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## **The network approach - a theoretical discussion**

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## **Abstract**

The IMP network approach has gained recognition and been practiced by researchers in business-to-business marketing for decades. Based on different models (including the ARA-framework and description of the internationalization process), researchers have developed their understandings for business relationships and networks. Still, references are made to this stream of research as an approach, not a theory. This paper discusses whether or not the results and application of the IMP network approach should or in the future could be considered as one or more theories. The paper is conceptual and its discussion refers to one central model for IMP research, the ARA model, and an early framework for analysis of internationalization, so as to find out whether or not the network approach, or central constituents of it, could be regarded as a theory. The paper concludes that although the basic frameworks to a large extent are shared and that there is a community of researchers that acknowledge themselves to IMP group, there are still arguments about certain ideas and concepts and researchers change and develop frameworks, based on further insights and influence from other research traditions. Basic assumptions point at uniqueness of relationships and networks, which means that predictions and relationships among variables are complex. The paper contributes to the recent discussion on theory development within the IMP tradition and further promotes a discussion on how the IMP ideas are practiced among its researchers and potentially in other disciplines.

**Keywords:** Approach; ARA-model; Conceptual paper; Internationalization; Network approach; Theory

# Introduction

Researchers have for the past 3-4 decades established and developed ideas committed to the IMP (Industrial Marketing and Purchasing) tradition, also called the industrial (business) network approach. Those ideas have targeted the interrelatedness among firms in business-to-business settings. Models such as the interaction model (Håkansson 1982) and the ARA-framework (Håkansson & Snehota, 1995) have been developed to characterize and analyze dyadic relationships and networks. The IMP research output is extensive. 2,400 papers have been presented at the annual IMP conferences since the first one in 1984, a substantial number of books and articles in professional journals have been published, even an IMP Journal has been launched. Still, we usually, but not always, continue to refer to the IMP tradition as a network *approach*, and not a network *theory*. Why so? Does this really portray how researchers use the ideas produced by other researchers in the field, and the claims they state upon their own research and its contributions? When you search Google on “network theory of markets” you receive 74,000,000 hits; for “network theory of markets, IMP” 672,000. It is difficult to draw conclusions about such numbers but what is certain is that somewhere in the documents the term theory appears in IMP-related publications.

In this paper, we discuss whether or not the results and application of a network approach in the IMP tradition should, or could in the future, explicitly be considered as one or more theories, based on and contributing to, or even in conflict with other theories. We do this by discussing pillars of what constitutes a theory (Wacker, 1998) and relate these to the development and practice of the IMP research tradition. In the paper, we specifically discuss the ARA-framework and research on internationalization of firms as interdependent with internationalization of its business context. The paper contributes to the recent discussion on theory development within the IMP tradition especially

with reference to the special issue of *Industrial Marketing Management* on business marketing theory) (Hadjikhani & LaPlaca, 2013; Peters et al., 2013, and others) and further promotes a discussion on how the IMP ideas are practiced among its researchers and potentially in other disciplines.

The rest of the paper is structured as follows. Next we briefly present some central thoughts of the network approach. Thereafter, we discuss characteristics of a theory. In the paper, we depart from Wacker's (1998) definition of a theory, while also discussing it based on different ontological assumptions. We thereafter discuss two central models: the ARA-framework and the description of internationalization process as part of the IMP research in the light of theory characteristics. These models were chosen based on how they are frequently referenced, and also to enable a discussion on links and differences between different central thoughts. We then turn to discuss how researchers have treated the approach – as a theory or as something else? The paper concludes with a summarizing discussion on whether the network approach constitutes a theory or not, and the practical implication of treating it as a theory or continue to refer to it as an approach.

## **The network approach - basic assumptions and influences**

### ***Basic assumptions***

Within the IMP tradition (e.g., Håkansson, 1982; Ford & Håkansson, 2006; Håkansson & Snehota, 1995; Håkansson & Östberg, 1975; Snehota, 1990; Axelsson & Easton, 1992; Johanson & Mattsson, 1986; Anderson et al, 1998; Halinen & Törnroos, 1998) business organizations are viewed as heterogeneous, where both customers and suppliers are active in negotiations with counterparts. The companies perform activities and exchange resources with other parties and are thereby directly

and/or indirectly connected. Through interactions, long-term relationships evolve built on mutual adaptation, commitment and trust. Business relationships are seen as fundamentals for understanding buying and selling behaviors of business organizations, i.e. marketing and purchasing are not seen as two independent activities but rather as interdependent processes taking place between companies.

