Making Sense of Industrial Networks via Discourse Analysis: The Performative Effect of Theories and Language

Nick Ellis  
University of Leicester, UK  
n.ellis@le.ac.uk

Sharon Purchase  
University of Western Australia, Perth

Sharon Chan  
University of Western Australia, Perth

Sid Lowe  
Kingston Business School, UK

Abstract

The purpose of our paper is to ‘open the IMP network’ to alternative methods in order to contribute to a better understanding of business markets. We draw upon hermeneutic approaches from the fields of discursive social psychology and social linguistics, underpinned by a social constructionist worldview of language. Such approaches are taken in order to illuminate the ‘sense-making’ processes of individual network actors. In taking the ‘linguistic turn’, however, this paper does not diminish the contribution of the IMP literature; rather it sets out to augment it through a discourse analytic approach.

The methodology of discourse analysis is useful to marketing researchers since it can liberate the non-rational and subjective ways in which networks are constructed by their participants. It allows us to examine processes of network legitimation and negotiations over meaning. Moreover, in addressing linguistic and social issues by linking text and context, it asks how and why such negotiations are attempted. For instance, in exploring the concept of intertextuality, it can show how theories can have a potentially performative effect. In such recursive interaction, the concept of ‘repertoires’ can allow for both agency and constraint on the part of participants.

Our paper draws upon data gathered from interviews with managerial participants in both UK and Australasian contexts, the former involving a series of ‘traditional’ supply chains including agriculture and textiles, and the latter comprising industrial buyers and suppliers in an ‘e-marketplace’. Key findings that emerge from our analysis include several ‘families’ of repertoires drawn on by network participants to make sense of trust building in inter-firm relationships. The commonality of the patterns of occurrence of these repertoires across the contrasting cultural and trading contexts faced/created by participants is striking, even in the construction of ‘trustworthiness’. Also of interest are the discursive tensions found in the co-existence of contrasting repertoires within the same stretches of talk, suggesting that institutional network processes are replete with paradoxes.

Our main contribution is to show how managers’ talk ‘about’ management illustrates the intertextual recursive relationship between the discourses of participants and theories such as those of ‘relationship marketing’. These ‘textbook’ theories appear to inform actors’ ‘network theories’ and help to generate the atmosphere of the relationships into which participants act. By highlighting some of the textual connections between everyday discourse, social structures and a variety of ‘macro’ repertoires of industrial networks, we argue that DA holds considerable promise for both researchers and practitioners in re-interpreting such paradoxical contexts.

Keywords: network theories, discourse analysis, intertextuality.
Introduction

This paper seeks to ‘open the Industrial Marketing and Purchasing (IMP) network’ to alternative methods in order to contribute to a better understanding of business markets. In attempting to bring a new perspective to industrial networks via the methodology of discourse analysis, we acknowledge the interplay between the methods provided for marketing researchers by discourse analysis and the theories with which researchers may interpret what they ‘find’. Specifically, we draw upon hermeneutic approaches from the fields of discursive social psychology and social linguistics, underpinned by a social constructionist worldview of language.

Such approaches are taken to a series of case contexts in order to illuminate the ‘sense-making’ processes of individual network actors. The ways in which managers make sense of reality impact upon how they look at the world and engage in managerial action (Weick and Roberts 1993). We do not mean to suggest, however, that networks are inconsequential fragments of the imagination. Instead they are linguistic constructions with material consequences. This is similar to the notion of individual “actors’ ‘network theories’” (Håkansson and Johanson 1993, p.42), which constitute the social construction of relationships between actors. Valuable insight to how managers make sense of inter-organisational relationships is provided by the IMP Group’s ‘actors, resources and activities’ (ARA) framework. Actors can be individuals, departments, or a whole firm. To overcome the opacity and unboundedness of the network, these actors attempt to build cognitive models of the network structure (Håkansson and Johanson 1993). Strategic choices are dependent on how emerging situations are framed and made sense of (Håkansson and Snehota 2000). Building on these notions, Welch and Wilkinson (2002) argue that a focus on ‘ideas’ in the form of, *inter alia*, meanings, theories and scripts can contribute to our understanding of networks; while Ford and Håkansson (2006) discuss the importance of ‘theoretical metaphors’ or stereotypes such as ‘markets’ or ‘supply chains’ in forming actors’ subjective interpretations.

We note, however, that while the significance of linguistic constructions in these processes is acknowledged in the literature (e.g. Easton and Araujo 1993; Faria and Wensley 2002), this is rarely acted upon in IMP research. Moreover, in its relative failure to engage with the sense-making of individual actors (Gronhaug, Henjesead and Koveland 1999), industrial network research has neglected the significance of managers’ language use in accounting for relational processes. We intend to address this gap but, in taking the ‘linguistic turn’, we do not diminish the contribution of the IMP literature; rather we set out to augment it through a discourse analytic approach.

Our paper continues with an explanation of our methodological approach which outlines what discourse analysis offers scholars of business networks and inter-firm relationships. This is followed by a summary of the data collected in the current study, a joint project exploring conventional and e-marketplace contexts. We then discuss our findings in some detail, highlighting a series of interpretive repertoires (or micro discourses) that network participants appear to draw upon to construct their own network theories. We link our analysis of these repertoires to sources from the inter-organizational marketing literature and other disciplines. This leads to a discussion which compares results across the different trading contexts of the study, focussing on issues of ‘trustworthiness’. We also note tensions in managers’ talk and the possible influence of scholarly texts on everyday discourse, before reaching some conclusions over the sense-making of both academics and managers in industrial networks.

Methodology

After Capra (2002), we advocate a ‘network epistemology and ontology’ through which an individual actor’s networks of ideas/symbols can be studied. Such networks are conceived as being formed through language. They require the application of a hermeneutic dimension in order to understand social reality (Ellis, Lowe and Purchase 2005), a ‘reality’ that is non-linear, complex and emergent from communications amongst individuals. We argue that research into such ‘moving’ network pictures (Ford and Redwood 2005) demands a paradigm crossing approach (Shultz and Hatch 1996) that reconciles structural and agentic (human action) elements to explain relational processes in industrial markets. In keeping with recent calls for ‘alternative’ research methods to be embraced by IMP scholars (e.g. Cunningham 2004), we propose an emphasis on the latter via discourse analysis (DA). However, despite claims that DA is now part of the ‘mainstream’ in organisational studies (e.g.
Rhodes 2005), this is not the case within the marketing academy. So what might an extension of a DA approach bring to the study of industrial marketing management?

