

Broderick (1998) notes that a role theoretical perspective is significant in marketing; it offers an understanding of dynamic processes of exchange between actors. In social sciences the role concept and role theory as such have been widely used (see e.g. Linton, 1936; Biddle and Thomas, 1966; Broderick, 1998). According to Biddle (1986) role theory indicates that individuals behave in different and predictable ways depending on their social identities and respective situation. Stryker and Statham (1985) emphasize social interaction and individual behavior, saying that the individual social person is performing a role which is influenced by social structure. Role theory is "a cluster of social cues that guide and direct an individual's behavior in a given setting" (Solomon, Surprenant, Czepiel & Gutman, 1985, p. 102). The role of an actor is socially constructed and actors should be perceived as collections of several roles (Ashforth, 2000); roles are emergent and negotiable between individuals. Actors coordinate their behavior based on preferences, perceptions and interpretations, ending up in jointly defining what constitutes a certain role. A role is furthermore composed of expectations and requirements about behavior (Rizzo, House and Lirtzmann, 1970). The basic idea behind role theory is to understand human behavior and, for instance, Biddle (1986) distinguishes between three categories of studying role. Firstly, role refers to characteristic behaviors. Secondly, role is used for designating social parts to be played and thirdly, role indicates scripts for social conduct. The major generators of role are expectations, which Biddle summarizes as learned through experience and suggests moreover that individuals are aware of the expectations they hold. Role theory thus typically focuses on the behavior of the individual. Nevertheless, Mintzberg (1980) applied role theory on management and presented managerial roles. Katz and Kahn (1966) see role as a focal concept in their theory of organizations and propose that organizations are systems of role. The concept of role, according to the authors, contains elements that signify the static position of an individual among certain structures. Thus, the basic criterion for studying role is to identify the relevant surrounding structure (Heikkinen et al., 2006). Also, the concept of role has been brought in to the discussion on position in networks and linked to the dynamics of networks (Henders, 1992; Anderson & Havila, 1993; Anderson et al. 1998).

According to Havila (1996) the explicit use of the concept of role can be traced back to the 1930s and has ever since been largely used especially in behavioral sciences, e.g. studying occupational roles such as teacher or nurse. Levinson (1959) defines role as something existing outside of the individual, indicating that some kind of structurally given demand is associated with a certain position, which then in turn guides the individual's actions. Levinson further suggests that if the

individual leaves the position, the roles remain there and another individual can learn to perform this role, e.g. the role definition is made outside of the individual. Roles have a pre-history and are not created from scratch (Nadel, 1957). This view is similar to Henders (1992), who argues that a position in a business network pre-exists the actor.

Drawing on behavioral and psychological sciences, Linton (1936) defines role in relationship to a position and proposes that role can be seen as the dynamic aspect of the position. Also, one position can be said to involve one role or many different roles (Havila, 1996). Depending on the situation a role is activated. Henders (1992) sees role as an activity in the way that many actors perform any one role at any one time and that each of these actors executes several roles at the same time. A role always involves other roles, such as the role of a teacher also involves the role of a pupil. No role exists without a paired reciprocal role which is a part of a different position. Thus, a role does not exist without a position and positions do not exist without roles (cf. Andersson et al., 1998)

2.1 Role concepts
Merton (1957) introduced the notion of the "role-set", indicating that X occupying a position has a set of roles which relate X to other parties with other roles. A role-set is a complex of positions in which an individual holds simultaneous membership. When one actor takes the role of another, it may or may not include adopting the standpoint of the other as one's own (Turner, 1988). Role-taking is thus a process. Biddle and Thomas (1966) also ask questions how positions are filled and distinguish between ascribed status and achieved status. As Turner (1988) implies, actors' conceptions of themselves determine which roles they seek to play and how they will play them. The process of role-taking "involves interpreting the behavior of others as a syndrome of gestures that reveals a role" (ibid., p. 86). Role-taking begins with the use of shared role-conceptions as the basis for inputing a role and it is only when the gestures of others do not seem to correspond to these more shared and standardized conceptions that actors begin to construct a situationally unique role for others (ibid., p. 86). Role-making and role-taking are concepts that define role and define role as "the set of prescriptions defining what the behavior of a position member should be", according to Biddle and Thomas (1966, p. 29). Role-making, on the other hand assumes that individuals consciously and unconsciously orchestrate their emission of gestures in order to "make" or assert a role for themselves in situations.

