

PROJECT MARKETING: A STRUCTURATIONIST PERSPECTIVE - Competitive Paper -

Giuseppe Pedeliento

giuseppe.pedeliento@unibg.it Italy University of Bergamo

ABSTRACT

In the last decades project marketing scholars have vigorously contributed to underline the social embeddedness of projects and the intense net of dynamic relationships that characterizes buying and selling projects. The introduction of the milieu as pertinent unit of analysis, has theoretically and empirically enriched the project marketing discipline, showing how a project selling company can acquire a competitive advantage through a favorable positioning in a social context and through a concrete mobilization of resources within it. Despite these notable advances, the theoretical discussion concerning the embeddedness of the project business in social contexts and how these social contexts influence and are influenced by project marketing strategies, is far from being complete and exhaustive. This paper contributes to reinforce the importance of the milieu in project marketing by drawing on structuration theory as a sensitizing device. Being focused on the recursive interplay between structure and action, structuration theory seems to be a suitable theoretical lens to explain both the suitability of different strategic postures and the process of meaning and norm construction in project marketing milieus.

KEYWORDS: Projects, Project Marketing, Milieu, Structuration Theory, Strategy

INTRODUCTION

“The theorem of the duality of structure is largely responsible for the theoretically more elaborated and dialectical analysis of social systems” (Sydow and Windeler, 1998; 270)

Since project organizing is becoming one of the prevailing forms of contemporary productions (Lundin and Söderholm, 1998; Günter and Bonaccorsi, 1996), the academic debate about projects and project based businesses has grown fast in recent years. In particular project researchers have gradually abandoned a narrow perspective focused on the project or on the parent organization as units of analysis (see Engwall, 2003 for a thorough critical review on this topic), in favor of a broader view in which the project is considered embedded (Granovetter, 1985) in a dense network of relationships (e.g. Cova et al., 1996, 2000b).

Project marketing scholars have significantly contributed to this cultural switch, showing the contextual nature of projects and the intense net of dynamic relationships that characterizes buying and selling projects (Cova et al., 1996; Cova et al., 2000a; Hadjikhani, 1996).

Despite these notable efforts the theoretical discussion in project marketing is far from being complete and exhaustive.

The purpose of this paper is to contribute to the project marketing theoretical discourse by drawing on structuration theory (Giddens, 1984).

Focusing on the milieu (Cova et al., 1996) as the main social context in which projects are embedded, we underline the relevance of Giddens’s social theory in clarifying the nature of projects as socially constructed entities (Cova et al. 1996) and how the milieu influences and is influenced by project marketing strategies.

Although a discrete amount of literature flourished in this field since Cova and Holstius (1993) stated that project marketing “lacks its own theoretical corpus of original concepts validated by research”, we claim that project marketing still lacks a deep understanding of how the social contexts in which projects - intended as complex transactions covering a package of products, services and works, specifically designed to create capital assets that produce benefits for a buyer over an extended period of time (Cova et al., 2002) - are embedded, influence marketing practices and actions.

Even if the concept of milieu (Cova et al., 1996) as a pertinent unit of analysis has enriched project marketing theoretical horizons - moving away from a merely transactional perspective - a solid social theory able to explain how the firm’s positioning in a milieu enables and constrains project marketing actions and, in turn, how these actions change the social context in which they take place, still lacks. Although recent developments of the project marketing discipline have clarified how project selling companies can create a market for the projects they sell (Cova and Salle, 2011) we still need theories and models able to explain the suitability and possibility of using more or less active/proactive strategic marketing postures (i.e. deterministic, constructivist and control posture) as well as an exhaustive knowledge of the process of meaning and norm construction in project marketing milieus (Skaates and Tikkanen, 2003). In this paper we draw on structuration theory with the aim to theoretically bridge these gaps. We thus claim that the suitability of more or less active or proactive behaviors in project marketing is tightly linked to the structural properties of the context in which they are enacted and that the process of meanings and norms construction in project marketing milieus is headed by practices that milieus’ members enact within it.

Structuration theory in fact, focusing on the recursive interplay of structure and actions, helps to understand not only how actions flow from structure but also how structure forms from actions (Sydow and Windeler, 1998). Thus the relationship between a focal project selling firm and the milieu can be conceptualized as “duality” rather than “dualism”: the duality of structure (Giddens, 1984).

In particular, the constructivist strategic posture in project marketing (see Cova and Hoskins, 1997; Bonaccorsi et al., 1996, Skaates and Tikkanen, 2003) that implies a bidirectional exchange between the project selling firm and the milieu – the former trying to manipulate accepted interpretations of the milieu, the latter imposing its rules and interpretations – seems to be a perfect archetype of interplay between action and structure and, we argue, the only way in which project marketing strategic posture should be conceived according to the process of structuration.

The milieu has been introduced and applied in project marketing research as a theoretical framework aimed at pinpointing the importance for a project selling firm to position itself at best in a given territory in order to anticipate project opportunities (see Cova et al., 1996). Despite its great importance and usefulness in providing all variables and factors that have to be considered when dealing with the social embeddedness of the project business, it does not have the status of theory.