The interactions between a seller and buyer are in turn dependent on the relationships that each such party has with other companies, that is, third parties. These exchanges are continuous interaction processes where the parties are connected to each other through interdependent relationships forming a web/network of actors and relationships (Anderson et al 1994; Håkansson & Snehota 1989; Snehota 1990). This implies that the environment is not faceless, atomistic or within the control of the organization, but rather is enacted as the business organizations' interdependent relationships are created through interactions and even constitutes the organization. Through these relationships, an organization has direct and indirect access to embedded resources and the network thereby contributes to the organization's competitive advantages. Thus, the more resources an organization can access through the networks, the more power and influence the organization has. "[A] business organization without its interactive environment loses its identity" (Håkansson & Snehota, 1989:192) The "environment" in which a business organization acts can be defined as interdependent relationships resembling webs of parties constituting a network context that is a socially constructed world in which a business organization exists (Håkansson & Snehota, 1989).

The network context is specific for each firm, and the way it is understood depends on the cognitions of the actor which in turn is translated into behavior (Snehota, 1990). As a consequence of conducting business, the network context is continuously emerging, evolving and dissolving over

time and are thus both seen as structures and processes (Anderson et al 1998; Anderson et al 1994; Snehota 1990).

## ***Influences***

The network approach has been influenced by (other) theories, as a point of departure or as a theory to argue against. Important sources of inspiration during the IMP development comprise a number of social and behavioral sciences including, economics, marketing, organization theory, economic history, anthropology, innovation, management, etc. (Håkansson et al., 2009). In Håkansson (1982) and Ford (2002) references are explicitly made to inter-organizational theory and institutionalism.

*The inter-organizational theory* (e.g., social exchange theory and resource dependence theory as part of organizational theory) has to a high degree influenced the network approach where companies' resource dependencies are seen as a point of departure. As companies are dependent on resources residing outside the organization, it develops relations with other organizations and thereby becomes connected by a number of relationships (Pfeffer & Salancik, 1978; Levine & White, 1961; Aldrich, 1972). Furthermore, researchers studying features such as roles, power and conflict that affect and are affected by relationships (Rosenberg & Stern, 1970; Hunt & Nevin), have also inspired researchers within the network approach.

The second major early theoretical influence in the network approach originates from the *new institutional economic approach* (sometimes referred to as the new institutionalists) and has its base within the micro-economic theory (Williamson, 1975). Even if the transaction cost approach originally disregarded relationships (it would become either a market or a hierarchal transaction) it sets out to explain phenomena similar to the network approach, i.e. economic exchange (Coase,

1937), yet, refers to them as established for cost-saving reasons, and also describe companies as opportunistic rather than committed (Williamson, 1979). The network approach, just as the new institutional economic approach, perceives the environment as complex and uncertain.

Although being influenced by both the inter-organizational and the new institutionalist researchers, the network approach over time also has clearly distanced itself from the new institutionalists and other neo-classical theories (Johanson & Mattsson 1987). The network approach, focusing on the inter-organizational interactions, argues that actors develop social relations as a way to control for uncertainties that can arise and through the interactions accepted behaviors are also negotiated. In comparing the ARA-framework to transaction cost approach, Håkansson and Snehota (1995) concluded that although both considered relationships, the transaction cost approach focused on single relationships thereby failing to consider the interdependency between relationships.

## **What constitutes a theory?**

Research has frequently discussed theory development, contribution and testing (Eisenhardt, 1989; Johnston, Leach & Liu, 1999; Strauss & Corbin, 1998) and its role and practice in research has been highlighted (Dubois & Gibbert, 2010; Mayer & Sparrowe, 2013). Theory becomes expressions that result from rigorous data and stands the challenge of, or develop through, further testing (Poole & Van de Ven, 1989). Möller (2013) refers to general theory and middle-range theories to indicate a hierarchical division between theories. But what is it really that constitutes a theory?