In simple terms, role helps to describe how cooperating actors are expected to behave depending on their functions and tasks (cf. Jahnke, Ritterskamp & Herrmann, 2005). Jahnke et al. (2005) propose a number of role dimensions based on literature review, namely (1) position, which shows the relation to other positions or actors, (2) functions and tasks, (3) behavioral expectations and (4) societal interaction. The development of roles and their patterns can, according to Herrmann, Jahnke and Loser (2004), metaphorically be described as role mechanisms. (1) Role-taking is related to expectations "which can be potentially enforced sanctions being imposed on the role actor". (2) Role-assignment occurs when one or more actors assign a concrete role to a certain actor. The actor can decide to take the role or not. (3) Role-change is taking a new role while giving up another. (4) Role-making characterizes how an actor transforms the expectations into concrete behavior. (5) Inter-role conflict indicates that a conflict between roles can occur, if an actor takes more than one role. (6) Role-definition means that tasks may be modified since existing roles are dynamic. A role always has a function of executing a certain task.

When it comes to change in role, the process of changing from one role to another is referred to as *role transition*. For instance, Allen and van de Vliert (1984, p. 3) define role transition as "the process of changing from one set of expected positional behaviors in a social system to another". Role transition is believed to be an important type of change due to the fact that it strongly affects behavior and social identity of those who participate in the change process. Potential causes of role transition can be found in (1) chance events, (2) societal forces, (3) change in role senders and (4) capability or motives of the focal person or actor. Allen and van de Vliert also stress the fact that

behavior is often determined less by characteristics of the person than by the part one is assigned to play. *Role alteration*, on the other hand, indicates temporary changes in role relationships whereas a more permanent shift from one position to another is called role transition.

Concept	Definition
Role transition	Changing from one role to another (permanently)
Role alteration	Temporary changes in role relationships
Role-taking	Define role, sanctions may be imposed on the actor
Role-making	Define role intentionally or consciously
Role assignment	One or more actors assign a concrete role to an actor
Role conflict	Conflicts may occur if an actors takes more than one role

Table 1. Relevant role concepts

3. Business network dynamics and change of role

The INA is in its simplest terms focused on describing how one or several focal actors fit into a network and, for instance, Håkansson (1987) has proposed the ARA-model as a basis for understanding the markets as networks approach. Network change is proposed by previous IMP-related research to foremost start at the relationship level (cf. Easton & Lundgren, 1992; Håkansson, 1992; Halinen, Salmi & Havila, 1999), which in turn leads to changes on other levels, i.e. actor and network. These triggers of change sequences are thus mainly seen as internal to the business network. Some researchers have proposed external triggers for change (cf. Zerillo & Raina, 1996). Research on role and position as causes for business network dynamics have mainly focused on network internal issues so far. Henders (1992) notes that an actor can initiate change e.g. trough new product introduction. When it comes to the operalization of positions, Henders (1992, p. 102) suggests that a snapshot view of position allows for the "detection of opportunities for and constraints to action through consideration of the fit of resources in the network". First of all, one actor cannot by itself implement change and as already noted by Håkansson (1987) resources have value only in combination with other resources. This leads to constraints and opportunities for change. In the early research where position was included, Johanson and Mattsson (1985) pointed out that e.g. the lack of resources restrains change. Henders (1992) continues by stating that how actors are related to each other and the network impacts the process of change. Position is thus proposed to contribute to the actor's capability to affect change processes. Positions are also constantly altered through the process of change. Change, on the other hand, initiates a sequence of additional change, such as changes in activities would demand changes in resources, which eventually may result in changes in actors.

The discussion of using the role-concept in network theory has recently been associated with the question whether business networks can be managed (cf. Heikkinen et al., 2007). It is suggested that networks in their broadest sense cannot be managed by one single actor (Easton, 1992; Ford, Håkansson, Snehota & Gadde, 2002; Håkansson & Ford, 2002), whereas some researchers (Möller & Halinen, 1999; Möller & Svahn, 2003: Ritter, Wilkinson & Johnston, 2002) argue that managing *in nets* is possible. By managing in nets[1] is mostly meant the capability to influence the net. Heikkinen et al. (2007) note that managing in a net is about managing interactions with others, not about managing others.