In the literature it is only stated that the milieu “resembles the field or field-of-force of institutional theory” (Skaates and Tikkanen, 2003: 506). Thus, being grounded in institutional theory, consistent with Barley and Tolbert (1997) it can/should be considered alongside with structuration theory since both theories provide complementary insights. Both share the premise that action is largely organized by structure and that structure is created, maintained and changed through action, but only structuration theory grasps the very dynamics by which institutions are produced, reproduced and modified.

Hence, in this paper, structuration theory is used as a sensitizing device (Giddens, 1984).

Consistent with the principal tenets of the theory – illustrated later on - taking for granted that the milieu is the locus of action for project marketers, we propose that the pertinent unit of analysis in project marketing is not the milieu per se. Rather, the recursive interplay between action and structure within it.

We therefore propose a perspective that positions the milieu centrally within the process of structuration in order to underline its dual nature resulting from subjective human action featured by some structural properties and an objective set of rules and resources recursively implicated in the production and reproduction of the social context that enables and constrains human action.

Moreover, consistent with the application of Giddens’ structuration theory (1979, 1984) in the context of inter-firm networks (Sydow and Windeler, 1998) the milieu also implies a certain degree of reflexivity i.e. it is an object of signifying, organizing and legitimizing to which marketers reflexively refer in carrying out their marketing practices. As noted by Cova et al. (1996) a clear depiction of the milieu and of all the actors that are involved in it, enables the project selling firm to give natural boundaries to its actions and to consider all the relevant relationships (with both business and non business actors) that can have an influence on company’s marketing actions.

The article is structured as follows: first, we highlight the social/relational nature of the project business and how it influences project marketing strategic postures; second, we provide the principal tenets of structuration theory (Giddens, 1984); third, we provide theoretical evidences and justifications supporting the idea of a structurationist perspective of the milieu as a pertinent unit of analysis in project marketing also drawing upon the available literature; lastly conclusions and directions for further research are discussed.

THE PROJECT BUSINESS: FROM A TRANSACTIONAL TO A SOCIAL/RELATIONAL PERSPECTIVE

In one of the key articles constituting the project marketing body of knowledge (Cova et al., 1996) the concept of milieu was introduced as a pertinent unit of analysis in project marketing. This paper has strongly contributed to the project marketing discipline emphasizing a socio-economic approach when looking at the project business. As the authors stated – “to demonstrate that project marketing consists (...) in the management of a firm’s relationships to a social network of business and non-business network, named the milieu” (p. 647).

In particular, the authors claimed that the traditional (i.e. transactional) perspective applied both by academicians and practitioners in project marketing, should be questioned and substituted with a focus on the milieu, emphasizing the idea that a project based firm needs to position itself at best in a nexus of relationships in order to exploit the company’s resources and ensure the anticipation of projects.

In an earlier analysis of the project business instead (e.g. Friedman, 1956; Vickrey, 1961), the emphasis was on competitive bidding strategies rather than on the project environment hinging on the assumption that each bid is unique and that buyer and supplier have a priori no contacts in order to ensure the transparency of the competitive bidding procedures.

Several contributions published in the project marketing field indeed, have empirically shown how project based companies can enhance their competitiveness carrying out some strategic actions aimed to anticipate the demand (Cova and Holstius, 1993; Cova et al., 1994; Cova et al., 2002; Cova and Salle, 2007) through a favorable positioning in the project network (Cova et al., 1996; Cova et al., 2000b), capitalizing on positive past experiences with clients (Hadjikhani, 1996) or creating a market for the projects they sell (Cova and Salle, 2011).

Hence, project selling firms are not obliged just to react to environmental stimuli (such as an invitation to bid or the publicity of a tender notice), but can assume more or less active/proactive strategic behavior before, during and after the project.

In particular, the phases before and after the project are considered the main challenges that project marketers should overcome as the discontinuity of demand (alongside with complexity and uniqueness - see Mandjiak and Veres, 1998) is their main concern. Before the project, trying to anticipate the demand (e.g. Cova and Holstius, 1993), among others, through some forms of market-demand shaping (Cova and Salle, 2011); after the project, trying to nurture client-supplier relationships and capitalizing the sediment of trust developed in past business exchanges (Hadjikhani, 1996).

When pursuing their marketing strategies, project selling firms can adopt three possible strategic postures corresponding to different degrees of interaction with the project environment: determinist, constructivist and control posture (Cova and Hoskins, 1997; Bonaccorsi et al., 1996; Skaates and Tikkanen, 2003). Briefly described, the determinist posture consists in the project based firm’s ability to excel in following the accepted rules of the project milieu; the constructivist posture instead, consists in the project selling firm’s ability to change the rules of the game in its favor, while the control posture entails the project selling firm setting the rules of the game to which other (milieu) actors have to adapt. Recently Cova and Salle (2011) have introduced four different project marketing situations and as many strategic alternatives corresponding to different phases of project temporality: 1) macro-shaping, which consists in a strategic orientation in which a project supplier tries to

shape a market opportunity independent of any project opportunity; 2) joint shaping, which consists in some strategic actions that the selling company can carry out to influence the demand's needs to its favor during the project generation phase; 3) micro-shaping, which basically consists in the company's ability to influence customer's decisions about the project's details during the tender preparation phase and 4) marginal shaping, the aim of which is to shape some value-added proposals concerning the project under completion.

