Change in the networks setting

This issue consists of five papers from the 32nd IMP Conference at Poznan in 2016 on the topic of change and transformation of markets, networks and relationships and four other papers. Change is an obvious and common phenomenon. Everything changes and as a rule it is impossible to stop a process of change. The IMP group from its very beginning has tried to study a nature of change challenging traditional marketing theory. Specifically, it has been underlined that it is not only a process taking place within a given firm. Change is a result of interactions between independent entities (Håkansson, 1982). These interactions form a network of relationships among companies. In order to understand a process of change, it is necessary to focus on the relationships between firms and other entities which operate in the business landscape (Håkansson et al., 2009). It is worth to stress that while the total pattern of business relationships is relatively stable the existing relationships between companies change in the content and strength and “the continuity of change” in business networks is evident (Håkansson and Snehota, 1995, p. 269).

It is quite clear that the process of change has speeded up over the last years. It is pushed by new trends observed in the business landscape (Fonfara et al., 2016). They create new opportunities and challenges for researchers. The IMP research has focused first of all on business relationships between entities on the business-to-business market. However, technological changes facilitate the development of direct relationships on the business-to-customer market as well and create possibilities to study the relationships with individual consumers. Vertical integration of more and more market leaders and multinational companies means the growth of importance of companies’ internal relationships. A change in the position of entities, which to date has been peripheral within the business network (e.g. subcontractors), means that the dynamic character of relationships becomes even more evident. The five papers included in the special issue of the IMP journal “Change in the networks setting” follow some of abovementioned trends and discuss their research and management repercussions commenting and verifying a real theoretical and methodological value of the IMP models.

The first paper “Four decades of IMP research – the development of a research network,” by Håkan Håkansson and Lars-Erik Gadde, examines the development of industrial marketing and purchasing group community. According to the authors, the IMP community should be perceived in terms of multitude of activities, resources and actors, embedded into the network of relationships. Such an idea goes along with the assumptions of the ARA model (Håkansson and Snehota, 1995), which serves as one of foundations of B2B research. The analysis presented in the paper focuses on two dimensions. The first one identifies the effects of the IMP research reflected in books, journal papers and doctoral dissertations. Number and character of existing publications indicate that individual researchers identified within the community network have adapted to the evolving environment and took advantage of increased cooperation opportunities it provides. The second dimension refers to the forces, which shaped the IMP community development process and enabled to generate scientific added value. Håkan Håkansson and Lars-Erik Gadde identified two contradictory forces influencing the change and transformation of the IMP network. The first one refers to relationships built within the network, which impose similarities in a manner of perceiving business reality by researchers. The second force, which results from actors’ simultaneous involvement in other networks, enables flow of new ideas into the IMP community. It imposes dynamics, which are reflected in number of sub-networks appearing
within the initial IMP community network. The authors of the paper foresee that over time IMP community network is going to develop continuously with actors becoming more and more differentiated, but at the same time involved in the common research stream.

The second paper “Strategic practices of subsidiary positioning in business networks,” by Sari Laari-Salmela, Tuija Mainela, Elina Pernu and Vesa Puhakka, takes an attempt to identify the mechanism of multinational company’s (MNC) subsidiary positioning within the network of internal and external relationships. Positioning translates into a continuous process of developing a network position through actions and reactions influencing organization’s relationships. The paper contributes to the IMP view on company’s strategy by presenting relationship tensions and consequent strategic actions, examined from perspective of a MNC’s subsidiary. The tensions are perceived neither positive nor negative, but rather as an inseparable element of relationships which change and develop the network. The results of analysis performed by the authors indicate that corporate values play a crucial role in mediating hierarchical and resource tensions, which occur in the MNC internal network. The authors conclude that specific corporate values have been associated with tensions occurring within the network of relationships. Additionally, examining MNC’s network showed a strong dependency of subsidiary positioning in the local market and relationship practices in actions undertaken by the subsidiary in order to standardize their market behavior. And finally, the paper illustrates MNC subsidiaries positioning strategy in form of constantly changing, tension-driven relationships.

The third paper, “Que Sera, Sera? Conceptualizing business network foresighting” by Poul Houman Andersen, Elsebeth Holmen and Ann-Charlott Pedersen, focuses on mutual dependency of business entities’ expectations regarding the future and network’s dynamics. According to the authors, actor’s market behavior and strategic choices are determined by their expectations toward network. At the same time, as result of actions undertaken by actors, network’s structure and its shape are subject to constant transformation. The network’s changing characteristics require applying adequate analytical tools. For this reason, Poul Houman Andersen, Elsebeth Holmen and Ann-Charlott Pedersen introduce the concept of business network foresight. The aim of business network foresight is to understand the cognitive aspects of interaction, focusing specifically on the individual and the shared formations of expectations about the future among business network actors. The authors are enriching the foresight concept by applying network’s collective sense making and making a distinction between hitherto linear perspective on forecasting by offering a new, interactive one. The results of presented research permit to see business network foresight not only as an analytical tool, but also as a co-creative act carried out by actors embedded into networks of relationships.