3.1 The relation between role and network position

Network position is a concept that has emerged simultaneously with the INA, whereas the concept of role has gained research interest only during the last decades. Anderson et al. (1998) strongly point out that one cannot discuss position without referring to role (and vice versa). However, the link

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[1] Defined as local concentrations within networks (cf. Easton, 1992) or as intentionally developed (cf. Möller & Svahn, 2003).

between position and role within the IMP tradition is not always clear. The difference between role and position is sometime vague, a problem not many researchers address. Attempts at this have foremost been made by Henders (1992) and Havila (1996).

Mattsson (1985) implies that the firm is expected by other firms to behave according to a set of norms, which are associated with the position. Thus, one can assume that the position pre-exists the role(s), since the expectations of behavior are linked to a position in a business network. This largely corresponds with the *structuralist approach* to roles and assumes that a firm may use its position in order to orientate in a business network. The position becomes a resource, by which certain role(s) are accessed. Positions are nevertheless perceived in different ways depending on who is investigating the actor and why. According to the structuralist approach on role theory, role provides the pattern according to which the individual is to act in the particular situation. However, Henders (1992) points out that this definition does not allow for multiple roles and suggests that (1) many actors can perform any one role at any one time and (2) each of these actors execute several roles at the same time, which Henders refers to as "the multiplex idea". If role is defined as an activity of the firm in the network, Henders further argues that it then remains consistent with the activity/actor/resource frame: "A role thus becomes an aspect of the actor's contribution to the functioning of the existing network logic and more importantly its contribution to change in the network. This is opposed to the patterns or expectations attached to a position" (Henders, 1992, p. 90). Andersson et al. (1998) also propose that role is a construct of the meanings of a situation and an actor can change the situation by acting in a role, therefore also changing its position in a process of e.g. role-taking. Role can thus be seen as the dynamic or processual aspect of position and describes what actors intend to do and how they construct meaning from their position. Research on role and position within the IMP tradition largely assumes a *symbolic interactionist approach* on role, arguing that positions can be influenced and shaped through acting in certain roles. Consequently, position is shaped by the role(s) an actor chooses to act. The interactionist approach implies that roles are created by individuals in interaction. In business and management studies a structuralist view of roles is largely adopted. A structuralist approach on role assumes that the position determines *which* roles an actor can act. Roles are therefore consequences of the position an actor has. The position concept locates an actor in a structure or system, but role is viewed as the dynamic aspect of position (Havila, 1996). For instance, Håkansson (1987, pp. 217-219) comes to the conclusion that a company has a position and acts in a role. Havila (1996) furthermore points out that it is always individuals who act and build up relationships with counterparts. Building on the fact that a relationship is the result of an interaction process, the role(s) of a company is created and modified "through the interaction process between the individuals" (ibid, p. 35), thus saying that role and position in business networks indeed follow a symbolic interactionist approach rather than a structuralist approach. The approaches are summarized in table 2.

Approach	Implication
Structuralist	An actor's position determines role(s)
Symbolic interactionist	Position can be influenced by acting in role(s)
Role as a resource	Roles are enacted into positions

Table 2. The link between role and position

4. Case study – Finnish MTV Media going through role transition

Swedish Bonnier-owned MTV Media is a player in the Finnish media industry and manages commercial television and radio broadcasting. MTV is responsible for the national channels MTV3 and Subtv and reaches around three million Finnish viewers every day (MTV3, 12.2.2007). MTV is a pure business to business (B2B) actor, who receives most of its revenues from advertising. This fact makes MTV highly sensitive to e.g. recession: when customers make fewer investments in advertising, MTV also suffers since they are dependent on these revenues. This is one of the reasons why MTV as a pure media actor designed a strategy to get its share of the Internet and mobile

