

**The Role and Impact of Business Networks on Marketing in the Creative Industries:  
evidence from case study research**

Work-in Progress

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**Abstract**

This paper discusses the findings of ongoing case study research which seeks to explore the management of, approaches to and involvement in business networks in a key sector of the Scottish economy. The findings presented use case study data from a creative industry firm. The focus is the interplay between networks of actors, activities and resources within this industry and the impact of this on the marketing resources available to the firm and the approaches to marketing which they use.

The theoretical context of the study is influenced by the Actor-Resource-Activity Model (Håkansson and Johansson, 1992; Håkansson and Snehota, 1995), Granovetter's (1985; 1992) perspective on the social embeddedness of economic action and by social network theory (Mitchell, 1969). By drawing on these complementary theoretical perspectives the analysis in this study provided the opportunity to expand beyond the dyadic interaction model (Håkansson, 1982) and select networks of actors, resources and activities as the unit of analysis. Further benefits were the ability to consider the impact of the wider socio-economic environment on the networks of actors, activities and resources we were exploring and to acquire a detailed understanding of the processes of interactions inherent to these networks.

The creative industries in particular were chosen as a focus for this research. One reason for this is the important contribution which creative firms make to the Scottish economy and the Scottish government's commitment to creative industries. The Scottish Government (2009) reported that the creative industries support more than 60,000 jobs in Scotland and turn over £5.1 billion. Recognising the potential of creative industries to make important contributions to economic, social and cultural wealth, key public agencies formally joined forces in 2009 to form Creative Scotland, the national development body for the creative industries in

Scotland. A second important reason for selecting the creative industries is the characteristics of the firms of which the creative industries are comprised. Not only are creative firms typically small in size (Ancliff et al, 2007), they have been found to be embedded in complex networks of individuals, agencies and organisations (Simonton, 1994). As such the creative industries can readily be explored from the perspective of the Actor-Resource-Activity Model and provide insights into the impact of embeddedness on business networks.

The study presented discusses data collected from one creative firm: an audience development firm. The focus of the paper is the networking orientation, networking hierarchy and commitment to networking. The findings offer a number of implications for practitioners and future research, both of which are discussed in the paper.

***Keywords: business networks, embeddedness, marketing, strategic orientation***

## **1. Introduction**

In this paper we discuss the findings of ongoing case study research on business networks in the Scottish economy. The aspects we are focusing on is the management of these networks and the interaction of these networks in key sectors of this economy. The contextual focus of this paper is a firm in the creative industry, specifically one involved in audience development firm. The focus of this paper is a discussion of the interplay between networks of actors, activities and resources within this industry and the impact of this on both the marketing resources available to the firm and the approaches to marketing which they use.

The theoretical context of the study is influenced by the Actor-Resource-Activity Model (Håkansson and Johansson, 1992; Håkansson and Snehota, 1995). It also draws on Granovetter's (1985; 1992) perspective on the social embeddedness of economic action and social network theory (Mitchell, 1969). By drawing on these complementary theoretical perspectives the analysis in this study provided the opportunity to expand beyond the dyadic interaction model (Håkansson, 1982) and select networks of actors, resources and activities as the unit of analysis. Further benefits were the ability to consider the impact of the wider socio-economic environment on the networks of actors, activities and resources we were exploring and to acquire a detailed understanding of the processes of interactions inherent to these networks.

The creative industries in particular were chosen as a focus for this research. One reason for this is the important contribution which creative firms make to the Scottish economy and the Scottish government's commitment to creative industries. The Scottish Government (2009) reported that the creative industries support more than 60,000 jobs in Scotland and turn over £5.1 billion. Recognising the potential of creative industries to make important contributions to economic, social and cultural wealth, key public agencies formally joined forces in 2009 to form Creative Scotland, the national development body for the creative industries in Scotland. A second important reason for selecting the creative industries is the characteristics of the firms of which the creative industries are comprised. The creative industries, covering the cultural, artistic and entertainment industries (Caves, 2000), is largely made up of small, fragmented, and less hierarchical firms (Antcliff et al. 2007). Such firms operate within complex networks of individuals, agencies and organisations. As such, firms within the creative industries are inherently social organisations (Amabile, 1983; Woodman, et al.,