Poole and Van de Ven (1989: 562) describe a theory as “a limited and fairly precise picture. It does not attempt to cover everything and would fail to meet the parsimony criterion if it did.” This points

to theory as constrained in space and claims. Poole and Van de Ven also indicate how researchers become linked to specific theories in their way of thinking. Wacker (1998: 364) refers to a theory as a “clear explanation of how and why specific relationships lead to specific events.” He goes on by describing theory as relying on four pillars: *definitions of concepts*, *domains of application*, *relationships among variables*, and *predictions or claims* that the theory can make (cf. Wacker, 2008). A theory needs clear definitions of concepts as these draw the boundaries of the theory both in terms of who and what are included as well as defining what is excluded. This first pillar is similar to how Poole and Van de Ven (1989) refer to constraints in claims and how researchers relate themselves to a specific theoretical domain. It furthermore specifies the context in which it is expected to hold, that is, where and when it is applicable. This can be defined as the domains of the theory and its boundaries. Poole and Van de Ven (1989) describe this as how a theory does not intend to cover everything. The third criterion for a theory to be precise is that it needs to describe how variables are related and why they are related so that it creates a network of relationships among variables and claims. The fourth and last criterion for a theory is that it needs to specify whether a specific event can occur, that is should, could or would a specific event occur. These two last criteria point to how Wacker (1998) relates theory to causality.

Depending on methodological considerations (ontology; epistemology), the causal claims between variables may differ. Cause and effect may construct time linear predictions, where the cause precedes the effect (Granger, 1969). In social science, several interrelated items may coincide and indicate, but not necessarily predict an effect (Jessop, 2005; Marsh & Furlong, 2002) and researchers may refer to tendencies rather than predictions (Easton, 1995; Easton, 2010). Researchers may also trace causes backwards based on observed phenomena (Welch, Piekkari, Plakoyiannaki & Paavilainen-Mäntymäki, 2011). Hunt (1983: 228) finds that Rudner (1966) writing on theories in

social science presents a consensual definition of theory: A theory is a systematic ally related set of statements, including some law-like generalization, that are empirically testable. The purpose of theory is to increase scientific understanding through systematized structure capable of both explaining and predicting phenomena. Hunt (1983: 227) also, refers to Blalock (1969), who argues that “theories do not consist entirely of conceptual schemes or typologies but must contain law-like propositions that interrelate concepts of variables, two or more at a time. Furthermore, these propositions must themselves be interrelated.”

Hence, a theory could be understood as distinct with shared definitions, domain limitations, explanations, and their predictability, where explanations may, based on methodological point of view, have more or less precise causal claims. While Wacker (1998; 2008) bases his definition of theory on a positivistic approach, we rely on his pillars (see Table 1) since he seems to be one of very few authors that actually define theory (see Table 1), with or without some modification, appear directly or indirectly in other discussions on theory and theory development. We use these four pillars to conclude whether the network approach is a theory or not (cf. Naor, Bernardes & Coman, 2013 on the evaluation of theory of constraint), and see them broadly in the sense that predictability may take different forms.

**Table 1:** What constitutes a theory? Modified from Wacker ( 1998; 2008).

Property of theory	Concern	Explanation
Definitions	Who and what	Does the theory have a distinct set of variables? Are concepts given the same meaning by different researchers?

Domain	When and where	What areas does the theory cover? Does a specific set of researchers lend themselves to the theory?
Relationships	How and why	How are different variables connected to one another? What is explained?
Predictions	Should, could, would	Causal claim among variables; does A lead to B; Is A embedded in B, etc. Explanatory power.

## **Examples of frameworks within the network approach**

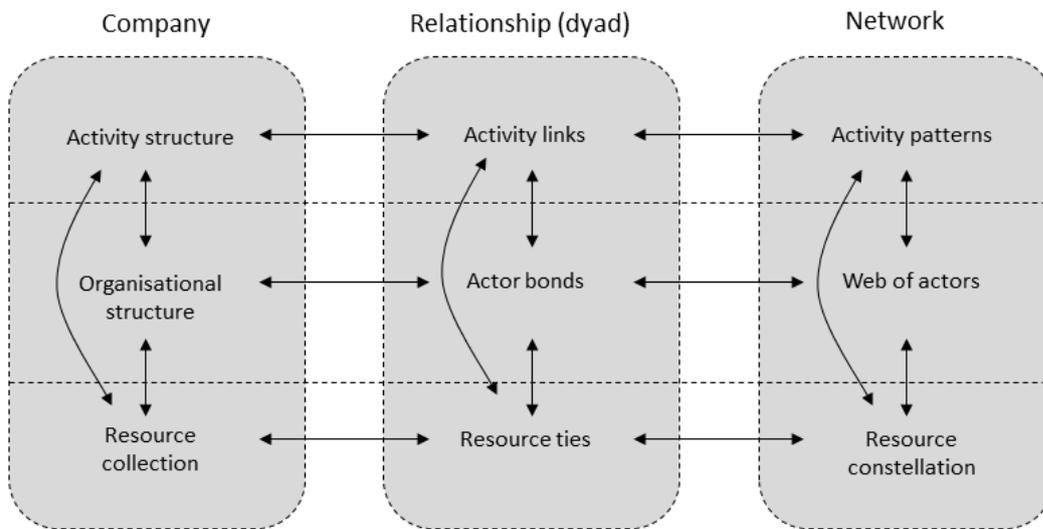
Theories can appear on different hierarchical levels (cf. Möller, 2013; Olsen, 2013), including general theories, and middle-range theories, where the latter is a link between empirical research and general theories. They can also be regarded as theoretical contributions expanding current understandings, but without constructing entirely new ways of thinking. In this paper, we focus our attention on two frequently referenced models/descriptions as part instances of early and continued IMP research: the ARA-model and the internationalization process. These were chosen as they remain frequently referenced and the original frameworks have been adapted to later developments. For each of the models, or descriptions, we thus put attention to their early sources of descriptions and one example of a more recent formulation. We have chosen the publication so that there is an overlap of authorship between the early and more recent publication.