All the above-mentioned strategic postures require the company to be positioned in certain relational contexts and emphasize the social/relational nature of projects (Cova et al., 1996). Moreover, highlighting the company's possibility to adopt more or less active or proactive strategic behaviors in different social contexts and in different phases of the project marketing process (see e.g. Cova and Holstius, 1993; Cova et al., 1994; Cova et al., 2002; Cova and Salle, 2007; Alajoutsijärvi, et al., 2007 for a thorough review of the processual nature of project marketing) calls for an investigation of how these strategic postures are influenced by the social context(s) in which they are enacted and – in turn – how these strategic actions influence the social context.

This article faces this issue using the structuration theory (Giddens, 1984) as a sensitizing device.

ELEMENTS OF STRUCTURATION THEORY

Structuration theory is a social theory aimed at providing solutions to the dispute of the primacy of subject over object and vice versa that has traditionally characterized sociology and that has resulted in a wide division between the functionalist/structuralist and the hermeneutic/phenomenological schools of thought (Giddens, 1984, Orlikowski and Robey, 1991). Functionalism and structuralism express a naturalistic standpoint and both are inclined toward objectivism. In hermeneutic and phenomenological traditions instead, subjectivity provides the basic foundation of social and human sciences. For structuralists and functionalists the subject is opaque in nature, while – in turn – for hermeneutics it is the object to be opaque.

The main effort of structuration theory is thus to provide a solution to this dispute. Its focus is neither the experience of the human actor, nor the existence of any form of societal totality, but social practices ordered across space and time (Giddens, 1984). Human social activities are considered recursive in nature, they are produced and reproduced over time and space. These human social activities are not brought into being by social actors but are continually recreated by them via the very means whereby they express themselves as actors. In and through their activities agents reproduce the conditions that make these activities possible.

Structure

The principal tenet of structuration theory is that the object (structure) does not prevail over the subject (action); neither is the subject to prevail over the object. Structure – in structuration theory - is a feature of social systems. It is a set of “rules and resources recursively implicated in the reproduction of social systems (...) that exists only as memory traces, the organic basis of human knowledgeability and as instantiated in action” (Giddens, 1984: 377).

Social systems instead are defined as the patterning of social relations across time and space, conceived as reproduced practices between actors, enacted within the structure (Giddens, 1984). A more sympathetic definition of social system can be found in Sewell (1992: 5):

“social systems are empirically observable, intertwining and relatively bounded practices that link persons across time and space”. Social systems do not exist apart from practices that constitute them; practices are reproduced by the recursive enactment of structure. Hence the structure is not conceived as the patterned social practices that make up social systems but rather, as the principles that pattern these practices (Stewart and Pavlou, 2002).

Social systems are featured by some structural properties, i.e. “structured features of social systems, especially institutionalized features, stretching across time and space” (Giddens, 1984: 377).

Structure shapes people’s practices but at the same time practices are the very means by which structure is produced and reproduced via social systems. Implicit in the notion of structural properties as formulated by Giddens in the outline of his structuration theory (1984) is that they can exist only in so far as forms of social conduct are reproduced chronically across time and space.

Agents as Knowledgeable Individuals

In the process of structuration, structures are produced and reproduced by knowledgeable individuals through their interactions. To say that individuals are knowledgeable, means that they have the capacity to transform their setting through action (Giddens, 1984). Agents are knowledgeable because they are capable of reflexively monitoring, rationalizing and motivating their actions.

Reflexive monitoring of action means that knowledgeable actors not only monitor their actions continuously and expect others to do the same, but they also routinely monitor the social and physical aspects of the context in which they move. As Pozzebun (2004) noted, the reflexive monitoring of action is interrelated with the duality of structure because the interplay between structure and action requires reflexivity.

Rationalization of action means that actors maintain a continuous theoretical understanding of the ground of their activities; thus they are generally able to explain discursively what they do if asked.

Last, motivation of actions, refers to the wants which prompt the action. For Giddens, motivation refers to potential for action and not to the mode in which actions are chronically carried on by agents.

Agency and Structure: The Structuration Process

While structure shapes social interactions, social systems are not structures themselves but feature certain structural properties that actors draw on in their social interaction (Staber and Sydow, 2002). In the same way, agency is not something merely referred to individuals but is more closely associated with the *durèe* – flow of events (Giddens, 1984) - of individuals’ actions and interactions.

According to structuration theory, structures never determine action; rather individuals are engaged in structures they transform in the action process. Structure, enabling and constraining action, is both medium and outcome of action. In fact – as noted by Sewell (1992: 4) “it is no accident that Giddens calls his theory the theory of structuration indicating by this neologism that structure must be regarded as a process, not as a steady state”.

The link between structure and action is labeled in structuration theory as the duality of structure (Giddens, 1984). Agents and structure are not isolated units of analysis but are conceived as recursively implicated in the production and reproduction of the structural properties of a social system.

Rules and Resources

In order to understand the structuration process by which structures are produced and reproduced, rules of signification, domination and legitimation as dimensions of structuration must be introduced. In the structuration theory frame of references, structure (i.e. rules of signification, domination and legitimation) is linked to correspondent dimensions of agency (i.e. communication, power, and sanction) through modalities of structuration (interpretive schemes, power and norms).