The fourth paper “Thinking outside the box: a neuroscientific perspective on trust in B2B relationships,” by Eveline van Zeeland, concerns change in the theoretical perspective and introduces neuroscientific insights on trust to the business-to-business marketing domain. Trust is a complex and multidimensional phenomenon. An interdisciplinary approach to the subject of trust enables a wider grasp of the problem, but contributes to a lack of a unified view of trust in business relationships. As a consequence, the author proposes a change in approach to this phenomenon, because current knowledge is fragmented and as a result, trust remains poorly recognized by the mechanisms and processes that form it. Eveline van Zeeland suggests that a neuroscientific perspective on trust within a business-to-business context both enriches and advances the current knowledge on trust within the field of industrial marketing. The aim of introducing a neuroscientific perspective is not to replace the current knowledge, but to connect it with other knowledge in order to get a better picture. The author suggests the conceptual framework on distrust, trust and trust-building. The accentuation within the framework is on the organism: what happens within the individual when he or she needs to make a

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trustworthiness evaluation with regard to a given stimulus? The author argues that distrust is often quickly developed by automatic, instinctive and emotional processes, whereas the development of trust includes a more calculative process. The concluding discussion shapes the future research agenda for trust within industrial marketing.

The fifth paper, “The impact of the altered political economy on the Tunisian auto parts aftermarket” by Tibor Mandjak, Samy Belaid and James A. Narus, addresses the effects of deep environmental changes caused by the Tunisian Jasmin Revolution in the early 2010s on actors’ behaviors within ongoing business relationships. The paper elaborates on well-established and historically prosperous business network – Tunisian automotive spare-parts distribution channels. The authors explain how deep external changes in Tunisia have (political, social and economic) affected the Tunisian jobbers’ behavior in their business relationships and underline the important role of embeddedness of the economy in society (Polanyi, 1944). The lack of enforcement of government regulations and various internal trade rules and customer clearance procedures have changed the traditional behavior of actors in the Tunisian distribution network. This change in behavior manifested itself in the increasingly short-term approach of actors and has created new sources of conflict. As profound changes in the companies’ external environment provoked changes in the companies’ proximate relationships and business dealings, in the concluding discussion Tibor Mandjak, Samy Belaid and James A. Narus propose a model of process of the impact of institution’s change. They argue that if an institution changes, it occurs as a change of behavior of those who are under the influence of the institution and the new behavior may relate back to the institutions.

This issue of IMP journal contains not only five special issue papers regarding the change in the network setting but also four other papers.

The first of these papers, “Purchasing management and the role of uncertainty” by Lars-Erik Gadde and Finn Wynstra, analyzes theoretically and conceptually the relation between purchasing management and uncertainty over time as well as the ways in which uncertainty related to suppliers and supplier relationships has been interpreted and handled. Uncertainty is a common feature of purchasing and supply management and cannot be avoided. However, over time, the magnitude of uncertainties in purchasing and supply management has multiplied. The reasons behind this include the outsourcing boom, increased supply cost, global purchasing and technology adaptation. The authors identify and analyze the role of uncertainty “before” and “after” the reorientation of purchasing, where they interpret “before” as simple transactions aiming at minimization of price and “after” as application of long-term orientation toward costs and returns for series of transactions over time. This reorientation imposes changed forms of uncertainty, which is directly related to modified perception of dependence on suppliers. This dependence is now more and more often seen as potentially valuable and typical for high-involvement relationships. The paper investigates many facets of the relation between uncertainty and purchasing management as well as the influence of behavioral concepts including dependence, interdependence, power and control on this relation.

The second paper, “The role of interaction for corporate sustainability” by Sigurd Vildåsen and Malena Ingemansson Havenvid, deals with social and environmental consequences of business activities, referred to as corporate sustainability (CS). Within this area of research, the stakeholder theory dominates scientific discourse, but it tends to underestimate the dynamics of inter-organizational relationships and characteristics of relationships in terms of CS. The authors theorize CS from the standpoint that interaction is a central business activity for firms. Within their contribution first of all, they suggest making a clear distinction between actors and stakeholders. Second, Sigurd Vildåsen and Malena Ingemansson Havenvid use the interaction categories to develop a typology of the interactive dimension of CS, including “limited CS,” “potential CS” and “substantial CS”. This typology refers to the content of
firm-stakeholder relationships with regards to activity links, resource ties and actor bonds. The typology allows to assess the potential to change toward increased CS.

Third paper, “Finnish ‘state of mind’ on inter-organizational integration: a cost accounting and cost management perspective” by Antti Ylä-Kujala, Salla Marttonen-Arola and Timo Kärri, presents cost accounting and cost management perspective on inter-organizational integration. The authors analyze the connection between the company’s approach to cost management and the company’s interest to develop inter-organizational relationships. Based on the results of a survey conducted among 1,500 CEOs and CFOs and factor analysis, Antti Ylä-Kujala, Salla Marttonen-Arola and Timo Kärri allocate companies to five clusters: “the cost experts,” “the trustful,” “the holdouts,” “the trailblazers” and “the uncertain.” Two of the clusters (2 and 4) were found to be networking-oriented, that is being interested in increasing inter-organizational integration. However, only a small percentage of the analyzed companies had boundary-spanning techniques in use, which include open-book accounting and inter-organizational cost management. The presented findings are especially interesting as the role of accounting has not been comprehensively analyzed in the IMP tradition and the study furthers the understanding of the role of (cost) accounting in the inter-organizational domain.

The fourth paper, “The relationship between marketing mix and retailer-perceived brand equity” by Wita Efanny, Jony Haryanto, Muhammad Kashif and Hanif Adinugroho Widyanto analyzes retail marketing in the business-to-business context and more specifically the impact of marketing efforts on retailers’ perceived brand equity and ultimately to brand profitability performance. The results of a survey conducted among 125 retailers revealed that the elements of marketing efforts such as supplier image, distribution strategy and push and pull promotion have a significant impact on the retailer-perceived brand equity. The authors underline that brand equity is important not only as measured from the consumer’s perspective and extend the knowledge base on brand equity in business-to-business marketing. When consumer products are sold via retailers or wholesalers, the retailer’s decision to sell a particular brand is especially important for the success of the manufacturer.

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References