### ***The ARA-model***

The ARA framework (see Håkansson & Snehota 1995) is based on prior IMP-related empirical research during two decades. There are also presentations of the essentials of this framework in

earlier publications (e.g. in Håkansson & Johanson 1992). The ARA model is about how business relationships can be explained using a “network approach” (Håkansson & Snehota a.a.) including the effects on individual business relationships by other relationships in the network. Håkansson and Snehota pinpoint that they take a ‘relationship view’, implying that it is based on how business relationships are developed by companies and voluntarily created. A business relationship exists if there is a mutually oriented interaction between two reciprocally committed parties over time. These relationships create interdependencies over time in terms of technology, knowledge, social relations, administrative routines and legal ties, and in some respects constrain and in other respects create opportunities. Episodes in relationship and relationship processes are triggered by interdependencies.

The framework (see Figure 1) depicts the substance and function of relationships. The *substance* of relationships is described as three interdependent *layers* that add up to a business relationship and can be used to assess, predict or explain the importance of the relationship: activities (links); resources (ties); and actors (bonds). The interplay between the layers is at the origin of the development of relationships. The *function* of a relationship refers to who is affected function; for the two companies their activity structure, resource collection, organizational structure; for the dyadic relationship the activity links, actor bonds and resource ties are affected; and for third parties, that are directly or indirectly linked to a focal relationship. This focal relationship has a *network* due to structure and dynamics of the activity pattern, resource constellation and web of actors. The functions concur and can be more or less pronounced in a specific relationship. There is reciprocal conditioning between layers of substance and functions of relationships.



**Figure 1:** The ARA-model, (Håkansson and Snehota ,1995: 47).

There is large variation between business relationships; they are heterogeneous, and the link between relationships and performance works both ways. Structural characteristic of a business relationship are continuity, complexity, symmetry, and informality. Process characteristics are adaptations, cooperation and conflict, social interaction, and routinization.

Connectedness of business relationships is a heterarchical, dynamic structure with no given center and an open structure that is enacted. It is a product of past connections and evolves over time in a path dependent manner. Management in this complex connected relationship context is labelled as coping. Relationships cannot be unilaterally controlled by one company. The dynamic influence of network functions needs to be coped with.

The ARA-model is widely referenced. Håkansson and Snehota (1995) have more than 3,000 citations in Google Scholar. In one stream of research the activity layer has been focused (e.g. Dubois,1998)

and in one, later the resource layer (e.g. Baraldi, 2003). The impressive number of citations also suggests that ideas have subsequently been added to the framework, potentially affecting its core message or redirecting its focus. Also the original framework has been presented in a revised version: Håkansson et al. (2009) with Håkansson and Snehota as two of five co-authors. While *business relationship* is the key concept in the 1995 publication, the key concept in the 2009 book is *interaction* within the ARA framework. A *rain-forest* metaphor is used to characterize the context (here denoted by a wider metaphor, *business landscape*) in which business interaction occurs. According to the preface of Håkansson et al. (2009) the authors indicate that, even if their basic understanding of the business phenomena was similar when they began the book project, they discovered many differences among themselves in how to understand them and how to articulate this understanding. The rainforest metaphor stresses interdependence and interaction between a great variety of species designed for a life in relation to each other. The three main features are variety, motion and relatedness. Interaction is the major process in business life to deal with these features. These concepts are somewhat different from the key concepts in 1995: heterogeneity, dynamics (time, change), and interdependence even if they reflect similar meanings. For each of the layers in the ARA model a set of basic propositions is offered and a number of empirically based conclusions about the nature of interaction are drawn, such as about resource interaction as an evolutionary process, about activity interaction as balancing processes and about actor interaction in a narrow and wider network context.