Modalities of structuration are the concrete means agents use in situated action-contexts and characterize how agents make use of rules and resources therein.

As far as structural dimensions are concerned, Giddens (1984) distinguishes two different forms of rules - rules of signification and rules of legitimation - and two forms of resources - authoritative and allocative resources.

Rules of Signification and Legitimation

Rules of signification enable and constrain agents to make sense of the context they act in and to communicate this meaning and their views of ongoing practices to others (Sydow and Windeler, 1998). In making sense of communication and actions, knowledgeable individuals draw upon interpretive schemes that help them produce and reproduce rules of signification. Rules of signification create symbolic interpretive schemes that facilitate communication during interaction including language and other signs that are implicated in interactive communication. Thus, systems of signification allow agents to communicate with each other through the application of interpretative schemes (Giddens, 1984). When actors communicate they refer to interpretive schemes and by referring to these interpretive schemes they create, reinforce or change structures of signification.

Rules of legitimation instead, to which agents refer via norms, imply the existence of some form of sanctions in which agents incur when not respected and observed. When knowledgeable individuals sanction certain social practices, they draw on norms, and thus create, reinforce or change structures of legitimation. Sanctions are the outcome of following or not the rules of legitimation.

We can thus state, rules have two distinctive qualities: they have a role in the constitution of meanings (signification) and are closely connected with sanctions (legitimation). Rules are also procedures of actions, therefore, aspects of praxis. The awareness of social rules is the very core of knowledgeability of human agents. Being social actors, all human beings are highly learned in respect of knowledge which they possess and apply in the production and reproduction of day to day social encounters. This knowledge is practical in character (Giddens, 1984 refers to this knowledge as practical consciousness). In general, the more intensive, tacit and informal rules are, the greater is their impact upon the texture of social life i.e. the more influential are in the structuring of social activities.

Resources of Domination

Resources are defined by Giddens as “the media whereby transformative capacity is employed as power in the routine course of social interaction” (Giddens, 1979: 92). They can assume two different forms: they can be authoritative or allocative (or more simply human

and non human - Sewell, 1992). The first, allows agents to generate commands over subjects; the second, allows agents to generate commands over objects.

Allocative and authoritative resources compose the structure's dimension of domination and, so, are tightly linked with power. The ways in which knowledgeable actors enact power in interactions, create, reinforce or change structures of domination. Thus, in structuration theory, power is an aspect of structure which is subject to the process of domination by actors exercising agency (Peters et al., 2010). Systems of domination enable actors to affect each others' conduct via the exercise of power through the application of facilities such as rules and resources (Giddens, 1984).

Agency and Power

As far as power is concerned, its relationship with agency is a central tenet of structuration theory. Agency is defined in Giddens' theory as the human capacity to make the difference (transformative capacity). Agency and power are considered tightly intertwined. To be able to act means to be able to intervene in the world with the effect of influencing a specific process or state of affairs, also limiting power exerted by others. Agents cease to be such if they lose their power, i.e. the capability to change the state of affairs. Although action logically involves power, power is related to resources but is not a resource itself.

If actors are powerful enough their actions may have the consequence of transforming the very structures that gave them the capacity to act. The enactment of power within social systems presumes relations of autonomy and dependence between actors or collectivities in contexts of social interaction.

THE MILIEU: A STRUCTURATIONIST PERSPECTIVE

After having introduced the main concepts and elements of structuration theory (to a large extent in form of glossary – see Giddens, 1984, pp. 373-377) we now clarify how it can be connected to the concept of milieu as it is currently used in project marketing.

A milieu has been defined as a socio-spatial configuration characterized by four elements: i) a territory; ii) a network of heterogeneous actors related to each other on this territory; iii) a representation constructed and shared by these actors; iv) a set of rules and norms (the law of the milieu) regulating the interactions between these actors (Cova et al., 1996).

These peculiar features can be considered as structural properties - i.e. structured features of social systems stretching across time and space (Giddens, 1984) - of the milieu and are the features that allow us to distinguish a milieu from other forms of inter-organizational/inter-institutional/inter-societal social contexts.

As Cova et al. (1996) stated, the milieu is different from other localized contexts of industrial actors by the fact that the collective linkage to the territory is developed by practices of all types. [This definition allows us also to distinguish the milieu from the concept of inter-firm network (see Sydow and Windeler, 1998) since the milieu involves not only for-profit organizations that arise for some kind of economic reasons, but all the actors that compose the social system at large, involving also the sociological and political sphere (Tikkanen, 1998; Skaates and Tikkanen, 2003)].

The centrality that practices assume in the definition given above reinforces the idea that structuration theory is a solid lens through which to look at the milieu, since in its frame of references social systems are primarily regarded as sets of practices.

Hence, the collective linkage is obtained through certain practices that actors enact within a given territory over time, that contribute both to institutionalize such practices and to shape and reinforce the features of the social system itself. These practices are the means by which the structuration process of the social system (the milieu) occurs in time and space (Giddens, 1981).