1993) operating within networks of overlapping interpersonal relationships, within and across organisational boundaries (Simonton, 1994). They are therefore firms inherently connected by webs of overlapping organisational and personal relationships (Curran and Blackburn, 1994; Silverside, 2001; Shaw, 2006). As such the creative industries can readily be explored from the perspective of the Actor-Resource-Activity Model and provide insights into the impact of embeddedness on business networks.

## **2. Theoretical background**

This study draws on the literature of the Actor-Resource-Activity (ARA) Model, social embeddedness and social network theory. First we explore the theoretical underpinnings of these theories and discuss the overlapping themes. Our analysis draws on all three, specifically developing the ARA model from a dyadic to a network focus and incorporating notions of social capital, building on the recent work of others (Batt 2008; Westerlund and Svahn 2008).

### **2.1 The Actor-Resource-Activity Model**

The ARA model is at the basis of much recent research and discussion in the IMP Group (Håkansson and Snehota, 1995; Lenney and Easton 2009; Harrison and Prencert 2009). A critique is that much of this discussion is at the theoretical level as there is limited empirical testing of this framework despite over 1,000 citations in academic research (Lenney and Easton 2009); further critique is that it is still relatively unknown outside the IMP sphere (Batt 2008). A Special Issue of *Industrial Marketing Management* (2008) focusing on building social capital in networks, specifically addresses this issue, arguing that incorporating concepts from social capital into the ARA model, amongst others, “may open up the IMP literature to more cross-disciplinary ideas.” (Batt 2008: pp. 489).

The IMP tradition places a strong emphasis on the importance of relationships and interactions as the foundation upon which business networks develop. This can be linked to Granovetter’s (1985) argument that social systems and the networks in which they are embedded play an important role in determining actions and behaviours. The IMP research focus is on business networks of industrial actors; organisational resources and shared skills.

Social network theory also covers the social relationships that are embedded in business relationships.

The ARA model was borne out of dissatisfaction with the way in which business relationships were examined in prevailing B2B literature (Håkansson 2009). The authors argued that extant research was overtly goal-centric in its view of relationships; where outcomes were the key driver of relationship formation. Following empirical studies, they argued that relationships between firms depended on more than a will or need to co-operate because of economic drivers but also in terms of how they related resource allocations to each other within business networks. They further argued that these could be identified and separated from the characteristics of the activities and resources in themselves.

The ARA model has three distinct elements: Actors, that is individuals or some group of individuals such as an organisation; Resources, that is any resource inherent to that actor; and Activities, which “can be of any kind and can take place at any level from the individual to the organisational net” (Lenney and Easton 2009: pp. 553). These three elements in turn can be related to three types of networks: network of resources; network of activities; and network of actors. These are termed resource constellations; activity pattern; and web of actors. As in prevailing literature, actors are still deemed to be goal-focused, but the model gives equal weighting to the other two elements in terms of assessing relationship formation. Resources incorporates all tangible and intangible resources, and these can take any form and exist for any length of time. In common with theories of social capital this model includes intangible resources such as knowledge and trust in networks of actors (Nahapiet, and Ghoshal 1998). Activities are then all the interactions aimed at improving resource value within the network.

As noted above, a key critique of this model is the paucity of Empirical Testing. With some notable exceptions (Lenney and Easton 2009; Harrison and Prenkert 2009) there has been relatively limited empirical application of the model. One reason put forward is the general nature of the model (Lenney and Easton 2009). It is argued that the very simplicity of the model makes operationalisation of the notions of actor, resource or activity too difficult. In common with others, Lenney and Easton (2009) argue for the extension of the model to incorporate specific concepts to aid empirical testing. However, one of the original authors (Håkansson 2009) argues against extension of the model claiming that the purpose was to

conceptualise business relationships through the identification of the three specific elements. He argues that this may make the model “difficult (maybe impossible) to test in empirical studies,” (Håkansson 2009: pp. 562).