business after the century shift; to decrease risk and to access residential customers. It was felt that it was only natural that MTV would receive a piece of the pie. In the early 21st century, the hype period in information technology and telecommunications sectors around the world gave firms in the concerned industries reason to believe that growth was never-ending. Technological advancements and a perception of technologies converging led firms to believe that new markets were waiting to be conquered and that an ICT firm's field of business should be expanded to covering not only IT, but also telecommunications and media – because it was technologically possible. What these companies were experiencing was a form of identity crisis due to the fact that technology was developing quickly. Companies therefore sought new roles in adjacent industries. In 2001, therefore, MTV enacted these visions by deciding on becoming a telecommunications service provider through integrating mobile communications and media services. MTV thus took one more and new role by entering a previously unknown industry and forming buyer-seller relationships with telecommunications actors. In 2004 MTV established its market position in the mobile communications field by becoming a competitor to these actors. The business relationships between MTV and telecommunications players, such as mobile and telecoms operators, had so far mainly been based on revenue sharing agreements. For instance, when MTV showed a program that required interaction with viewers in the form of e.g. voting via telephone or SMS, agreements with telecom operators were made. Also, in terms of content, buyer-seller agreements existed between media and telecom players. The informants mention that business culture and language were different in the two industries and therefore tighter cooperation and closer relationships were not formed. Actors in the media industry viewed telecom operators as distribution channels (so-called bit pipes), while actors in the telecom industry viewed media companies as pure content providers and content creators. Actors were, however, recognized as firms with resources of various kinds, even though this fact was to be appreciated only later (cf. Nyström, 2008).
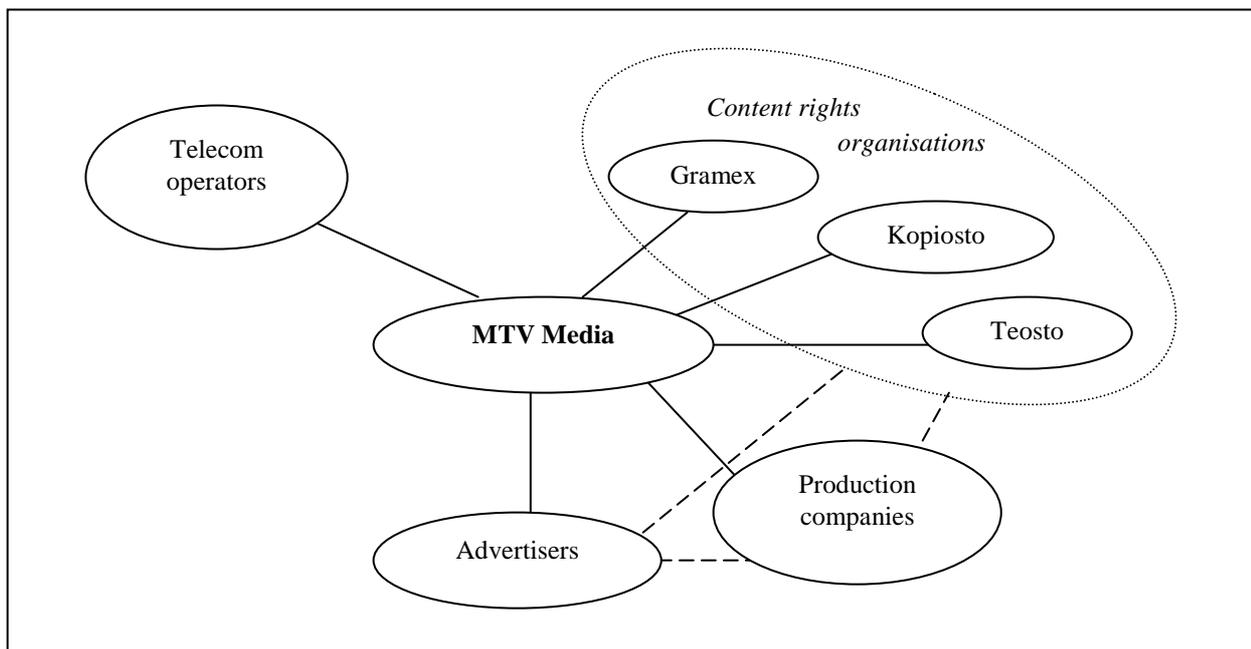

Figure 1. Network picture of MTV in the media industry

Figure 1 illustrates the relationships between MTV's main types of business partners. One of the main partners is content rights organizations, namely (1) Gramex, the copyright society which operates as co-operation link between the users of recorded music and performing artist and producers, who make recorded music, (2) Teosto, Finnish composers' copyright society and (3) Kopiosto, an organization monitoring copying, i.e. reproduction rights. The owner of content rights is rarely a single party; the owner may be a combination of many parties such as actors, writers, music producers, organizations etc. Also, production companies create content (e.g. Broadcasters, Talking Heads). Advertisers are B2B partners that deal with MTV either through advertising

agencies or directly. Behind every type of actor lies a network of different actors. Within the telecom operator group (on the left-hand side on figure 1) a number of separate firms exists. For instance, separate revenue sharing relationships are established with each mobile operator. The network picture of MTV is therefore complex on the media side and the aim is not to identify each network actor in the study. Rather, the point is to show that MTV's link to telecommunications was rather clear at this point in time.