From a structurationist perspective the milieu is the outcome of human action since it is created by practices that actors enact within it and, thus, will tend to reflect the objectives of actors that lives within it; but, at the same time, it is the medium of human action, because when project marketers refer to the milieu in setting up their marketing strategies, the milieu mediates (enables and constrains) their activities.

Another element that - alongside the already mentioned centrality of practices - suggests the application of a structurationist perspective of the milieu, is the emphasis given to its territorial embeddedness (a milieu is first of all “a territory”).

A territorially “bounded” social system is not seen merely as a geographically limited area where certain identifiable actions take place, but is also intended as the result of actions enacted by a group of agents that share the same rules and resources within a common territory.

As noted by Pred (1984) every locale can be considered as the result of a mix of everyday local practices enabled and constrained by the ongoing dialectic between practices and the locale’s structural properties.

Thus the activities carried out in a certain locale can be regarded as the outcome of both structural properties and of the structuration process recursively implicated in human practices that have contributed, contribute and will contribute to produce, reproduce and (as the case may be) to change the above-mentioned structural properties.

The milieu, as it has been formalized – see Crevoisier (1993) – and adopted in project marketing – see Cova et al., 1996 – is thus a suitable ground for the application of structuration theory since in Giddens (1979, 1984), the structuration of social systems is supposed to occur in locales such as countries, regions or a milieu.

For Giddens agents are able to define and recognize a locale, by the structural properties that it possesses (e.g a territory), according to the nature of the encounters it makes possible (e.g. encounters of all types not limited to the economic sphere), and by the use of these structural properties as settings for interactions (e.g. rules and norms that regulate the interaction between the milieu’s actors). In the process of structuration, agents enact power to mobilize the structural properties that serve as the settings for interaction and, in doing so, they reproduce the structural properties anew and renew their recognition of the given space as a locale. It is worth noting that according to structuration theory the access to structural properties is defined by the agent’s positioning within the social context.

In the context of project milieus the project selling firm’s ability to acquire a certain positioning within it – achievable through mobilization of power, such as through economic investments aimed to strengthen social and economical bonds with some important milieu’s actors – is considered the main challenge for project marketers in order to anticipate the demand for future projects outside of any actual business opportunity (e.g. Cova et al., 2000b).

Thus the access to some structural properties, such as to some relevant business networks within the milieu, or to some poles of continuity in the case of sleeping relationships (Hadjikhani, 1996), is related to the relative position that the company is able to achieve within the social context.

For Giddens (1984) actions and interactions occur in circumstances of co-presence.

Whatever the form of these interactions is (routinized or non-routinized), agents make use of the structural properties of the social system in which they interact in time and space to signify the meanings of each interaction in which they are engaged.

Thus actions and practices are tightly linked to the local context in which they are enacted: Giddens calls this phenomenon regionalization of practices (Giddens, 1984). As a consequence, interactions in a region (a project marketing milieu as instance) can differ from those in other regions (in other project marketing milieus).

As far as regionalization of practices is concerned, in the attempt to overcome the dualism between micro and macro levels of interaction, Giddens introduced the notions of social integration and systemic integration: social integration regards the process by which face-to-face encounters within a locale become regular social practices; systemic integration, in turn, regards the maintenance of reciprocity between agents who are physically absent in larger social systems. However social integration is *conditio sine qua non* for systemic integration. This means that systemic integration can be achieved only if face-to-face interaction between individuals in specific locales exists. Nonetheless, the structures that characterize larger scale social systems condition social integration. And, at the same time, actors, through the reflexive monitoring of their actions, can bring about social change, that is, can modify the structural properties of the social systems in which they are embedded.

STRUCTURAL DIMENSIONS OF THE MILIEU: A BRIEF OVERVIEW

In the frame of structuration theory the milieu – as a social system - is featured by certain rules and resources recursively implicated in social interaction that over time contribute to reinforce its institutionalization.

That is, structure shapes people's practices and practices are the very means by which structure is produced and reproduced via social systems. Social systems in turn have certain structural properties that exist only in so far as forms of social conduct are reproduced chronically across time and space.

This is totally in line with what Cova et al. (1996) stated about the milieu as a unit of analysis in project marketing that seems to be pertinent in those cases in which "relations, common representations and rules have developed over time through the permanent [recurrent] meeting [interaction] of actors in a given territory" (p. 662).

The structure, in structuration theory, enables and constrains action. Consequently the structural properties of the milieu, i.e. a territory, a network of heterogeneous actors related to each other, a representation constructed and shared by these actors, a set of rules and norms (the law of the milieu) regulating the interactions, are reproduced in milieu practices since these practices, are enabled and constrained by the above-mentioned structural properties.

Milieu's actors are seen as socially embedded, and their interactions are conceptualized as a flow of events contextually bounded and embedded in social practices.

With these premises in mind, dimensions of structuration (norms of signification, norms of legitimation and resources of domination), pattern of actions (communication, power and sanctions) and modalities of structuration (interpretive schemes, facilities and norms) that characterize the milieu must be identified and discussed highlighting how they influence and are influenced by project marketing actions.

Milieu and Rules of Signification

Rules of signification are defined as those rules that enable and constrain knowledgeable agents to make sense of the context they act in and to communicate this meaning and their views of ongoing practices to others to which agents refer via interpretative schemes.