DA focuses on how ideas or ‘the truth’ are socially constructed (or ‘made’ rather than ‘found’). As such, DA is an approach which embraces a philosophy as much as a set of methods. In this approach, language is viewed as more than merely representational: it is also seen as constructive (or performative). Constructions are legitimately scrutinised and researched since it is through these constructions that the world is experienced and, therefore, they form the basis from which actions derive (Guba and Lincoln 1998). To ‘unpick’ the linguistic constructions of network actors, we need a means of understanding how they describe their environment, their organisation, their self and others. This requires recognition that reality and actors’ descriptions of it are themselves a network of relationships (e.g. in contrasting ‘us and them’ or ‘in and out’). A better appreciation of the contrasts (or dichotomies) inherent within ‘theories’ of networks will enrich our understanding. A dichotomic form of representation can often be found in managers’ talk (Cairns and Beech 2000). In such instances, sense is made through the juxtaposition of opposites. Speakers draw on these systems of opposites but they are not in control of them; rather, they have their own complex ‘cultural histories’, histories that DA attempts to expose.

DA is useful to marketing researchers since it can liberate the non-rational and subjective ways in which networks are imagined by their participants. It places an emphasis on local, pluralistic narratives. It allows us to examine the reproduction of relations of power through everyday talk and other texts. DA examines processes of network legitimation and negotiations over meaning. Moreover, in addressing linguistic and social issues by linking text and context, it asks how and why such linguistic negotiations are attempted. The notion of ‘intertextuality’ is useful here: it attempts to capture the property that written and spoken texts have of containing segments of other texts, which the texts under study may boldly echo, subtly assimilate or sometimes contradict (Fairclough 1992). In exploring intertextuality as particular terms are exchanged between ‘textbook’ discourse and managers’ talk, DA can show how theories can have a potentially performative effect (Mattsson 2005). This is because, in our constructionist approach, we see participants’ theories (as manifest in manager’s talk) as forming a basis for action, and hence possessing a performative, or productive, capacity.

In such recursive interaction, the concept of ‘repertoires’ can allow for both agency and constraint on the part of participants. What then are these repertoires, and how are they to be identified? Iedema (2003, p.28) notes that organisational DA, “relies on and grounds its arguments in empirically derived data to make its claims”. In order to achieve this empirical perspective, the ‘version’ of DA adopted here is based upon trends in discursive social psychology, as well as elements from social linguistics. Discursive social psychology is driven by the notion of ‘interpretive repertoires’. It is linked to the work of Potter and Wetherell (1987) and focuses on the performative qualities of discourse. Repertoires are recurrently used systems of terms viewed as building blocks that speakers use strategically in explaining, justifying, excusing, etc. Repertoires can be identified by examining certain recurrent metaphors, figures of speech and grammatical constructions.

Moreover in our approach to analysis, as in social linguistics, language is treated as ‘speech potential’. A text should thus be considered from two perspectives at once, both as a product and as a process: “It is a product in the sense that it is an output…It is a process in the sense of a continuous process of semantic choice, a movement through the network of meaning potential…” (Halliday and Hasan 1989, p.10). Here, analysis attempts to interpret the significance of the discursive ‘product’ while at the same time considering the linguistic choices the speaker has (or could have) made. These choices can result in evaluative discursive constructions about the behaviours of the self and others; constructions facilitated by drawing upon a variety of normative macro discourses, such as ‘relationship marketing’, that demark what at actor ‘should’ do within the context of an inter-firm relationship. As we shall see, it is a combination of micro discourses (or repertoires) drawn from personal experiences and perceived ‘ideal types’ that is important in reaching meaning in relationships (cf. Smith and Higgins 2000).

Data Collection

Our paper draws upon data gathered from interviews with managers in both UK and Australasian contexts, the former involving a series of ‘traditional’ supply chains and the latter comprising buyers
and suppliers in an ‘e-marketplace’. These case contexts allow us to make comparisons between
conventional and electronic networks, and between those embedded in different cultural backgrounds.

The majority of the UK data was collected via tape-recorded field-based interviews, each lasting over
an hour, with managers holding some sort of responsibility for inter-organisational relationships. The
interviews were semi-structured and centred on the perceived ‘management’ or ‘building’ of network
relationships. Notes were also taken at a company conference and a training event. Participants
comprised thirteen boundary-spanners working for five different firms embedded in what were
described by participants as marketing channels for agricultural (animal feeds), textile-related and
automotive products (see Figure 1). Individual actors included managing directors, marketing and
purchasing managers, and sales people. All participants, bar two ‘front-line’ sales people and one
purchasing manager, claimed to have responsibility for both marketing and purchasing activities.

Fig.1 Partial networks of UK firms

<table>
<thead>
<tr>
<th>Agriculture (Animal Feeds)</th>
<th>Textiles</th>
<th>Automobiles</th>
</tr>
</thead>
<tbody>
<tr>
<td>Material Suppliers</td>
<td>Service Suppliers</td>
<td>Machine Suppliers</td>
</tr>
<tr>
<td>Feed Manufacturer (Focal Firm A)</td>
<td></td>
<td>Machine Distributor (Focal Firm B)</td>
</tr>
<tr>
<td>Merchants</td>
<td></td>
<td>Furniture Manufacturer (Focal Firm C)</td>
</tr>
<tr>
<td>Farmers</td>
<td></td>
<td>Dealers</td>
</tr>
<tr>
<td>Supermarkets</td>
<td></td>
<td>Organisational Clients</td>
</tr>
</tbody>
</table>

Coding of transcribed material involved a thematic approach embracing both manifest and latent
interpretation, and was facilitated by NVivo software, thereby allowing for a high degree of
transparency. Consistent coding of text to repertoire ‘nodes’ was guided by a protocol based in part on
the literature, but also on the emic responses of managers.