### ***Internationalization***

One of the early developments of IMP research concerned internationalization (Håkansson 1982). This can be explained by the international composition of the first IMP project and the initially close

link to international business research at Uppsala in the 1970s and 1980s. However, Håkansson (1982) is focused on dyadic interaction and the original Uppsala theory of internationalization (Johanson & Vahlne, 1977) is not explicit about network effects.

Johanson and Mattsson (1988) refer in the title to *a network approach* to internationalization. The principal ideas were presented by the authors in the inaugural session of the first IMP conference in Manchester 1984 and in revised version in the book emanating from this conference (Johanson & Mattsson 1986). The analysis is based on three connected propositions on markets as networks: (1) individual firms are dependent on exchange relationships with other firms; (2) exchange relationships are external assets (market assets) that require efforts and time to establish and develop in investment processes (Johanson & Mattsson, 1985); (3) exchange relationships are directly and indirectly connected, forming dynamic market networks. The concept internationalization of the firm is defined as increasing level of international extension, international penetration and international integration. This general claim implies that internationalization of the firm is dependent on its own degree of internationalization and the degree of internationalization of the firm's network context. Internationalization is understood as an investment process in which market assets (network relationships) are developed and used.

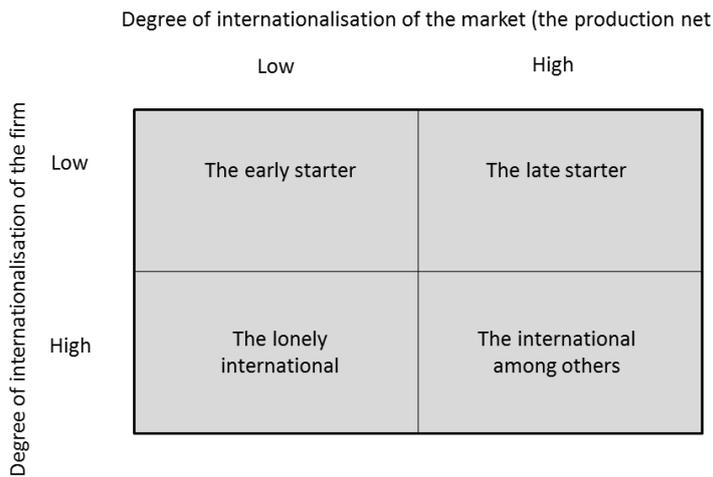


Figure 2: Internationalization in a network perspective (Johanson & Mattsson 1988).

The implication of viewing markets as networks in which the firm is embedded infers that: (1) the earlier the firm internationalizes (“the early starter”, the “lonely international”) in relation to internationalization of the network context the more gradual is the internationalization process, temporally and spatially, as regards commitment of resources; (2) the higher the degree of internationalization of the firm and internationalization of the context (“the international among others”), the more internationalization is a matter of increased international integration (e.g. through mergers, acquisitions, and strategic alliances) and increased penetration on each market; and (3) the later the firm internationalizes (“the late starter”) in relation to internationalization of its context, the more its internationalization process is dependent on relationships to already internationalized counterparts which serves to speed up international extension and reduces the influence of spatial proximity (see figure 2).

Johanson and Mattsson compare the network approach to internationalization with two other theories: the *Internalization theory* basing its assumptions on the transaction cost approach to

explain the multinational firm (e.g. Rugman 1982) and the *Uppsala internationalization* process theory explaining the process as interaction between increase in market knowledge and increase in market commitment. They find them both to disregard the role of internationalization of the context, i.e. they are unfit to handle the Late Starter and the International Among Others-cases. In later developments the original Uppsala theory has been developed to handle network effects (Johanson & Vahlne 2009).

Johanson & Pao (2012) in a review of IMP contributions to internationalization of business find Johanson & Mattsson (1988) to be one of the two most influential publications. The article has been rather widely cited (approximately 1,600 in Google Scholar). The other is Johanson & Vahlne (1977). It is likely, as was the case for ARA inspired research, and the Uppsala internationalization model, that the original framework has been changed, developed and adapted to research progress and changes in business conditions.