In the context of the milieu, what Cova et al. (1996) call ‘the representation constructed and shared by heterogeneous actors related to each other on the territory’ can be considered as rules of signification. These representations signify actors’ actions within the milieu, enable and constrain communication and when enacted in practices agents reproduce them contributing to their institutionalization.

The structural dimension of signification in the milieu context is more clear if we look at the definition given by Crevoisier (1993) that expressly mentions a convergent representation of constraints and opportunities developed by actors that belong to the same territory.

In the case study presented by Cova et al. (1996), for instance, authors expressly say that the focal company’s marketing strategy “takes into account a collective actor (...) in which each actor shares certain representations and values” (p. 656). Actors share, both in their life and in their imagination, the community of some elementary structures (Cova et al., 1996: 654).

The definition reported below seems to be closely connected with the intensive/tacit/informal character of rules that for Giddens (1984) often have a greater influence in determining actors’ actions than those codified and even highly sanctioned.

Thus marketing practices carried out by project based firms within the milieu are constrained by the very existence of this collective actor and of its shared representations. Yet, at the same time, the existence of this collective actor and of its representations are the very means by which some practices are enabled.

It is through the interaction between actors within the milieu that they develop this shared representation (Cova et al., 1996) that becomes a structure since it exists only as a memory trace and as instantiated in action (Giddens, 1984).

An actual example of shared representation that emerges in the milieu through interaction is the contractor’s credibility. It is often stated that within the milieu project marketing companies have to generate and maintain credibility over time (see Cova et al., 1996; Skaates and Tikkanen, 2003; Cova et al., 2002). This credibility can be generated through personal interaction between actors (for example with more or less cyclical formal or informal encounters – Cova and Salle, 2000a) and can be demonstrated by means of supplier’s reference (e.g. Jalkala and Salminen, 2009) or super references (Jalkala et al., 2010). In the project marketing context the meaning of these references becomes shared over time among the milieu’s members. Thus project selling firm’s references provide an interpretive schema to which actors refer to in interaction, allowing the creation and recreation of the correspondent structure of signification, that is credibility.

Milieu and Rules of Legitimation

Rules of legitimation, that are linked to sanction by means of norms as modality of structuration, enable and constrain agents to act in a way that is in their own interest as well as in that of the milieu as a whole. Agents sanction behaviors by applying norms which are derived from rules of legitimation and, in their view, are suitable for articulating and sustaining what they, in a particular context, consider right or wrong, legitimate or illegitimate.

In the frame of the milieu, rules of legitimation can be identified as what Crevoisier (1993) and Cova et al. (1996) call rules of the milieu, i.e. a set of rules and norms that regulate the interaction between the actors.

It is important to remember that the mentioned set of rules and norms in the frame of structuration theory is not seen from a functionalist/structuralist perspective, thus as object prevailing on the subject. Rules and norms of the milieu are created, recreated by and instantiated in human actions which, by referring to these rules, reproduce (or in some cases transform) structure of legitimation.

In the project business the rules of the milieu – we can state the norms that characterize the interaction between actors in a given territory – are strong features of the milieu itself. Considering the territorial embeddedness of several projects (e.g. infrastructures, civil buildings, industrial facilities and plants, etc.) and the fact that most of these projects are bought by public bodies (such as municipalities, ministries, governmental agencies, etc.) rules and norms of the milieu have a strong impact in determining how actors can interact within the social context.

For example, during a competitive bidding process, a public buyer (e.g. a municipality) draws on structures of legitimation (norms that regulate interactions and transaction with potential suppliers) that regulate milieu's interactions when the decision to buy a project is going to be taken. In this frame the buyer communicates the rules to the seller(s), reproducing more or less intentionally the rules in action. This interaction becomes history that has influence in subsequent interactions.

Milieu and Resources of Domination

Resources of domination are means that the company can handle in order to exert power over someone. Hence, resources that agents mobilize to pursue their purposes and to which agents refer via facility, that enable and constrain action within the milieu.

With regard to the interactional dimension, agents execute power by applying facilities they have access to contextually and individually. These facilities which are actively used, created and recreated, enable milieu agents to transform interaction patterns. And by doing this they not only reproduce the resources as structures of domination but the control over these resources ensures a superior competitiveness of the company over competitors.

In the case of the milieu – as well described by Cova et al. (1996) – the company's ability to mobilize and to some extent exert control over poles of continuity enables and constrains the company's actions and strategies within the network. When a project selling firm uses its structural position within the milieu and its ability to exert power over someone in order to influence the interaction with (potential) buyer(s), it is enacting structures of domination exploiting power over allocative and authoritative resources through the production and reproduction of resource relations.

Narrowing the focus to the client-supplier relationship for instance, during the sleeping phase (Hadjikhani, 1996), the ability of the project selling firm to mobilize authoritative and allocative resources by acting directly on the dyadic relationship (inward actions) or making a strategic use of external resources available in the milieu (outward actions) draws on the existing structure and alters the original structure by reproducing an emergent structural context.