Australasian data collection involved a similar qualitative case study approach, although this time the
trading environment under investigation centred on one sector, that of mining, where a hub firm acted
as an electronic ‘broker’ for exchanges between high-tech buyers and sellers trading in mining
equipment, mining services and automotives. Here, a total of seven participants were interviewed from
six organisations. The interviews were again semi-structured and this time centred on issues of trust
development within ‘electronic environments’. Individual actors included vice presidents, e-business
managers, and logistics and sales managers. Coding of transcribed material involved thematic
approaches around different aspects of inter-organisational trust development. The network is
represented in Figure 2.

Fig. 2 Partial network of Australasian firms

<table>
<thead>
<tr>
<th>Mining Sector</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mining Equipment Manufacturer (Focal Firm G)</td>
</tr>
<tr>
<td></td>
</tr>
<tr>
<td></td>
</tr>
</tbody>
</table>
Findings

The overall study resulted in the identification of some forty different relationship-related interpretive repertoires. Key findings that emerge from our analysis include several ‘families’ of repertoires drawn on by network participants to make sense of inter-firm relationships. The twelve repertoires that are the most frequently occurring, and notable for being used in almost all managers’ accounts, are now analysed. Exemplar stanzas of talk, related to the supply chain contexts outlined above, are presented throughout the discussion in summary tables for each ‘parent’ set of ‘child’ repertoires. These five parental sets comprise repertoires that we have interpreted as representing positional, managerial, exchange-based, interdependence and self-interested aspects of network structures and processes. Alongside each repertoire, we indicate the performative effect of utterances in terms of the processes of institutionalisation that they facilitate. We also make some suggestions for instances of intertextuality between the discourses of marketing practice and theory. The works cited here are not necessarily definitive; they are used to illustrate both contemporary and classical academic sources regarding the topics in question. For every repertoire, however, our discussion is driven by the unfolding discourse of the participants.

Positional Repertoires

Three repertoires are drawn upon repeatedly by managers to discursively structure their networks. In order of frequency in both the conventional and e-market contexts, these repertoires are ‘the supply chain’, ‘relationships’ and ‘the passage of time’, as summarised in Table 1.

It is common for accounts to position actors that lie ‘upstream’ or ‘downstream’ from the focal firm. Such constructions are then often extended beyond the firm’s ‘task’ environment (Brownlie 1995), thereby embracing distributors’ customers and other end users. With this linguistic move, we encounter the metaphorical repertoire of the supply chain. Managers also draw upon the classic notion of a ‘channel’ through which goods effectively ‘flow’ towards the all-important ‘buyer’. The downstream ‘chain’ or channel shapes and is shaped through discursive valorisation of the customer, forming a justification and legitimisation of certain behaviours or practices occurring between clearly positioned actors. Power is located firmly with the customer in managers’ talk, and is manifested in claims of perceived ‘pressure’ from downstream parties.

Table 1. Positional repertoires

<table>
<thead>
<tr>
<th>‘Child’ Repertoire</th>
<th>Exemplar Stanzas (UK &amp; Australasian Cases)</th>
<th>Performative Effect (Institutionalisation)</th>
<th>Possible Intertextuality</th>
</tr>
</thead>
<tbody>
<tr>
<td>Supply Chain</td>
<td>The supermarkets can dictate to the farmer, so it slowly comes back up the chain (UK)</td>
<td>Flows between actors in vertical chain of up &amp; down-stream firms</td>
<td>Supply chain management (Mentzer et al. 2001; Svensson 2003)</td>
</tr>
<tr>
<td></td>
<td>[The brokers] just want to be a middle person that … provides the best possible technological solution for the buyer and the supplier (Aus)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Relationship</td>
<td>We’ll talk about the merchant as our route to market … so that helps define our relationship with our merchants (UK)</td>
<td>Relationships as reified links in chain</td>
<td>Relationship marketing: CRM (Brodie et al. 1997; Tanner 2005)</td>
</tr>
<tr>
<td></td>
<td>We’ve now stopped interfering in the relationship between the buyers and suppliers (Aus)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Passage of Time</td>
<td>It’s historically proven in this business that the spend tends to decline, or you get, ‘Let’s wait and see what happens next year’ (UK)</td>
<td>Histories of relationships &amp; shadows of the future</td>
<td>Embeddedness (Axelrod 1984; Grabher 1993)</td>
</tr>
<tr>
<td></td>
<td>Sometimes we have been burnt in the past by customers who have been really hard to deal with (Aus)</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
According to Svensson’s (2003, p.306) theoretical overview of the concept, “supply chain management (SCM) might be seen as a management philosophy that strives to integrate the dependent activities, actors and resources into marketing channels between point-of-origin and the point-of-final-consumption”. It has achieved the status of a generic term for this philosophy as much as a set of operational processes (Mentzer et al. 2001). Svensson (2003) claims that SCM is gaining acknowledgment in the field of marketing theory, based in particular on the close relationship between supply chain and channel activities. As Grönsrud (2004) explains, the concept of SCM was coined in the early 1980s by logistics consultants who viewed the chain as a single entity with strategic decision making at the ‘top’ of the chain needed to manage it. This idealised view is also found in our managers’ interview responses.

Next, the use of the relationship repertoire portrays relationships between organisations as real, ‘definable’ entities. These relationships are constructed as key connections or ‘links’ in a marketing channel, chain or network. They are predicated on providing the ‘right’ products to something called ‘the market’ and must apparently be allowed to function without too much ‘interference’.

The widely espoused sacrosanct status of ‘the relationship’ seems to reflect the marketing literature where a plethora of academics have proclaimed relationship marketing (RM) as a genuine ‘paradigm shift’ (e.g. Gronroos 1994; Grönsson 1996; Morgan and Hunt 1994) in marketing theory. The received wisdom of most marketing texts is that, for many years, the marketing discipline was dominated by consumer goods, mass-marketing approaches. However, the so-called ‘marketing mix’ model of transactional marketing seemed to be guilty of conveying nothing more than ‘hit and run’ marketing (Buttle 1996), without any consideration of future contact. In contrast, instead of merely manipulating the marketing mix, what marketers attempt to manage under RM are the relationships that are the context for trading (Brodie et al. 1997). The extension of the RM concept to that of ‘customer relationship management’ (CRM) now appears to be the dominant perspective for many marketing authors (Tanner 2005).