An example is Andersson and Mattsson (2006) that describes and analyses internationalization of an individual wholesaling firm as a process embedded in contemporary internationalization of suppliers, customers and other wholesalers. It is thus based on the same general proposition as Johanson and Mattsson (1988: 309) about internationalization of a firm as embedded in internationalization of the network, but with one major contribution in that they put forward the importance of timing. They add to the previous research by stating that “to understand timing of strategic action is to explicitly consider how interdependence between partly and imperfectly pre-planned sequences of two or more actors are coordinated”. Hence they make three additions to the previous network approach to internationalization: (1) *temporality* (timing, sequencing); (2) actors’ *cognitions* (time horizon,

network horizon, network theory), and (3) *strategic actions* (actions aimed at influencing relationships to other actors).

## **So is the network approach a theory?**

Håkansson and Snehota (1995: 4) state that the book consists of contributions made by different researchers and that it therefore does not present one unified and integrated approach concluding that “Such a consensus is as yet far away.” Almost two decades later Ford and Mouzas (2013: 433) conclude that this unified and integrated approach is still missing; “there is no coherent theoretical structure that could form a basis for the empirical investigation of business networking or that could express the concept in a form of value to practitioners or explain how it relates to the conventionally defined tasks of marketing and purchasing.” Since the network approach is used in explaining such broad spectra of phenomena spanning from marketing and purchasing, technology development, and internationalization processes it can be concluded that the network approach is a widely used term. In order to grasp the network approach and in answering the question of whether it is a theory or not, this article has focused on analyzing the ARA-framework and the internationalization model, both using the network approach. Although there is much consensus within the network approach there are also disagreements in how the networks are defined and how they are used.

Table 2 analyses the models/descriptions in terms of Wacker’s (1998) definition of a theory. As the table indicates, there are certain *definitions* that transfer through the different models, and also stand the test of time, while others develop or even contrast one other. One example of the latter is the description of the “market”. The internationalization model explicitly refers to the “market as a network”, while markets as concept is visibly absent from the ARA-framework. The discussion on

market reaches beyond these examples. According to Ford and Håkansson (2006) an interaction view challenges the view that firms act in markets. Rather, they argue that relationships cannot be managed but are the outcome of doing business and therefore cannot be controlled by any business organization. Araujo (2007) on the other hand indicates that markets are constructed through exchanges and become institutional sites for where marketing practices create the markets. This view is in line with the one presented by Kjellberg & Helgesson (2007) discussing market practices and describing markets as actors' perceptions based on interactions. In comparing the original descriptions with the more recent publications, there are shifts in focus (see the ARA-framework going from business relationship to interaction), or as in the case of internationalization: extension and specification (the adding of the time dimension and propositions becoming more precise).

As for the *domains*, both the ARA-framework and the internationalization process act in the business-to-business area. They are both cited beyond the domain of researchers acknowledging themselves to the IMP idea, with the internationalization process being described in International Business research (e.g., Barkema & Vermeulen, 1998), and the ARA-framework in marketing and organization studies (Cannon & Homburg, 2001; Tsai & Ghoshal, 1998), for instance. In terms of origins, both the ARA-framework and the internationalization process rely on the thoughts developed in Håkansson (1982), in turn referring to inter-organizational theory and institutionalism as sources of origin and discussed as reasons to object to or to further explore. Hence, the network approach has been influenced by a number of different theories and has progressed by relating to and reacting to other theories.

Both models/descriptions indicate multifaceted *relationships* between variables. Basic assumptions point at uniqueness of relationships and networks, which means that *predictions* and relationships

among variables are complex, while the internationalization process proposes some links between variables. This in turn points to different causal claims than those outlined by Wacker (1998), and further in how theory may not be based on simplifications, but rather on complexity (cf. Axelrod & Cohen, 2000).

**Table 2:** Analyzing the ARA-framework and the Internationalization process – Criteria from Wacker (1998; 2008).

<b>Property of theory</b>	<b>The ARA-model</b>	<b>Internationalization</b>
Definitions	<p><i>ARA presents a distinct even if extensive set of variables that are given a theoretical meaning, for some variables somewhat implicit and problematic to operationalize. A comparison between 1995 and 2009 shows some differences in key concepts, 2009 more focus on interaction than on relationship, on variety rather than heterogeneity. Structure plays a more important role in 1995 than in 2009.</i></p> <p>Are concepts given the same meaning by different researchers? <i>The two books cited are written by partly same authors and we suggest that the change from relationship to interaction as a focal determinant of relationship and network effects conveys changes in meaning of e.g. interdependence between layers. To what extent, in a wider IMP research network key concepts like relationship and interaction are given the same theoretical meaning over time and</i></p>	<p><i>The internationalization process models sets out to explain how the internationalization of a company is affected by the network contexts in which the company is embedded. A comparison between 1988 and 2006 shows a shift in focus from relationships and investments as the key concepts to one where actors' cognitions of networks and strategic actions are emphasized.</i></p> <p><i>The concepts are distinct but like the ARA-model are hard to operationalize.</i></p>