Lenney and Easton (2009) argue that the ARA model is a significant step in conceptualising B2B relationships and networks in that it not only identifies these three distinct components of relationship formation, but it also suggests how these three could relate to each other. In addition the flexibility of the terms used means that the model can be applied at a firm to firm level but also within a firm at an individual to individual level.

## **2.2 The dimensions of social embeddedness**

The ARA model focus is on business networks of industrial actors. A social capital/network perspective also covers the social relationships that are embedded in business relationships. The relevance of embedded relationships are an important extension to the industrial network approach. Network ties are broadly defined as “social capital”. These are resources made available to individuals or groups as a result of belonging to a network (Bourdieu and Wacquant 1992). This approach was developed from Granovetter’s (1985; 1992) sociological explanation of economic activity argues that organisations do not take decisions devoid of the social context in which they are embedded; rather he argues, attempts at purposeful action are embedded in concrete, on-going structures of relationships. Going further, he argues that as economic action is socially situated, actors involved in such action will simultaneously pursue economic and non-economic goals, including sociability. As a consequence of the ‘*embeddedness of social action*’ thesis, Granovetter’s explanations of economic activity suggest that research consider the interplay between firm behaviour and the concrete personal relationships and obligations inherent within these. Recent research which has applied this thinking suggests that firms will engage in exchanges for more than economic benefits; the social interactions involved in negotiating organisational exchanges often emerge as critical to the continuation of organisational interactions (Johannisson, Ramirez-Pasillas and Karlsson, 2002).

Building on Aldrich’s discussion of firms as open systems, Granovetter’s (1985; 1992) discussion of the social embeddedness of economic action as a useful way of further

developing the theoretical context of the study. Granovetter's work has been instrumental in developing understanding of the social context of economic behaviour. Granovetter (1985; 1992) has argued that it is unrealistic to analyse economic exchanges and the mechanisms supporting such exchanges, including markets, internal organisational hierarchies and network forms of intra-organisational collaboration which support the sharing and exchange of resources, without considering the social context within which such exchanges are embedded. His work can be used to support criticism of transaction cost economics (Blois, 1990; Powell, et al., 1996; Williamson, 1991; Ebers, 1994; Grandori and Soda, 1995) which, while recognising that firms may organise exchanges via network arrangements when it is most cost effective to do so, fails to consider the implications of the social interactions inherent in the negotiation and development of such arrangements.

To operationalise his perspective on embeddedness, Granovetter borrowed concepts used in social network theory developed by social anthropologists including Bott (1957), Mitchell (1969), Barnes (1969) and Boissevain (1974). Social network theory conceives of society as a network of overlapping social relationships which connect individuals, groups and organisations. To understand social actions and behaviours, the theory argues that both the positions actors hold within such social networks and the interactions in which they engage must be explored.

This paper explores the commonality of these themes and specifically to argue that incorporating notions of social capital into the ARA model will broaden the scope of this model. Social network theory focuses on accessing intangible resources from the embedded social network (Adler and Kwon 2002). The ARA model also includes resources and the mobilisation of resources within business networks (Håkansson and Snehota, 1995) and these resources can be both tangible and intangible.

Both theories emphasise the importance of networks and relationships (Hitt and Ireland 2002). The ARA model focuses on networks as a means of obtaining new value activities through exchanging, combining and creating new resources. Social network theory stresses the importance of personal ties in helping to provide access to actor's resources and knowledge base and thus provide channels to resources, aiding the exchange and transfer of information.

### **3. Case Study**

#### **3.1 Background to the Case**

The findings reported here present data from an audience development firm. For reasons of anonymity, this organisation will be referred to as CCR. The research examines the influence of networking on this firm within the framework of the ARA model. The issues discussed above are explored and developed through the use of a qualitative case study approach, allowing an understanding of a 'complex, holistic picture' (Cresswell 1998).