However, MTV felt they were unable to react fast enough to changes, such as B2B customers decreasing advertisement investments for any reason, and therefore the strategy of accessing the residential customer layer in electronic media became important. The aim was to reach higher revenues and a decreased dependency on pure B2B relationships. During the same time a music channel had became a virtual mobile operator in another part of the world (MusicTV) and Hesburger, a local fast food restaurant chain, had introduced its own mobile subscription in Finland, which MTV considered to be examples of strategy composition, not knowing whether it was successful or not. Informant X at MTV states that it felt like "things fell into places" when MTV got proof that going into telecommunications would be a viable strategy. Telecommunications regulation had already been changed to such a degree that it enabled service operators to lease capacity from mobile network operators. Regulation prevented MTV from building a network of its own. Also, mobile handsets had developed to such a degree that practically all of the newest models had color displays, which simplifies the use of different services and applications on the mobile terminal.

MTV initiated meetings with the largest telecommunications companies around the role of media companies in the Internet and mobile business. During these meetings the idea of MTV becoming an operator was introduced and suggested. MTV was introduced as a telecommunications operator in early 2004 by launching MTV3 Laajakaista (broadband subscription) in TDC Song's[2] network and MTV3 Handy (mobile subscription) in Elisa's[3] mobile network. Thus MTV had a direct buyer-seller relationship with Elisa and TDC Song in these areas. The relationships with two telecom actors were therefore deepened; they had earlier been based on revenue sharing agreements and buyer-seller in the area of content. However, MTV never aimed at a leading position in the telecommunications field and the targets were relatively modest compared to traditional telecommunications and mobile operators. MTV was merely seeking alternative revenue sources and believed that with their "marketing machine" (possessing a wide range of marketing communication channels) they can affect consumers to such a degree that a user layer is created. MTV was not seeking hundreds of thousands of subscribers, rather tens of thousands. MTV launched advertising campaigns on its own channels in order to attract customers. Figure 2 shows the change in MTV's network picture after the role change. In the figure, the link to the end-users is also visible, which goes through the telecom actors.
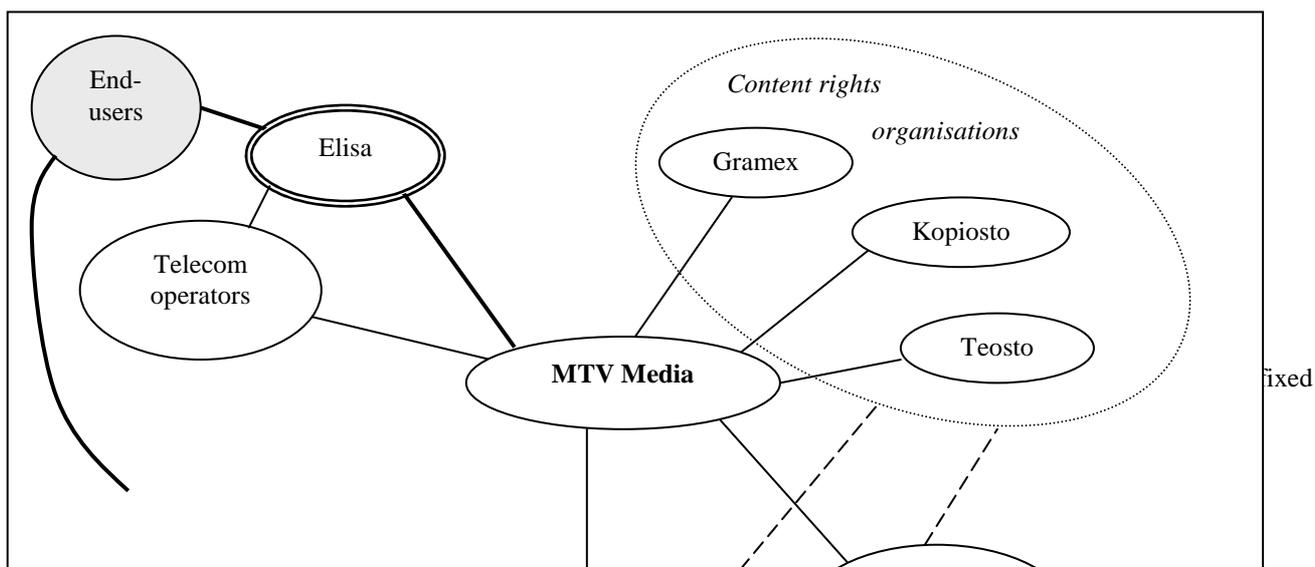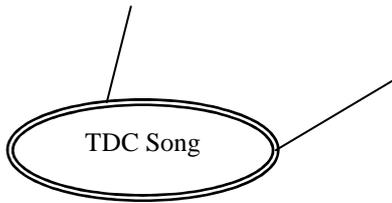
Figure 2. MTV's network picture after the role change