The passage of time repertoire portrays a linear passage of time in relationships, encompassing a sense of past, present, and future. It thereby encourages participants to view networks as things in which chronology matters. In managers’ accounts, events are discursively “strung together to form ‘histories’” that serve to construct “their own lives and career paths, their organisation’s trajectory of evolution and the relationships it develops” (Araujo 1999, p.95). Use of the passage of time repertoire serves to support the notion of the reified relationship construct. It indicates a need for managers to appreciate the ever-changing nature of relationships and actors, particularly in terms of claimed relationship behaviours and commitment by both parties.

These constructions seem to resonate with theoretical notions of embeddedness. For Grabher (1993), an embeddedness approach avoids the danger of activity being abstracted out of social context. It also avoids any ‘temporal reductionism’ resulting from a discrete view of transactions (Macneil 1980). An awareness of the embedded nature of industrial networks means that transactions should not be treated as if they had no history that could shape the present situation or as if ‘the shadow of the future’ (Axelrod 1984) would not influence them. Again, we find our participants articulating this perspective.

Managerial Repertoires

UK and Australasian participants each commonly use three repertoires with broadly equal frequency to evoke a sense of managerial agency within relationships: expertise, frequent contact and communication (or dialogue) – see Table 2.

As we have seen, managers’ accounts allocate organisations distinct roles as links in the supply chain (and, to a degree, the network). The ‘fact’ that all these organisations are fundamentally (figuratively and physically) separate appears to be further normalised in the use of the expertise repertoire, i.e. ‘us and them’ is strongly structured. A large proportion of accounts drawing on the expertise repertoire tend to construct focal firms that as powerful actors, gaining their power in part due to their apparent ‘mastery’ of strategic planning ‘know how’ and of the expert ‘tool kit’ at their disposal. Such talk can also position the speaker as acutely aware of marketing planning vocabulary, and able to use it to construct a convincing account of relationships that must somehow be ‘managed’.

6
Brownlie (1997) argues that, thanks to the status of the marketing management discourse, the ‘conceptual toolkit’ of the elements of strategic planning (e.g. Kotler 1988) are easily available for readers of management texts (i.e. managers) in “their re-presentation of marketing practice. Those ideas have then come to provide a … symbolic language by means of which marketers of all hues can give expression to their ideas, their activities and to themselves” (1997, p.275). Brownlie notes how participants are typically adept at using their conceptual vocabulary to provide interviewers with persuasive accounts of their activities as marketing managers. This vocabulary may well be drawn intertextually from mainstream marketing writing which often invokes managerial and organisational reality as a ‘rhetorical strategy’ to legitimise marketing management. Such textbook writing employs rhetoric that often positions marketing as a locus of order and control in a ‘complex and changing world’. Thus marketing is evoked as some sort of driving force of organisational success against the vicissitudes of a dynamic, often hostile, environment (Hackley 2003). In a similar way, we would argue that purchasing and logistics managers are also exposed to the broad managerialist discourses of ‘purchasing’ or ‘supply chain management’ through trade publications, the rhetoric of management ‘gurus’, and their own communities of practice (e.g. trade associations).

Table 2. Managerial repertoires

<table>
<thead>
<tr>
<th>‘Child’ Repertoire</th>
<th>Exemplar Stanzas</th>
<th>Performative Effect (Institutionalisation)</th>
<th>Possible Intertextuality</th>
</tr>
</thead>
<tbody>
<tr>
<td>Expertise</td>
<td>Our suppliers have the expertise in R&amp;D, manufacturing, right, and we have the expertise in the sales and marketing side (UK)</td>
<td>Expert, epistemic actors in relationships</td>
<td>Strategic marketing management (Brownlie 1997; Kotler 1988)</td>
</tr>
<tr>
<td></td>
<td>We provide them with ideas to look at areas in their business … so it would help their business (Aus)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Frequent Contact</td>
<td>The farmers need to see us to buy the products (UK)</td>
<td>Need for actors’ presence to make relationships ‘work’</td>
<td>Key account management (Hutt &amp; Speh 1998; Millman &amp; Wilson 1994)</td>
</tr>
<tr>
<td></td>
<td>We will have … sales people, um, going up there doing regular visits, by regular I mean quarterly … to maintain the contact because it still is an important part (Aus)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Communication</td>
<td>What makes a good dealer? Erm, willingness to converse actually (UK)</td>
<td>Need for dialogue in relationships</td>
<td>Marketing communications (Gronroos 2004; Mohr &amp; Nevin 1990)</td>
</tr>
<tr>
<td>(Dialogue)</td>
<td>We like our product managers … to have at least a relationship or an ability to pick up the phone and talk to a number of people within any of those big players (Aus)</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

The frequent contact repertoire seems to reveal a perceived need, in a trading regime that is constructed by the hegemonic discourse of ‘the market’, for individual actors to ‘be there’ in this thing called the market in order to make exchanges happen. The repertoire is often associated with the construction of boundaries. This latter repertoire is evoked in linguistic constructions such as here/there, in/out and being ‘on site’. Perhaps surprisingly, it is evoked just as often in the talk of managers from the e-marketplace as those representing firms in conventional supply chains. In the latter context, individual actors are often cast as ‘key account managers’.

Marketing researchers such as Millman and Wilson (1994) suggest that the role of key account managers (KAM) should be to move key business accounts through a relational development model, progressing from a transactional to a collaborative relationship. The importance of the KAM role in industrial markets is also emphasised by Hutt and Speh (1998). There can be tensions in this role however, particularly those generated by organisational reward systems which often encourage sales people to sell higher volumes and buyers to push for lower prices. As Wilson (1995, p.344) points out, “Senior management often talk relationships while the managers charged with implementation operate
in transaction mode, which makes trust development... difficult if not impossible”. In our study, however, managers’ talk at all hierarchical levels appears to valorise the personal contact that underpins KAM, even stressing its importance in supplementing e-market relationships.

The use by participants of terms like ‘talking with’ network partners indicates the use of a repertoire of dialogue. Dialogue occurs when interviewees talk of ‘conversation’, feedback and joint problem solving – it is constructed as existing within ‘good’ relationships. Again, this facet of good relationship management is held to be just as important in the electronically-mediated Australasian context as it is in traditional UK contexts. Dialogue may be contrasted with notions of simply ‘talking to’ another party (i.e. monologue) which, by its relative absence from managers’ talk, is portrayed as ineffective.