	<i>how concepts are operationalized is not clear. In ARA the concepts “net”, “market”, “competition” used in other IMP research are not included.</i>	
Domain	<p><i>The areas are broad in terms of type of business phenomena (marketing, purchasing, product development, innovation, organization, distribution, internationalization) and these phenomena are covered by ARA as interactive processes in time and space.</i></p> <p><i>Does a specific set of researchers lend themselves to the theory? Yes but not a homogeneous set of researchers!</i></p>	<p><i>The areas covered are more distinct than in the ARA-model, explaining when and how the company enters into a foreign country and has a business-to-business focus.</i></p> <p><i>The researchers applying a markets-as-networks approach to explain the phenomena of internationalization processes come from dispersed parts within internationalization business and thus are referred to outside the IMP tradition. There are also researchers lending themselves to this perspective.</i></p>
Relationships	<p><i>ARA is a rather complicated set of variables connected to each other in mostly mutual, reciprocal interdependencies. There are many double headed arrows.</i></p> <p><i>The purpose is to explain the effect of networks on business relationships in ARA 1995 and in 2009 the purpose is to explain the effect of interaction.</i></p>	<p><i>There are basic assumptions on the view of markets and causal claims between variables exist.</i></p> <p><i>The internationalization is explained as dependent on the relationships existing in the network context. These relationships are in turn affected by the dynamic network contexts. The relationships and networks explain the factors affecting the time and speed of internationalization of firms and markets.</i></p>
Predictions	<i>There are causal claims between variables and also basic reasons (based on empirical research, mostly cases, theories from a number of disciplines, and analytical reasoning) for such causal claims. The causal claims are not clear due to the</i>	<i>Just as with the ARA-model the basic assumption is that relationships are unique but the internationalization model is more specific in that it predicts the pattern of internationalization as a result of the degree of internationalization of the</i>

	<p><i>reciprocity and duality between variables, the undetermined boundaries in time and space rather indeterminate.</i></p> <p><i>As the basic assumption is that all relationships are unique, the argument is that relationships cannot be planned a priori but rather is a matter of building in flexibility within the firm. Hence, the predictions are vague and rather indicate a perspective than a theory.</i></p>	<p><i>network context.</i></p> <p><i>But in contrast to the predictions as defined by Wacker (1998) there are though causal claims but it does not develop a platform for testing the explanatory power of the model.</i></p>
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The discussion above shows that neither the ARA framework, nor the internationalization frameworks are theories. Does this indicate that business network studies in the IMP tradition is indeed an *approach* rather than one or more theories? To answer this, we need to define what is meant by an approach. For our purposes, disregarding meanings implying increased proximity in time and space, the following is chosen: “Way of dealing with a situation or problem” (Oxford English dictionary 2014). For scientific activities we interpret “way of dealing” to be about methodology (in a wide sense) and that “situation or problem” refers to a real life phenomenon. An approach would describe how the researcher considers the phenomenon studied; it describes the “glasses” of the researcher. Related to networks, this would mean that the researcher sees companies as interconnected and interrelated in webs of companies. This is similar to how Churchman (1968) wrote about the systems *approach*. In a book on the systems approach and its enemies (1979), he argues that enemies (in policy and research arenas) of the systems approach (that stresses a holistic view) is that they: hold a more limited world view, in the academia often due to limitations imposed by accepted theories and methods; and do not regard it as a realistic possibility to rationalize the

whole system. The systems approach employs models, usually mathematical models, to holistically analyze a system. The network attribute of an approach requires that *not only* the phenomenon a priori is perceived as in some sense “ network dependent” *but also* that the method , including the conceptual framework, is valid for understanding network aspects of a phenomenon.

In using the terminology approach, it is implicitly suggested that this is a viewpoint of researchers and the glasses they use to explore business-to-business interactions. Is this how the network approach has been used by researchers? We return to the two models/descriptions analyzed in this paper and select two articles for each framework – one by IMP researchers and one beyond the business-to-business marketing domain that have cited their original work, in order to see how these scholars have used the models (selections were here made by identifying the journal articles that are the most cited in each group). Nahapiet and Ghoshal (1998) refer to Håkansson and Snehota (1995) in their theoretical background discussion on social capital. Bengtsson and Kock (2000) cite the same publication in their theoretical framework and development of hypotheses. Lundvall and Johnson (1994), and Johanson and Vahlne (1990) refer to Johanson and Mattsson (1988) as part of their literature reviews. While these are only a few, limited examples, nothing indicates that the network approach is seen as a methodology employed. Rather, the articles by Johanson and Mattsson (1988) as well as Håkansson and Snehota (1995) are referred to as theories in the articles.