IMPLICATION OF STRUCTURATION THEORY ON PROJECT MARKETING STRATEGIC POSTURES

Structures of signification, domination and legitimation are not fixed because when individuals interact they can give different interpretations of the rules into action which enable and constrain interaction and the exercise of power (Peters et al., 2010).

As noted above –for instance, when a public buyer decides to buy a project, it draws on structures of legitimation (norms that regulate the competitive bidding procedure) that regulate the milieu’s interactions. The supplier in turn may find an alternative way to react to these rules. For example, it can rely on structures of domination (e.g. a favorable positioning in the buyer’s network) to increase the likelihood of winning the contract through anticipation strategies (at least in those situations in which contracts are not awarded at the lowest price), or on structures of signification (such as the aforementioned credibility) to have an advantage over competitors.

This means that rules and resources that characterize the milieu, enabling and constraining project marketing practices, determine and are determined by these actions.

In a given social context actors, being powerful and knowledgeable, exercise agency; structure, limits actors agency but actors, being powerful and knowledgeable, can decide to act otherwise and challenge structural rules and constraints. The interaction of knowledgeable individuals produces changes (often unintentionally) precisely because they are able to act with intention and purpose.

In this frame, differences between determinist, constructivist and control strategic postures in project marketing (see Skaates and Tikkanen, 2003; Cova and Hoskins, 1997; Bonaccorsi et al., 1996) are overcome since, coherently with the principal tenets of structuration theory, neither action can be entirely determined by structure (as in the case of the deterministic posture), nor structure can be thoroughly determined by action (as in the case of control posture). Rather, project marketing strategies within a milieu are constructivist in nature since action and structure are recursively interrelated.

The degree to which project marketers can influence the structure – drawing on existing structures of signification, domination and legitimation – is dependent upon the power they can exert in interaction, both in situations of co-presence (i.e. social integration) and in larger systemic contexts (i.e. systemic integration).

For structuration theory in fact, agency is related to power, but agents have different access to structural properties according to their power in interaction and to their positioning in the social system in which they interact.

Accordingly, strategic postures that project marketers can enact can be more or less constructivist depending on the degree to which they can (or are able to) manipulate “accepted interpretations of the milieu” (Skaates and Tikkanen, 2003) by shaping structures of signification, domination and legitimation.

Thus, less constructivist postures can be enacted in those situations in which the contractor is not powerful enough; more precisely when a project selling company in interaction with the milieu’s members is not able to mobilize enough resources (authoritative and allocative) in order to change the structure in its favor or when is not able to position itself in a convenient way. As already affirmed, in structuration theory, action and power are connected presuming that to be an agent means to be able to deploy a range of causal powers, including that of influencing those deployed by others.

Nonetheless, the fact that actors can have different intensities of power and that some situations can push the actor into a situation of impossibility to act otherwise, can induce one to think that in some cases the prevalence of the object over the subject cannot be escaped (as in the standpoint functionalist/structuralist sociological approaches).

According to structuration theory this situation is impossible since action logically involves power in the sense of transformative capacity. In this sense we can infer that power is logically prior to subjectivity.

Coherently with this intriguing conceptualization of power-action-structure, even in those cases in which the actor is in a situation of no choice to act otherwise, the enactment of power – as transformative capacity – has as natural effect the creation, recreation or transformation of the structural dimensions. Thus the fact that the adoption of a deterministic posture push project marketers to “suffer” the rules of the milieu is only partially true since action, involving power, is transformative in nature. Power within social systems presumes regularized relations of autonomy and dependence between actors or collectivities in contexts of social interaction. But all forms of dependence offer some resources whereby those who are subordinate can influence the activities of their superiors (Giddens, 1984). Giddens calls this virtuous circle the dialectic of control in social systems.

What is stated for less constructivist postures can also be extended to control postures in which the project selling firm is supposed to have constant control over the representations and norms of the milieu. Thus to those strategic postures in which it is the subject who subjugates the object.

This is particularly evident in those project marketing situations recently named as macro-shaping (Cova and Salle, 2011), an ever more recurrent situation in project businesses. Macro-shaping has been defined as a strategic orientation in which a project supplier tries intentionally and purposely to shape a market opportunity for its projects when there’s no project in sight. This requires the contractor to shape the competitive arena, to acquire a favorable positioning within the milieu and to set up the rules of the game (Cova and Salle, 2011). In structuration lexicon we can state that the contractor – knowledgeable and powerful – is exerting power in order to change structures of signification, domination and legitimation giving a different interpretation of the rules in action.

Giving, for example, a different interpretation to the communication with the (potential) buyer not relying on traditional structures of signification such as a formal invitation to bid, or directly intervening on structures of domination assuming a role (and relative authoritative and allocative resources) that is generally associated with the client as in the case of public private partnerships (Cova and Salle, 2011).

If investigated through the lenses of structuration theory, this form of strategic orientation toward the social context in which project marketing actions and practices are carried out (i.e. the milieu), can be seen as recursive interplay between action and structure in which the availability of authoritative and allocative resources and the rules embedded in a given social context that enable and constrain access to these resources interact, are produced and reproduced and can be changed by the actor’s agency.