We may see the relationship marketing management discourse emerging once more in the value each manager attributes to dialogue. A common theme in the RM literature is that it is largely through communication that trust and commitment are developed, and thus firms are advised to focus on creating a ‘relationship dialogue’ (Gronroos 2004). At the most general level a picture emerges of trustful and committed relationships that are necessarily supported by ‘good’ communication (Mohr and Nevin 1990). Communication is thought to be useful in order to moderate or control the behaviours of a relationship partner (Mohr, Fisher and Nevin 1996). Mohr and Nevin (1990, p36) have even called communication “the glue that holds together a channel of distribution”. Such claims certainly seem to be echoed in the talk of the managers in our study.

**Exchange-based Repertoires**

Two repertoires dominate managerial sense-making of exchanges within relationships. These are repertoires of material/economic exchange and social exchange, as summarised in Table 3. In general, the former repertoire is used rather more often than the latter across both case contexts.

**Table 3. Exchange-based repertoires**

<table>
<thead>
<tr>
<th>'Child' Repertoire</th>
<th>Exemplar Stanzas</th>
<th>Performative Effect (Institutionalisation)</th>
<th>Possible Intertextuality</th>
</tr>
</thead>
<tbody>
<tr>
<td>Material/Economic Exchange</td>
<td>We do deal with them … once you get the product quality out of the way, then it’s down to price (UK)</td>
<td>Relationships underpinned by utilitarian, marketplace exchange</td>
<td>Market exchange (Bagozzi 1975; Du Gay 2000)</td>
</tr>
<tr>
<td></td>
<td>Any buyer or any supplier can join – we’re open, ah, it’s an open marketplace. We do not screen … participants that join the marketplace (Aus)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Social Exchange</td>
<td>I’m known round the place, and I can draw upon that past, if you like, to get my way today (UK)</td>
<td>Relationships underpinned by social exchange</td>
<td>Social capital (Håkansson &amp; Prenkert 2004; Macneil 1986)</td>
</tr>
<tr>
<td></td>
<td>That forms part of that trust relationship … we’ve got one guy in out fleet dept and … he is a nice guy, he is really a genuine type of guy and he makes friends with all of these people (Aus)</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

The material/economic exchange repertoire constructs inter-firm relationships as based upon utilitarian notions of exchange involving ‘products’ and ‘price’, where motivation lies in “the anticipated use or tangible characteristics commonly associated with the objects in the exchange” (Bagozzi 1975, p36). In most uses of this repertoire, the customer represents an actor with whom trade is possible, and indeed necessary, for the implied survival of the focal firm. Furthermore, ‘the marketplace’ metaphor generates an image of competing traders, all vying for the customer’s ‘business’. Despite such use of the repertoire, any notion of ‘the market’ as a purely physical locale is now largely irrelevant. Through metaphorical elaboration, the market-as-place has been substituted for a construction of the market as process of buying and selling (Dilley 1992).
From a theoretical perspective, it would be a mistake to assume that markets are already existing social facts in which social actors like organisations come to fill existing roles and functions. In our approach, attention is paid to the manner in which markets are constructed, as particular discursive structures and practices emerge through particular institutional interventions at particular times in particular contexts (Du Gay and Pryke 2002). Lien (1997) demonstrates not only how markets become constructed through language (especially metaphors) and social practices, but also how the concept of the market comes to be used by managers in their job. In this regard she points to two functions of the concept. It “serves as both an all-encompassing model of the world as it is, and as a model for appropriate action” (1997, p.87). The adoption of the material/economic exchange repertoire by participants appears to support Du Gay’s (2000, p.69, brackets added) assertion that: “the market system with its emphasis on consumer sovereignty provides the model through which all forms of organisational relations [can be] structured”.

The key notion of a social matrix in which utilitarian exchanges are embedded is captured in the repertoire of social exchange. The repertoire shows an understanding of interdependence for the future that gives each exchange a present need for social solidarity (Macneil 1986), typically manifested in talk of individual ‘friendships’ and of firms sponsoring social events. Accounts also frequently construct the speaker as possessing some sort of social capital.

It has long been recognised by scholars that exchanges take place in relational contexts that may restrict any tendency of actors towards individual utility maximisation with respect to the goods of each exchange. In such contexts, notions of social capital are addressed by Håkansson and Prenkert (2004) who recognise that previous network interaction in the form of co-operation may have created a ‘capital of trust’ based on an individual being viewed as ‘trustworthy’. Taking trustworthiness as a form of social capital provides some insight. For instance, Gray (2004) asserts that social ties between firms provide access to reliable, inexpensive information about the quality and trustworthiness of others in one’s network. While social capital may facilitate the building of trust, there is always the potential for relationships and networks to be “fractured by socio-economic circumstances” (Tempest, McKInlay and Starkey 2004, p.1526). The predominance of the material/economic exchange repertoire in our participants’ accounts seems to reflect how a ‘supply chain’ context is ultimately concerned with a “hard, visible exchange” of goods between economic agents (Nassimbeni 2004, p51), and thus these more utilitarian exchanges are discursively contrasted with the theme of social exchange.

**Interdependence Repertoires**

Closely connected to the above repertoire of social exchange, two repertoires suggesting a high degree of positive interdependence between actors are drawn upon repeatedly by most managers to construct their networks: those of mutuality/co-operation and loyalty - see Table 4.

Table 4. Interdependence repertoires

<table>
<thead>
<tr>
<th>“Child” Repertoire</th>
<th>Exemplar Stanzas</th>
<th>Performative Effect (Institutionalisation)</th>
<th>Possible Intertextuality</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mutuality/Co-operation</td>
<td>Our philosophy is to work in partnership with our suppliers (UK)</td>
<td>Claims of balanced reciprocity</td>
<td>Relationship marketing: mutuality (Christopher et al. 2002; Varey 2002)</td>
</tr>
<tr>
<td></td>
<td>A supplier whose connecting with multiple buyers wants to be able to develop best practices and pass it on and… we have joint committees for standards (Aus)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Loyalty</td>
<td>Why should I change from a very long-standing relationship to this new one? (UK)</td>
<td>Need for commitment to the ‘other’</td>
<td>Relationship marketing: commitment (Morgan &amp; Hunt 1994; Reinartz &amp; Kumar 2003)</td>
</tr>
<tr>
<td></td>
<td>We just try to look after our customers as best we can and give them a level of service that they don’t want to go away from (Aus)</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
A widely occurring repertoire is that of mutually interdependent relationships in which an espoused underpinning need for balanced reciprocity in relationships is reflected. Use of the mutuality/co-operation repertoire implies that participants (claim to) idealise relationships as ‘win-win’ situations where each partner provides for the other through exchange and shares the benefits and ‘best practices’ of the relationship. Interestingly, to achieve this constructive effect some speakers use the term ‘partnership’ in an almost token fashion, hinting at notions of self-interest in relationships (see ahead).