It was decided that to fully understand the complex relational environment within the creative industries a single case approach would be used. Single case studies can provide powerful insights, Siggelkow (2007: 20) advocating that, "it is often desirable to choose a particular organisation precisely because it is very special in the sense of allowing one to gain certain insights that other organizations would not be able to provide". Creative industry firms typically operate within a multiple stakeholder, multiple agency environments and the careful choice of a single organisation allowed the research team to provide deeper, more extensive theoretical insights than comparing across cases (Dyer and Wilkins, 1991). Specifically, we selected a small arts-marketing agency embedded within a complex relational environment involving interactions with a raft of diverse stakeholder groups, on several levels. The organisation, which will be referred to as CCR, operates as a marketing and research agency on behalf of small, medium and large arts organisations from both the private and public sectors. The case firm is located in the geographical and business heart of Scotland, allowing the research team access to study an organisation surrounded by, and engaged in, a complete set of local, regional and national arts-related networks.

CCR operates as a regional audience research agency, acting on behalf of a range of clients and members who pay either project fees or annual subscriptions for a package of research intelligence and advice, marketing training, networking events and strategic consultancy; all relating to the marketing of the arts to Scottish audiences. It is comprised of 5 members of staff. First names have been changed to respect their anonymity. Jane is the Managing Director. Her main responsibilities are strategically focused, acting as director and the public face of the organisation 'delivering projects' to clients and liaising with external stakeholder groups. She has two managers working underneath her; Caitlin, Head of Market Research and Davina, Head of Audience Development. Caitlin works specifically with

transactional research for clients, exploring audience data. Davina builds on this research and helps develop audience development strategies. These two managers have relative autonomy in their dealings with outside clients, but also work closely together and also with Jane. Nadia is the audience development assistant, but is also involved in research and marketing communications. She works closely with Davina and Caitlin as and when needed.

### **3.2 Research Design**

In designing the study, case study methodology was selected as appropriate. The multiple sources of data, typically used in case study research allow for a more holistic and in-depth understanding than other single method qualitative approach (Riege, 2003) and encourage a more contextually based understanding of social phenomena (Patton, 2002).

The research approach was influenced by Perren and Ram's (2004: 85) 'multiple stores milieu' paradigmatic approach. This assumes a subjective position in which researchers are interested in "understanding the way in which the individual creates, modifies and interprets the world" (Burrell and Morgan, 1979:3). The boundary of the cases lies with the firms in question, whilst the focal lens is turned towards their individual interpretations of the phenomena in question, in this case the internal and external networks and relationships in which the firm is embedded, as experienced by each participant. Individual actors are assumed to have differing cultural interpretations (Miles and Huberman, 1994) within a shared social milieu (Perren and Ram, 2004:90). The research team is assumed to be reflexive in seeking interpretation of meaning and as such, attuned to the range of possible interpretations when participating in site visits, conducting interviews and assisting in management meetings. Such an approach is ideal when required to explore complexity and avoid over-simplified models or answers.

Working in pairs, the research team conducted personal depth interviews with key personnel within the organisation. Given the need to obtain individual and potentially conflicting accounts, depth interviews were used as the primary data collection method. This was supplemented by notes taken at board meetings, supplementary informal discussions with external board members and secondary data collection (company magazines, internal documents, company website, annual report). Informal discussions were initially held before more formal interviews were conducted in the autumn of 2008. Each varied in length, lasting

between one to two and a half hours. Interviews were conducted on the premise of the organisation.

After each interview, the researchers discussed initial impressions and observations, taking notes to crystallise the main themes emerging (Bryman and Bell, 2007). All interview transcripts were digitally recorded and transcribed by a third party. Once the interview stage was complete, all transcriptions was gathered together and stored in an electronic database, using NVivo. Interview data was triangulated with information gathered from supplementary informal discussions, meetings and secondary sources to provide a detailed context upon which to develop case explanations. Initial interpretations of the combined data set allowed for the emergence of thematic codes. Comparison of responses from each respondent then allowed for the surfacing of areas of commonality and differing viewpoints.