MTV decided not to go into the price war that was growing among mobile operators in Finland at the time of the mobile subscription launch. MTV always kept a higher price on its subscriptions than the cheapest on the market. MTV bundled services in their subscriptions (mobile games, quizzes), but these were not a hit among customers. The price war was getting tougher, but MTV still did not want to compete on price. The main target group of MTV3 Handy was such users that normally would watch MTV3 sports events. For instance, advertising of MTV3 Handy centered on being able to view Formula 1 GP races. The target group was set to viewers of TV channel MTV3. The viewers were expected to find added value of receiving related content via a mobile subscription.

Even though MTV was able to execute a large advertisement campaign of the new services, and free of charge since it owned the media channel itself, customers were not interested in MTV's subscriptions and MTV ended up with only a few thousand subscriptions. The services were stopped during 2004 and mobile subscriptions transferred to Elisa and broadband subscriptions to TDC Song. It is also felt that the role of MTV has become much clearer since the "adventures in the telecommunications sector". In terms of MTV's role in telecommunications, MTV is today a customer of telecommunications companies in the area of billing and regards its role in telecommunications as a pure content provider. Media companies are important in telecommunications markets since they bring demand and usage into the infrastructure network.

5. Influence of role change on business network dynamics

MTV entered the telecommunications sector through role transition. The role transition per se was seen merely as a new strategy; one that was designed in order to diminish dependence on B2B actors purchasing advertisement space and time. A second reason for the role transition was the wish to receive a part of the Internet business revenues. MTV considered its role as a content creator and provider being a self-evident reason for also getting a share of the incomes, since the paying customers also used MTV's content, but MTV was not compensated for it. Further, MTV's position remained the same; informants representing the telecommunications field mention that they were confused as to what will happen when a content provider enters the telecommunications market since content is what sells to end-users. MTV did not perhaps make use of its position as a content provider, which might have been the reason, or part of the reason to why MTV failed as a service operator in telecommunications. MTV however acted in a new role (service operator), based on its position (content provider). The role set was consequently changed in order to act in new roles, which in the case meant crossing industry borders. Position and core competence of the company in the "home market" stays the same - only role varies. The fact that MTV had a strong position in the media industry allowed the firm to take on a new role, which per se corresponds to the structuralist approach to role theory, i.e. role is taken based on the position the firm has. On the other hand, one can argue that taking on a new role is a step in the process of establishing a position in a new market and subsequent business network, which corresponds to the notion of a symbolic interactionist

approach to role. It is also important to note that MTV underwent an identity crisis similar to role conflict and role ambiguity (Kahn et al., 1964) and role overload (Örtqvist, 2007), which constitute role stress; there is a pressure to take on new roles because technology develops and allows new business opportunities. The hype period is also an influencing factor in the MTV case, as is the search for new customers generating revenues (thus being less dependent on existing customers in the B2B segment). Therefore, external events are relevant in analysing the triggers of role change.