As noted earlier, relationship marketing (RM) appears to have become an important element of contemporary strategic thinking. It also continues to hold a fascination for marketing scholars. The ubiquity of the RM discourse has arguably changed perspectives of what ‘marketing’ means, both to managers and the academy (Reinartz and Kumar 2003). Even in best-selling practitioner-orientated texts, RM is portrayed as involving a managerial shift in perspective from purely economic transactions to the ‘fuzzier’ boundaries of socio-economic exchange (e.g. Christopher, Payne and Ballantyne 2002). In these texts, a ‘strong’ relationship is characterised by close co-operation, shared benefits and a sense of mutuality (Varey 2002). Participants’ evocation of supply chain partnerships would appear to draw upon the same broad relational discourse.

The identification of a repertoire representing loyalty suggests a yearning by most participants for a (possibly idealised) sense of commitment in inter-firm relationships. A common theme is the idea that loyalty can be ‘built’. Here we find talk of ‘long-standing’ relationships and of pro-active management practices designed to ‘keep’ organisational customers. In this way the repertoire effectively legitimates actions that mitigate against the all-important choice inherent in the concept of the market.

Exemplifying the view of the mainstream marketing academy, Morgan and Hunt (1994, p.22) go so far as to argue, “the presence of relationship commitment and trust is central to successful RM, not power and its ability to ‘condition others’”. They believe that power merely “helps us to understand RM failures” (p34). In order for loyalty and a relationship to flourish, it is generally felt that trust reduces perceptions of risk in relationships (see below), whereas commitment motivates partners’ efforts to preserve a relationship and to resist alternative offers. Managers’ talk within our study does seem to reflect the fact that, as Blois (1998) has pointed out, with influential authors like Kotler (1992) stating that companies ‘must’ adopt long-term relationship-building goals, RM has colonised the rhetoric of management.

As our final set of repertoires suggests, however, such a view does not go unchallenged, even within the talk of those same managers. In this way, the ‘family’ of self-interested repertoires which follows can be contrasted with this previous set of repertoires that construct a positive sense of interdependence.

Self-interested Repertoires

Finally, UK and Australasian participants both tend to use two repertoires to evoke a sense of self-interested behaviour for actors engaged in inter-organisational relationships. These repertoires typically suggest that actors consider dependence on others to be a negative consequence of interaction. The repertoire of power/reputation is encountered about twice as often as that of caution/security. Both are summarised in Table 5.

The explicit discursive articulation of the presence of power bases in networks, and the impact of that power/reputation, comprises a significant repertoire for participants. It is quite often found alongside the repertoire of material/economic exchange where the ‘size’ of a customer, typically expressed as the amount of ‘business’ a customer does with the focal firm, is viewed in terms of the relative power of this other actor. Whilst widespread, power/reputation is not, however, an especially frequently occurring repertoire. Perhaps this is because to acknowledge power issues openly would undermine claims of RM orientation and supposed mutuality in relationships. These are claims which managers might feel pressured (inter-textually) to make, whether in interview or indeed as part of their day-to-day interactions.

Nevertheless, issues of power in networks cannot be glossed over. In fact, a framework for integrating economic and behavioural research traditions within channel research has been offered by Stern and Reve (1980). Their political economy framework draws attention to issues of power imbalances and
potential conflict in both the organisational dyad and the channel environment. The use of vocabulary such as ‘power’ can conjure up negative images, but as Frazier and Antia (1995) note, control by one channel actor is not inherently ‘evil’. While certainly self-orientated, it can also have positive effects on another firm’s goal attainment. Thus the trend towards espousal of ‘close relationships’ in most discourses (both academic and practitioner) of channels marketing and supply chain management does not mean that our need to understand uses of power is becoming less important.

Table 5. Self-interested repertoires

<table>
<thead>
<tr>
<th>'Child' Repertoire</th>
<th>Exemplar Stanzas</th>
<th>Performative Effect (Institutionalisation)</th>
<th>Possible Intertextuality</th>
</tr>
</thead>
<tbody>
<tr>
<td>Power/Reputation</td>
<td>Big end users who we need to maintain a good relationship with – will they use their buying power to squeeze us? (UK)</td>
<td>Actors holding and/or applying power</td>
<td>Political economy: channel power (Stern &amp; Reve 1980; Frazier &amp; Antia 1999)</td>
</tr>
<tr>
<td></td>
<td>The fact they are a member of [e-market] on the buy side suggests they are of sufficient size and, um, reputation to be automatically accepted as a reputable buyer (Aus)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Caution/Security</td>
<td>Once you get the accountants and lawyers involved, it all drags on ‘cos they need to be sure of what they’re all signing for (UK)</td>
<td>Need for risk reduction in relationships</td>
<td>Organisational buying behaviour: risk (Robinson et al. 1967; Moon &amp; Tickoo 2002)</td>
</tr>
<tr>
<td></td>
<td>We’ve gotten over those objections partly because of, ah, how we managed security and data (Aus)</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Rather like notions of competition in the marketplace, the repertoire of caution is also typically used to evoke a (legitimate) choice between competing suppliers, but this time, it is a considered choice which appears to be predicated on the minimisation of risk for the speaker or focal firm. Caution is also often constructed as being shown by the focal firm’s customers, both individual and organisational. As we might expect, a particular form of caution, that reflecting concerns over the ‘security’ of financial data in electronically-based transactions is more prevalent in the talk of e-marketplace participants. The provision of reassurance to the other party is portrayed as essential to aiding their decision-making.