As a team of three researchers were involved in this case-oriented network research, the third member of the team was able to digest the transcripts in detail and discuss and debate interpretations of the main themes found by the initial pair of researchers involved in data collection. This process ensured that a high level of internal *credibility* (Lincoln and Guba, 1985) was attained, consistent with an interpretive study of this type. After the interviews, a workshop was arranged to present back the findings to the organisation, helping to corroborate the collective understanding of responses given. Finally, as highlighted above, multiple sources of data (primary and secondary sources) were triangulated to improve the quality of the final research team interpretations arrived at (see Miles and Huberman, 1994, Yin, 2003).

From this process of inductive, triangulated analysis a number of core themes pertinent to developing an understanding of the dynamic between the case firm and the social context in which it was embedded emerged. Having identified these underlying themes, analysis then concentrated on acquiring a deeper understanding of these themes, for example by considering their characteristics and related dimensions. Analysis was also concerned with searching for any relationships between these themes. Finally, analysis was concerned to explore both commonalities and differences within and across each of these. In this way, the data as it related to these emergent themes was compared and contrasted to ensure that it contributed to an understanding of the dynamic between the case firm and its social context.

Our research is interested in the use of this framework as explanatory factor for the extent and orientation of networking within these two organisations. This is an area where little empirical research has been conducted. The use of in-depth interviews allows the researcher to gain an insight into these factors in a way that could not be achieved through a quantitative survey, building up a picture of inter-connection rather than a list of single key factors. The flexibility of semi-structured interviews allows for the possibility of unspecified factors to emerge in the interviews and their importance to be discussed in depth. The aim of this approach was therefore to give weight to proposed frameworks, rather than to discover generalisable issues.

### **3.3 Key Findings**

#### **Actors**

The actors in this case study comprise the organisation CCR and the individuals working within the organisation. These 5 individuals have the following positions within CCR: Jane (Managing Director), Caitlin (Head of Market Research), Davina (Audience Development Manager) and Nadia (Marketing Executive). Jane is responsible for managing internal relations; and CCR under the leadership of Jane is responsible for managing a complex external network comprised of 6 different groups of actor stakeholders. The positions within the organization are clearly outlined and delineated and there is limited cross-activity within roles.

This wider network is detailed in Figure 1 and can be summarised in the following groupings of actors. First, there is the board of directors, comprising 7 people from academia, fund-holders, other arts organisations and other creative organisations. There is a clear strategic orientation to this composition of actors. Initially the key intangible resource these actors brought to the organisation, and thus the key driver for choosing these particular actors was to have *“a bunch of people who had experience in the Arts”* (Jane), *“Now, where we are is...if we were standing up and saying marketing things we need to have the credibility and what better credibility than the Professor of Marketing at one of the foremost universities in....we have recruited a woman called Eva because I need to know politically how to raise money from Trusts and Foundations....and I also need people who understand the arts and who are not part of the network of people who are always on Boards...”*(Jane).

The second group of actors are CCR's members and clients. These organisations pay either project fees or annual subscriptions for a package of research intelligence and advice, marketing training, networking events and strategic consultancy, all relating to the marketing of the arts to Scottish audiences. They include national arts companies; touring production companies; arts venues; and regional and local arts companies. This second group of actors are critical to CCR's whole existence. As Jane argues, *"without the members there is not a GGA....you have the intelligence, not really of the members but of their audiences so in order to be able to talk about audience development and our audiences you can only do it through an intermediary. So networking is in our DNA, so if you cannot network we cannot get the intelligence that gives us our USP."*

CCR also interact with funding bodies such as national and regional arts councils and local authorities and also other public bodies and individuals such as members of the Scottish Parliament and Central Government: Creative Scotland. Another key group of actors are various professional bodies and networks such as Trade conferences and associations; entrepreneurial networks and the Chartered Institute for Marketing. The final key group of external actors that CCR network with is their competitors and collaborators such as other Regional/national Audience Development Agencies.