In terms of which critical events led MTV to pursuit a position within the telecommunications field, the informants mentions a few. The critical events identified here are also more or less external to the business network, which opposes the view that business network change originates on a relationship level (Easton & Lundgren, 1992; Håkansson, 1992; Halinen et al., 1999). One can argue that (1) the success of mobile telephony and technological advancements in terms of Internet access speed and mobile terminals encompass the first critical event that led MTV to start re-evaluating its role and feeling a need to move in on telecommunications companies hold on the end-users. These events in the technological environment contributed to identifying an opportunity. Another critical event is (2) change in regulation, i.e. the fact that it was even possible for MTV to take on a role as a mobile and broadband service provider – a new role in a completely separate industry area from where MTV's core competence otherwise would be found. Network operators are obliged to lease capacity. A contributing factor can furthermore be found in (3) events taking place both nationally and internationally in the competitive landscape; Hesburger mobile subscriptions and Music TV becoming a virtual operator were mentioned as examples which supported MTV's plans. As a fourth critical event can be mentioned, i.e. (4) MTV's strong and established position in the media sector, which allowed it to take a new role in the telecommunications sector. The brand value of MTV is furthermore high among TV viewers in Finland; as already mentioned, the TV channel MTV3 reaches three million viewers every day. The idea was to offer a complete solution for end-users, i.e. they would have a mobile and broadband subscription from MTV and watch the MTV3 TV channel as well. The strategy can be said to encompass bundling of services and technological convergence thinking (cf. Hacklin, 2006).

MTV's endeavors in the telecommunications sector were another concern to the already turbulent market and business environment of telecommunications actors, especially the mobile operators. As already mentioned, regulative actions forced mobile network operators to cooperate with new entrants such as MTV. However, according to the interviews the decision of MTV to enter the telecommunications market was agreed upon in advance with the major Finnish mobile operators. Allowing MTV to operate in the telecommunications market and entering established business networks was welcomed by mobile operators, who wished to see competition focus on mobile services and content production rather than price for mobile calls. Thus, the roles were agreed upon in advance. However, informants mention that the idea of the largest media company in the country entering telecommunications and establishing itself as a mobile operator was a scary thought. This was due to the fact that MTV indeed possessed the content that mobile operators knew end-users were interested in. The potential change that would have arisen, had MTV been successful in its role alteration, would have affected the business environment in mobile communications tremendously.

However, in the case big changes were not reached due to the fact that MTV did not succeed in making its telecom operations profitable. In terms of critical events in terminating MTV's mobile and broadband business strategy, the by far largest critical event was the price war that was reaching its peak around summer 2004, which forced MTV to retreat from the telecommunications industry. Of course, the fact that MTV failed to build a solid mobile and broadband subscription customer base can be viewed as another critical event that led to the termination of both mobile and broadband services. The role of MTV in the media sector also became clearer after MTV had attempted at creating a new role for itself in the telecommunications sector. For the business network on the telecommunications side, the retreat of MTV meant stability in many senses. In the short-run MTV did not succeed in changing the composition of the business network to a large extent, but it did

manage to keep the business network members alert to changes and new strategies. In the long-run the entrance and exit of MTV from the market meant stability in the business network. First of all, the big threat of media companies taking over telecommunications activities proved to be exaggerated, and the core competence of many telecom actors is still the infrastructure network, which MTV did not have and therefore did not manage to make the business profitable. The buyer-seller relationship that MTV established was more or less forced by regulation and not voluntary, which is the basic notion behind the INA (cf. Håkansson, 1987).

The case shows how one actor may cause business network dynamics through role change. In the case the long-term effects of role change can be found mainly in (1) the attitude business network members have towards new entrants and (2) the experience of the actor that underwent role change. MTV regards itself as a pure content provider today, which also makes MTV's position and role clear in current and future business networks that cross telecom and media industry borders.

6. Concluding remarks

MTV chose to act in a new role as telecommunications service provider, offering both mobile telephony and broadband services. Due to the fact that MTV abandoned its strategy, MTV only experienced a temporary role change, or role alteration. MTV did not proceed to role transition. Telecommunications operators, on the other hand, practiced role-taking, since they were expected to behave according to expectations set by the regulator, i.e. interact through leasing capacity to competing actors. A role was therefore forced upon telecommunications operators by the regulator based on the positions these operators had as gatekeepers to the technical infrastructure. MTV was the new entrant who intentionally created a new role based on its position in the media industry (corresponds with a structuralist view of role theory). MTV did not give up its role in the media industry, but its new role in telecommunications certainly colored the business environment. The role set implies that business networks have to be opened for the new entrant, who creates a role for itself. Thus, a change in role set implies change in business network structure and foremost, in type of exchange relationships. Telecommunications operators and media companies have previously not been concerned with each other to a large degree, but in today's technologically and convergence-oriented world, it is of utmost importance that actors choose their roles and positions carefully. The case also implies that role indeed is the dynamic aspect of position, which allows an actor to expand into new markets and areas while still keeping the same role-set and position in their original markets.