The earliest attempts within industrial marketing research to understand how organisations acquire resources focused on decision-making processes (e.g. Robinson, Faris and Wind 1967; Sheth 1973). Organisational buyer behaviour, especially in so-called ‘new task’ purchases, is characterised by risk-avoidance on the behalf of relatively passive customers. Although somewhat limited in conceptual scope within the context of interactive relationships, such is the pedagogic attractiveness of these frameworks that they and the buying decision approach still seem to be viewed as important in industrial marketing and purchasing (e.g. Moon and Tickoo 2002). These theories are thus highly likely to inform the discourse of practitioners. In terms of the individual actors involved in inter-firm relationships, it has been noted in the more reflective management literature that, “Whatever other vulnerabilities may be at stake (one’s job, substantial amounts of money, the success of the business), it is the self that is in some danger. Relationships, as opposed to mere exchanges,…involve vulnerabilities of the self” (Flores and Solomon 1998, p.220). Perhaps managers’ discursive constructions of caution reflect this sense of vulnerability as well as the more tangible risks that they are exposed to in buying decisions.

Discussion

We now reflect upon our findings by considering four key areas in turn: first, the extent to which the use of certain repertoires varies across the different network contexts; second, how actors seem to theorise notions of ‘trust’; third, how discursive formulations reveal tensions in actors’ constructions of their networks, and; fourth, how intertextuality may be occurring between the performative discourse of managers and that of the academic community.
Comparing Contexts

In fact, the commonality of the patterns of occurrence of the twelve preceding repertoires across the contrasting cultural and trading contexts faced/created by participants is striking. This is especially so when one considers issues of inter-organisational trust production (Zucker 1986). Compared to the conventional UK trading context, we might expect that managers in the B2B e-marketplace represented by the Australasian case would draw upon rather different repertoires to make sense of their networks. Instead, we find trust-related repertoires such as personal contact, interpersonal communication, social exchange and reputation seem to resonate equally strongly across the entire study. Having said this, it is noticeable that character-based and knowledge-based trust (Zucker 1986) tends to be more difficult for managers in the e-market case to convey in the stretches of talk that concern that particular trading medium. These participants typically construct ‘off-line’ contexts in their use of the above repertoires.

This finding tends to support the existing literature on electronically-mediated relationships. For instance Papadopoulou et al. (2001) point out that face-to-face contact with another person cannot easily be replaced in the virtual environment. Customers appear to value the richer communication that is possible in more individualised interaction (Pralahad and Ramaswamy 2000). Indeed, O’Malley and Mitussis (2002, p.231) explicitly question the idea of blending technology and CRM to nourish trust in a relationship. They stress that “trust, commitment and mutual values traditionally emerge from continuing interaction and dialogue between people…not between people and technology”. Thus our ‘e-market’ participants appear to seek the same reassurances in their exchange relationships as those managers working in traditional supply chains.

Making Sense of Trust

Linked to the notion of how trust might be ‘built’ is the question of who (or what) is being constructed as ‘trustworthy’ (cf. Blois 1999). In both operating contexts, repertoires that facilitate constructions of cognitive process-based inter-organizational trust (Zucker 1986) seem to focus on the focal firm’s reputation/power. Knowledge-based trust is evoked as depending on corporate expertise and frequent contact over a period of time, and resultant notions of loyalty. Individual character-based inter-organizational trust is also apparently based on personal contact, but is further constructed by UK and Australasian managers as resulting from inter-personal dialogic communication and high levels of social exchange between individual actors. There are some tensions in the portrayal of institutional trust which is constructed in terms of the atmosphere of reified supply chain relationships via such repertoires as inter-organizational mutuality, yet also involves those of material/economic exchange between firms and caution/security, the latter being constructed as sought by actors at the level of the firm and the individual, vulnerable manager.

We return, in the section that follows, to the idea of discursive tensions, but here we may also note there is a degree of conflation between the level of individual and organizational actors within managers’ sense making of trustworthiness; a conflation found in both traditional and e-market contexts. Thus what Sydow (1998, p.46) characterises as ‘system trust’ depends not only upon “continual positive experiences with using the system but also upon processes of personal ‘re-embedding’ via ‘face-work’”; work that is typically carried about by individual boundary spanners. We argue that studying the nuanced accounts of these individual managers as they legitimate their roles and those of other network actors is of great importance. Contra to the reductionist, ‘parsimonious’ claims of the likes of Morgan and Hunt (1994), conceptualisations of trust in inter-firm relationships are therefore shown to be far from simple, no matter how a network is structured.

Tensions and Paradoxes

Also of interest are the tensions found in the co-existence of contrasting repertoires within the same stretches of talk, suggesting that institutional network processes are replete with paradoxes. For instance, in this traditional supply chain context, we see the participant below draw simultaneously upon ‘expectations’ of communication (“open”), economic exchange (“profitable”), expertise (“learn”), power/reputation (“advocate for your company”) and social exchange (“look after”) from a relationship:
If you have an open relationship, you say, ‘We’re in business, we need to make a profit’, so you’re expecting to be profitable for a start. You expect to learn a lot and you expect them to be an advocate for your company. So if somebody says, ‘Hey, who should I buy a laser cutter from?’, they will reply, ‘Go to [Focal Firm’s Name], they’ll look after you’. (UK context)

As a result, we find some interesting discursive tensions in managers’ sense-making. Here, for example, we may note an e-marketplace participant juggling several semantic choices in attempting to construct the ‘links’ in the network. As in our discussion of trust above, this manager seems comfortable in juxtaposing the repeatedly stressed relational repertoire of loyalty (“long-standing”, “loyalty” and “on-going”) with expressions of self-interest (“opportunities for our business”) such as repertoires of caution (“might”), and economic/material exchange (“money”, “transactions”):

… the opportunity to have a long-standing relationship with that customer, so it’s a loyalty factor and that’s more important, whenever we review the opportunities for our business we look at how long that customer might be there and how much money we can make by having regular ongoing sustainable transactions. (Australasian context)

Our findings thus confirm that inter-firm networks can be based on constructions of trust and cooperation that may co-exist quite legitimately with constructions of self-interested, power-based relations (cf. Ford, McDowell and Tomkins 1996; O’Sullivan 2005; Sydow and Windeler 1998).