*"You are having to influence with stakeholders at all levels....our relationships are all over the organisation because if you are going to influence audience support you have got to influence the programme."* (Jane)

What emerges strongly from the interviews is that Jane is the key actor in this network. Her influence over the strategic orientation of the firm is strong. Under her direction, the firm sought to strategically manage interactions with others in its social context

## **Resources**

Access to resources are a critical driver for CCR's networking activity and resource constraints inform their networking orientation; network hierarchy and their commitment to networking as a way of doing business. The importance of business networks as a means of obtaining and mobilising resources is central to the focus of the ARA model (Håkansson and Snehota, 1995).

CCR has been in operation since 2004 and is funded by its members and public funding. The turnover is one third funded by the Arts Council, one third local Authority and one third from members. Public funding is bid for every two years, so the organisation operates within a highly uncertain environment for more than the medium-term. As Jane notes:

*“if any one of these fell over, it (CCR) could not deliver the mission. It is not that it could not operate but it would probably operate in a different sector and it would probably be much more about a marketing service, full service agency....and you would have a different mix of staff, it could be an agency that turns over the same amount but it would be very much a different remit.”*

All the interviewees are to some extent embedded in the wider Arts network in Glasgow and further afield and all brought intangible resources in the form of prior ties to the organisation. Previous to GGA Jane had had extensive experience in Scotland as a Marketing manager in both the public and private sector. Prior to CCR she was employed at a flagship Arts organisation within Glasgow as the Commercial Director. Caitlin was a Marketing executive with a commercial organisation; Davina worked at various Scottish Arts organisations; and Nadia came straight from University with a Marketing and Human Resources degree.

A strong theme emerging from the interviews is the critical importance of intangible resources for the organisation both in terms of individual actors' intangible resources and how they add up to resources for the organisation as a whole, a key component of Social network theory which focuses on accessing intangible resources from the embedded social network (Adler and Kwon 2002). Every actor within the organisation was adding to the intangible resource but every actor is also a representative of CCR:

*“Every time anybody in here is out there opening their mouth people are making an opinion of our competency and our added value.”* (Jane)

Networking represents a key resource for CCR. Networks are sought after and proactively managed to increase CCR's reach and influence. Social networking across inter-related contexts is an organisational *raison d'être* for each and every member of the staff and board. As Davina, the Audience Development Manager explains,

*“...you need to know everyone’s name, you need to know what they are doing, you need to know about their organisation, you need to know what they did on their night out at the weekend.”*

Re-iterated by Caitlin *“We are always out and about doing stuff.”*

Resource scarcity and the use of finite resources are key drivers for CCR’s networking activities. For CCR, networking is perceived to be a more credible and cost efficient form of marketing the firm and communicate their core positioning to key stakeholders. In this way, This finding concurs with extant research which has found that, for small firms, networking, contacts and word of mouth are essential for their sustainability as these provide access to resources contained within small firm networks (Dodd, Jack and Anderson, 2002; Shaw, 2006.)

### **Activity**

There are clear delineations of activity and functions expected of actors in CCR. These are closely aligned to the positions within the organisation. Jane as managing Director has a key role in having a strategic focus for the company and ensuring its future. This she does through extensive external networking with key actors. As noted by Nadia:

*“Jane is the main kind of forerunner as the sort of face of the company....she does a lot of the communicating with the Chief Executives.”* Building on this Jane commented *“On a directoral level it really is my job to build relationships, secure funding, develop new product lines....you know run the company, make sure that the wages are paid and the building is secure and all that stuff.”*

Jane runs the organisation as the leader, but attempts to reach consensus in decision-making saying *“I make the decisions, I ask for their opinion, if they don’t give it to me that implies consent in my book....”*

Caitlin is responsible for market research for members and clients involving both client-facing and audience facing interaction, both face to face and also through phone calls and email. She will deal with between 10-12 projects at one time.