Also, the fact that MTV did not participate in the price war that was going on at the time indicates that MTV did not comply with the prevailing behavior and expectations thereof. The case does not necessarily imply that MTV alone initiated change among telecommunications operators and their surrounding business networks, but MTV did manage to signal potential massive change. Telecommunications operators reacted by establishing forced relationships with MTV in the area of infrastructure network capacity. Price war among mobile telephony service providers was fierce at the time and led to changes in the composition of players in the field. MTV had the potential to shake the whole mobile communications sector in Finland, since they had the content, a strong brand and a free-of-charge marketing channel. However, the MTV3 Handy concept failed, mostly due to bad target group selection and content focus.
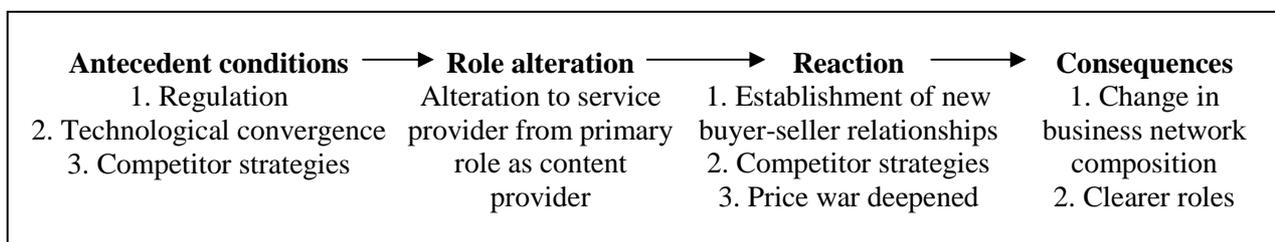
Antecedent conditions	→	Role alteration	→	Reaction	→	Consequences
1. Regulation 2. Technological convergence 3. Competitor strategies		Alteration to service provider from primary role as content provider		1. Establishment of new buyer-seller relationships 2. Competitor strategies 3. Price war deepened		1. Change in business network composition 2. Clearer roles

Figure 3. Change sequence of role alteration

The change process in the case is illustrated in figure 3. Antecedent conditions such as regulation favoring new entrants, technology posing opportunities and other actors leading the way through their innovative strategies allowed the focal actor in the case to alter its role and proceed into the telecommunications field. The primary role as content provider was complemented with a role as service provider (dual roles). This led to reactions among actors in the telecommunications field, which were both competitors as well as business partners and eventually to consequences in existing business networks. A big question is whether such change processes can be managed taking into consideration that the triggering factors of such business network dynamics are external rather than internal to the network. New entrants enter business networks due to roles being forced on existing network members, such as the regulator requiring operators to lease capacity. Such events in the business network dynamics cannot be linked to changes in the relationship level. Rather, external events provide the *opportunity* for change to take place. Regulation also allowed telecom operators to take on new roles as sellers in the infrastructure arena. These were roles that the operators initially were reluctant to take, but at the end they had little or no choice.

The case is multifaceted and cannot be generalized. However, the case gives and initial insight into the complex process of altering an actor's role and the potential consequences such a process may have on existing and, to the actor, new business networks. In the case, the existing relationships to media actors remained uninfluenced, whereas the turbulence of MTV altering role can be seen clearly on the telecom side, i.e. in the newly entered business network, where MTV previously did not have a salient role or position. The business network eventually returned to a state of stability, after MTV had exited the network. The return to the role as a pure content provider rather than service provider and mobile operator stabilized the business network. More research is needed in the area of role change and its consequences for business networks, especially from an empirical point of view. Analysing cases of role alteration in business networks adds to our understanding of the relations between network members and their responses to change in e.g. market conditions or entry of competitors/new actors. The processes that take place in the external business environment are also important to consider as potential triggers when it comes to role change and business network dynamics. More research is needed also in order to determine whether multiple roles in a business network is a viable strategy and how firms cope with performing several roles at the same time.

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