Ultimately we can see how managers are able to make a large number of linguistic choices in discursively constructing the atmosphere of inter-organisational relationships and supply chains. Their choices of repertoires result in contrasting outcomes with regard to meaning. Whether participants draw upon repertoires that construct a ‘network theory’ based on mutually-beneficial independence and loyalty, underpinned by social exchange, or whether their theories largely comprise a series of power imbalances, attributed cautious behaviours and utilitarian motives; moreover whether they evoke structural aspects of networks in terms of chronologically embedded chains and relationships, or processual aspects or managerial activities such as communication and the exercise of expert judgement (or indeed any combination of these repertoires simultaneously) - it appears that industrial networks are, to some extent at least, ‘performed’ by actors’ network theories (Håkansson and Johanson 1993), as revealed in their discourse. Moreover, if managers feel comfortable in routinely constructing network paradoxes in their talk, then industrial network scholars should not shy away from addressing these complexities (cf. Wilkinson and Young 2002).

**Intertextuality**

Furthermore, there seems to be a certain amount of intertextual exchange occurring between manager’s talk and academic theorising. We acknowledge that for some repertoires, a flow from, say, the discourses contained in a best-selling textbook or an MBA programme to practitioners’ language use would be unlikely (e.g. in the somewhat rarefied theorising – in managerialist terms – that tends to dominate topics like embeddedness and social capital). Nevertheless, other more popular discourses will more easily have cross-pollinated the worlds of practice and theory; if indeed, they can be so neatly separated, which of course, is unlikely given our discourse-based approach – at the very least, we might posit that intertextual flows are two-way. Thus we note the extent to which quite specific discourses of ‘supply chain management’, ‘relationship marketing’, ‘strategic marketing’, ‘key account management’, ‘marketing communications’ and ‘organisational buying’; as well as broader discourses such as those of ‘power’ and ‘the market’ infect (and affect, and/or even reflect) the interview texts of our participants.

Hackley (2003, p.1340) argues that ‘business school’ managerial marketing rhetoric can be understood as an ideological strategy, for example in the way that marketing texts typically universalise their claims to present marketing as an activity that is practised by all via ‘mutually satisfying exchange relationships’. Moreover, by invoking unities of interest and shared points of reference in definitional assertions, a process of naturalisation takes place “by which the marketing agenda is rendered normal, universal, everyday and unproblematic”. Our managers’ evocation of ‘the market’ and of their own marketing ‘expertise’ would seem to function to legitimise this view of industrial network processes. The intertextual links between the repertoires we have identified are also of importance in this legitimisation. Taken as an ‘extended family’, the repertoires re-inforce a discursive managerial ‘performance’: in a sense, what participants’ overall discourse seems to be ‘saying’ is, “if inter-firm relationships are as complex as our (participant) theories suggest, then these
potentially breakable links in supply chains must be carefully managed over time, and it is only us (managers) that can be trusted to do this."

What is more difficult to ascertain, however, is at what point and exactly how the material bases of power and forms of communication within industrial networks constrain this potentially ever-enlarging circle of intertextuality (Hasan 1992). We suggest that the pervasive classificatory power of some academic texts (e.g. those promoting a strategic view of CRM) to frame actors’ network theories might explain the occurrence of the intertextualities seen in our study. Having said this, quite where one would locate a seminal figure like Alderson (e.g. 1957), who was able to successfully construct his own credibility as a practitioner/consultant and an academic in offering influential theories of channel management, is more open to debate.

**Conclusion**

Sense-making is less about discovery than it is about invention, construction or framing (Weick 1995). In order to explore such processes of sense-making by managers (and, indirectly, by researchers), our paper has sought to advance theory via the use of discursive methods not traditionally employed by the IMP Group. In doing so, we have begun to address the gap in previous studies identified by Mattsson (2005); i.e. concerning the lack of research into the performative (or constructive) effect of market theories and language.

Our analysis suggests that managers’ talk ‘about’ management illustrates the recursive relationship between the discourses of participants and theories such as those of ‘relationship marketing’. These theories construct the discursive space “into which managers climb to perform and thus construct themselves as managers” (Harding 2003, p.199). In turn, these constructions then inform actors’ network theories and help to generate the atmosphere(s) of the relationships into which they act. Based on the interpretive repertoires discovered in two contrasting cultural cases, we have shown that network participants appear to hold very similar theories, whether they are attempting make sense of supply chains in conventional or electronically-based trading contexts. This similarity occurs even when managers grapple with issues of inter-organizational trust, issues that we intuitively might expect to differ between such contexts.

**Implications**

By highlighting some of the textual connections between micro and macro discourses, larger social structures and a variety of interpretive repertoires of industrial networks, we argue that discourse analysis holds considerable promise for re-interpreting such paradoxical contexts. Indeed, echoing Welch and Wilkinson’s (2002) welcome addition of a fourth dimension (that of ideas or ‘schema’) to the ARA framework, our study suggests that researchers working within the network paradigm would benefit from a closer engagement with discourse in order to reflect the socially constructed nature of the model’s elements.

The value to researchers of recognising such theoretical metaphors in participants’ talk lies in positing how managers might use them as heuristic tools in industrial networks. These tools can help actors to give accounts of (and interpret) situations, and/or help to frame (or, indeed, hinder) plans of action. Through a close engagement with spoken textual material, our contribution has been to empirically explore the constructive effects of market theories and language in network contexts. Yet ours is ultimately a cross-sectional study. Given the dynamic nature of network processes, we plan to revisit some of our participants in order to plot their unfolding discourses and emerging meanings through successive waves of network ‘structuring’ and ‘heterogenising’ (Håkansson 1992). Furthermore, we hope to have inspired future discourse-based studies that will investigate how network theories affect managers’ thoughts and actions as they attempt to cope with inter-organizational relationships over time.

In terms of managerial implications, researchers can affect network practices as they interact with practitioners. Using discourse analysis, each tension identified in everyday discourse can be seen as part of a holistic picture and thus ‘managing’ becomes a process of resolving ‘multilemmas’ (Huxham and Beech 2003). Highlighting this complexity can provide managers with expectations about the kinds of issues they are likely to face. Specific network paradoxes can then be deconstructed by
managers as they reflect on their experiences. This may help to reveal some issues that ‘exist’ but which are not immediately obvious in actors’ network theories until approached via a methodology such as discourse analysis.

References