DISCUSSION AND CONCLUSIONS

This paper contributes to the theoretical discussion in project marketing providing a social theory to which the concept of milieu – held as the main unit of analysis in project marketing (Cova et al., 1996) – can be anchored. Although it is undeniably a well grounded theoretical framework and, at the same time, an important managerial tool that project marketing companies should reflexively adopt in setting up their marketing strategies, the milieu is – we argue – weakly rooted in social theory. The theory of structuration, as we have extensively shown, is a suitable sensitizing device to fill this theoretical gap.

In fact, as the milieu is grounded in institutional theory (Skaates and Tikkanen, 2003) it can be understood more in depth if investigated also through the lenses of structuration theory. As noted by Barley and Tolbert (1997), if both institutional and structuration theory, analyze how action relates to structure and vice versa, the latter also helps to understand the dynamics by which social systems are produced, reproduced and modified. Moreover, the emphasis placed, when defining milieu, on practices enacted within it, on its territorial embeddedness and on rules, norms and codes of signification that regulate interaction patterns between individuals, conveys most of the principal tenets of structuration theory.

Thus, we claim structuration theory can enrich the understanding of project marketing milieus and how they influence strategic actions.

In particular, focusing on the recursive interplay between structure and actions (Giddens, 1984), it helps to clarify not only how project marketing strategies are influenced by the existence of the milieu, but also how the milieu itself is shaped by actions and practices enacted within it. The relationship between a project selling firm and the milieu can be therefore conceptualized as “duality” rather than “dualism”.

That is, it is neither the project selling firm that can only react and adapt its strategic behavior to the milieu’s characteristics and condition, nor the company that can assume a “sovereign” stance against the milieu.

Assuming this standpoint, the milieu is conceived both as an object of signifying marketing actions, and, above all, as an object that influences (enables and constrains) marketing actions.

The influence that the project milieu can have on marketing strategies and action is therefore considered “bidirectional” by definition. That is, even in those situations in which the (knowledgeable) actor (the project selling company) is in a situation of no choice to act otherwise, the enactment of power – as transformative capacity – has as natural effect the creation, recreation or transformation of the structural dimensions.

The discussion above allows us to theoretically close two gaps identified by Skaates and Tikkanen (2003) regarding the process of meanings and norms construction within project marketing milieus and the situation in which project marketing strategic postures are suitable and possible.

According to structuration theory, rules and norms that characterize a milieu are developed and sustained by practices that are enacted by the milieu’s actors in interaction.

When actors interact within the milieu they refer to modalities of structuration (interpretive schemes, facilities and norms) and by referring to these modalities of structuration they create, reinforce or change corresponding structural dimensions of signification, domination and legitimation. Norms and meanings characterizing project milieus are so created and maintained by actors when they interact in a situation of co-presence (social interaction) or in larger social systems (social integration).

Thus, within the milieu, project marketing companies that are willing to obtain some competitive advantages (e.g. anticipate the demand for projects) should understand these norms and meanings i.e. they should be able to codify interpretive schemes, mobilize facilities and be aware of norms. And if powerful enough – to be able to mobilize authoritative and allocative resources – they can also change the structural dimensions of the structure.

The structuration process therefore also allows us to close a second gap concerning the identification of those situations in which different strategic marketing postures are more or less possible and suitable.

Since neither action can be entirely determined by structure (determinist posture), nor structure can be completely determined by action (control posture), the only strategy that can be practiced is constructivist as action and structure recursively interrelated.

Accordingly, strategic postures that project marketers can enact can be more or less constructivist depending on the degree to which they can manipulate “accepted interpretations of the milieu” (Skaates and Tikkanen, 2003) through the enactment of power, shaping structures of signification, domination and legitimation.

Moreover, structuration theory allows us to theoretically enrich the understanding of variations of meanings and norms among different milieus. Assuming that practices are the unit of analysis, and that such practices must be regarded as interacting with structure, structural dimensions can provide a suitable motivation in understanding how and why variations of meanings and norms among different milieus occur. For example, in those milieus in which structures of legitimation are prevailing (such as the example reported in Skaates and Tikkanen 2003, referring to the German-speaking context) the power of project selling companies to mobilize authoritative and allocative resources – thus to change structures of domination in its favor - is more limited than in other milieus in which sanctioning aspects in interaction are less influent. This, in turn, explains why in certain milieus the use of formal contracts to regulate the interaction is more frequent than in others.

Further research is needed to empirically test the structuration theory in the contexts of project milieus. Case studies research – currently used to unveil the significance and the importance of the milieu in shaping project marketing strategies (e.g. Cova et al., 1996, Cova et al., 2000b; Cova and Salle, 2011) – seems not to be appropriate for empirically testing structuration theory since – according to Giddens (1984), it requires both quantitative and qualitative methodologies. Moreover, as noted by Sydow and Windeler (1998) structurationist analysis should be necessarily longitudinal to grasp the process of institutionalization of the structural dimensions of a given social context (e.g. the milieu) and analyze how they enable and constrain practices and interactions enacted within it in time and space. Those project marketing situations recently labeled as macro-shaping seem to be particularly interesting from this perspective since the process of creation of active creation of business opportunity when there’s no projects in sight, offers stimulating cues to evaluate, in the long run, in which way these proactive strategic behaviors affect the structural dimensions of the project milieu.

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