Davina is involved in marketing and organisational development, working with and building on Caitlin's work and also involved with Jane. Activities vary, according to individual client, as Davina notes, *"there are a lot by email, a lot by telephone but it just depends on what the project is....it could be meeting once every two weeks, otherwise it is emails and phone calls....we have key points that we will meet just to see how things are going."*

Nadia's title is audience development assistant, but her job involves research and marketing reporting up to both Davina and Caitlin, who in turn report up to Jane. In this way day to day activities are linked to actors. There is a clear distinction of job titles and how they link to what people actually do.

Activity is also clearly linked to the nature of networking activities. All staff are involved in networking events, but there was a clear delineation of the type of networking activities in which each member organisation is involved. For example, Jane's networking is heavily "outward-facing", allied to lobbying for funding and also trying to influence key stakeholders within the wider Art's Community. As Davina explains, *"The organisation is going more in sort of lobbying for the arts, that is where Jane is taking us as well, taking the insight and impact for lobbying, supporting organisations, through organisational development more to enhance their infrastructure for audience development."*

To achieve this, it is important for Jane, in her position as MD, to build relationships and interact with others in CCR's wider network by engaging in high profile public-interface networking activities such as attending first nights, government consultation meetings and sitting on the boards of associated arts and funding organisations. Lots of Jane's activity is about creating visibility. For Caitlin and Davina who sit at Director level, networking centred more on interacting directly with members and clients. As Davina explained,

*"We don't have time for schmoosing, that is what her (Jane's) job is. We are out and about, we go to events, but we are more kind of personal with the members and clients."*

These networking activities relationships were, for the most part hierarchically-bound, that is, members of CCR interacted externally with others on the approximately same professional level in other organisations. This is illustrated by Nadia:

*“Jane does a lot of the communicating with a certain level of people, so she is always with the Chief Execs, Directors like Caitlin and Davina are more the managerial and I am on the sort of officer/assistant level, it might not seem obvious to everyone but that is definitely the way it works in terms of our relations with certain people. Like I know a lot more people on my level, Caitlin and Davina, their level, and so on.”*

#### **4. Conclusions**

The findings from this case suggest that the ARA model provides a valid framework for conducting empirical research, specifically SME business relationships in the creative industries. The discussions conducted with the CCR organisation suggest that there is sufficient evidence to delineate and illustrate the separate conceptual categories of actors, resources and activities. The case also underlines however the complexities of interlinkages between these conceptual categories and the risks that dissecting them might undermine any deeper holistic understanding.

The study demonstrated the critical importance of networks and networking to CCR. The 3 components of the ARA model can be clearly delineated and all influence the type of relationships formed. The Actors are studied here at various levels: from individual; to groups of individuals; to the organisation (CCR); and their wider network of stakeholders. Access to resources are a critical driver for CCR’s networking activities and networks are used as a means of obtaining new value activities through exchanging resources, combining resources and creating new resources. Activities are clearly linked to the nature of networking, and remain for the most part hierarchically-bound. In line with social network theory, this study also shows the importance of ties as ‘enablers’, that is in providing access to these resources.

Activities linked to actors were found to be inextricably tied to their tangible and intangible resources to hand. Personal experience, credibility within the network and implicit trust for example were all forms of intangible social ‘capital’ found to be deeply embedded into

relationships formed and developed between those involved in this arts-based industry. In a public-private context which values intangible knowledge creation and personal ties, the linkages between actors, resources and activities are arguably as important as those defined categories. Furthermore, the findings reiterate how relationships with this industry remain overlapping both vertically and horizontally, embedded in both internal and external social contexts and shaped the 'capital' actors can utilise using both tangible and intangible resources.

The findings also reveal the benefit of positioning the study within an interpretivist paradigm and using case study methods. That said, as with all case study research, the findings presented are limited to the particular context from which they emerged. Specifically, the use of a single case study restricts the generalisability of these findings. Going forward, the researchers intend to address some of these limitations by engaging in comparative case study research in other industry sectors.

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**Figure 1 The Network of Actors for CCR**