To conclude the above this does not lend support to the argument that the network approach is an approach rather than a theory. Going further in trying to answer the question on how to treat the network approach we return to the IMP Group’s own articles. If we look further at how researchers within the IMP tradition refer to the network, we find that researchers describe it as their theoretical framework, rather than the methodology they employ. Additionally, in describing the development

of the interaction approach, the IMP Group (in Ford, 2002: 20) states "Our theoretical framework...". Although pointing at the theoretical framework their definition and description of their view ends in an approach. Furthermore, Ford and Mouzas (2013)'s title of their article is "The theory and practice of business networking". Dubois and Gibbert (2010) also refer to theory as they develop how case study method, theory and the empirical phenomena interplay with each other as they discuss case research as a way to develop research within industrial marketing. Johnston et al. (1999:201) argue for how case studies can be used to test theories and thereby making case studies "theory-based, systematic, rigorous, and more objective." In the latest issue of IMP's own journal one of the articles discuss the IMP as a theory and compares it to systems theory and process theory (Olsen, 2013).

Researchers thus occasionally refer to the network approach as a theory, and they also, in general, include references to different models or developments of the network approach in their theory section, rather than as part of their methodological reflections. Still, developments in the area do not indicate an increased unification of ideas (cf. Ford & Mouzas, 2013), and researchers acknowledging themselves to the IMP group continue to integrate network approach ideas with theory from other areas (e.g., cognition; Henneberg, Mouzas & Naudé, 2006), as well as emphasizing different models or perspectives.

We pointed to different hierarchical levels of theory previously – middle-ranged theory and general theory, for instance (Möller, 2013; Olsen, 2013). Are the different emphases an indication that the network approach is not one, but several theories? There are many "network approach" specifications of the phenomenon to be studied, such as industrial, market, business, social, innovation, management and also many methods applicable to a network approach. Furthermore instead of network approach concepts like interactive approach or relational approach a specific

phenomenon is used. Thus the network approach may be considered as an umbrella for network theories (many phenomena, many methods and a variety of concepts). The network approach may result in theoretical development in terms of delimitation of the domain and interrelation between concepts in a statement and interrelation between statements and some “tests” of these. However, the network theory is never complete; more studies with a network approach are needed as among other was also concluded by Wuehrer and Smejkal (2013) in their bibliometric review of the research presented at IMP conferences. Developments indicate disparate foci and continued disagreements in terms of concepts, rather than a unification of ideas. Also such frameworks as the ARA-model and the internationalization process are continuously developed.

To conclude this paper, we point to how the network approach may not as of yet be seen as a theory, but rather a group of (middle-range) theories expressed in models and frameworks. The observation made by Håkansson and Snehota (1995) on it not being unified and integrated still applies, and developments do not point to increased shared concepts or domains, but rather is dispersed and continues to emphasize and integrate with other theories. But while history does not speak for the network approach as one theory, describing it as an approach may be as incorrect, especially based on how researchers refer to the literature and its previous developments, as well as based on how an approach points to methodological concerns rather than how researchers integrate the network approach into their research.

### ***Does it matter?***

Does it matter whether the network approach is one or several theories, or an approach? One apparent consequence is that researchers would need to depend on other theories to advocate their

point of departure in deductive research if the network approach is an approach. Here discussions need to go further in how theory and methodology are and should be integrated, understood and practiced among researchers lending themselves to a research tradition such as IMP. If the network approach is further exploited and developed it could imply that the ideas within the network approach could reach a stronger position in research, spread and be applied in a broader spectra of research. Hence, the risk that the IMP research disappears as the ideas are being integrated in other theories could be eliminated by taking a stance as either being a theory or an approach where a new attempt to reach a unified view on definitions and relationships could be a way to reach this.

### ***Further research***

In this paper, we focused attention to the ARA-model and the internationalization idea. Other models or central ideas could be evaluated to further establish the network approach and whether or not it constitutes a theory. Discussions could and should continue in terms of integration of ideas, their spread, conflicts in meaning, etc., and their impact on the development of the network approach as a theory, or several theories.

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